



DEVONIAN HEALTH GROUP INC.

Interim Condensed Consolidated Financial Statements for the three-month periods ended

October 31, 2025, and 2024

(Unaudited)



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE THREE-MONTH PERIODS ENDED ON OCTOBER 31, 2025 AND 2024**

Statement concerning the interim condensed consolidated financial statements.

Management has prepared the accompanying interim condensed consolidated financial statements of Devonian Health Group Inc. which include the interim condensed consolidated statement of financial position as at October 31, 2025 and as at July 31, 2025 and the interim condensed consolidated statement of net loss and comprehensive loss, changes in equity and cash flows for the three-month periods ended October 31, 2025 and 2024. No auditing firm has reviewed or audited these interim condensed consolidated financial statements.

Devonian Health Group Inc.

Interim Condensed Consolidated Statements of Financial Position

As at October 31, 2025 and July 31, 2025

(Unaudited)

	October 31, 2025 \$	July 31, 2025 \$
Assets		
Current assets		
Cash and cash equivalents	6,642,808	6,983,620
Accounts receivable (note 4)	1,374,475	1,133,759
Tax credits receivable	222,745	368,994
Deferred financing charges	138,158	-
Inventories	30,423	34,513
Prepaid expenses	94,096	203,404
	<u>8,502,705</u>	<u>8,724,290</u>
Property, plant, equipment, and right-of-use assets	2,165,746	2,203,143
Intangible assets	<u>4,902,104</u>	<u>4,902,870</u>
	<u>15,570,555</u>	<u>15,830,303</u>
Liabilities		
Current liabilities		
Accounts payable (note 5)	5,856,261	6,533,602
Income tax liability	-	33,229
Current portion of lease liability	<u>48,417</u>	<u>47,648</u>
	5,904,678	6,614,479
Lease liability	<u>65,806</u>	<u>78,156</u>
	<u>5,970,484</u>	<u>6,692,635</u>
Shareholders' Equity		
Share capital (note 6)	31,399,122	30,438,321
Stock options (note 7)	2,663,081	2,663,081
Warrants (note 8)	1,243,167	371,487
Contributed surplus	9,119,808	8,930,758
Deficit	<u>(34,825,107)</u>	<u>(33,265,979)</u>
	9,600,071	9,137,668
	<u>15,570,555</u>	<u>15,830,303</u>

Material uncertainty related to going concern (note 1)

Approved by the Board of Directors

(s) Dennis Turpin, Director

(s) André Boulet, Director

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

Devonian Health Group Inc.

Interim Condensed Consolidated Statements of Net Loss and Comprehensive Loss For the three-month periods ended October 31, 2025 and 2024

(Unaudited)

	October 31, 2025 \$	October 31, 2024 \$
Distribution revenues	1,052,243	6,120,781
Cost of sales (note 3)	522,131	4,144,574
Gross margin	530,112	1,976,207
Operating expenses		
Research and development expenses	460,271	494,131
Selling and administrative expenses	1,663,649	2,051,224
Financial expenses (note 9)	3,913	125,895
Loss from operations	(1,597,722)	(695,043)
Interest income	(38,593)	(88,377)
Net loss and comprehensive loss	(1,559,128)	(606,666)
Net loss per share (note 10)		
Basic and diluted	(0.009)	(0.004)

Additional information to the interim consolidated statements of net loss and comprehensive loss

(notes 1, 3 and 10)

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

Devonian Health Group Inc.

Interim Condensed Consolidated Statement of Changes of Equity

For the three-month periods ended October 31, 2025 and 2024

(Unaudited)

	Number of				Amount						
	Shares	Shares to be issued	Stock options	Warrants	Share capital	Shares to be issued	Stock options	Warrants	Contributed surplus	Deficit	Total
					\$	\$	\$	\$	\$	\$	\$
<i>For the three-month period ended October 31, 2024</i>											
Balance as at July 31, 2024	148,222,532	-	16,587,721	12,941,850	29,838,321	-	2,071,861	862,261	8,340,731	(27,253,188)	13,859,986
Stock-based compensation	-	-	3,298,611	-	-	-	395,833	-	-	-	395,833
Warrants expired	-	-	-	(201,982)	-	-	-	(20,274)	20,274	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(606,666)	(606,666)
	-	-	3,298,611	(201,982)	-	-	395,833	(20,274)	20,274	(606,666)	(210,833)
Balance as at October 31, 2024	148,222,532	-	19,886,332	12,739,868	29,838,321	-	2,467,694	841,987	8,361,005	(27,859,854)	13,649,153
<i>For the three-month period ended October 31, 2025</i>											
Balance as at July 31, 2025	148,222,532	3,999,999	21,878,143	4,339,770	29,838,321	600,000	2,663,081	371,487	8,930,758	(33,265,979)	9,137,668
Subscription of units	-	(3,999,999)	-	-	-	(600,000)	-	-	-	-	(600,000)
Issuance of shares (note 6)	17,720,981	-	-	-	1,605,570	-	-	-	-	-	1,605,570
Issuance of warrants (note 8)	-	-	-	17,720,981	-	-	-	1,091,930	-	-	1,091,930
Issuance cost in cash	-	-	-	-	(44,769)	-	-	(31,200)	-	-	(75,969)
Warrants expired (note 8)	-	-	-	(2,452,007)	-	-	-	(189,050)	189,000	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	-	-	-	-	(1,559,128)	(1,559,128)
	17,720,981	(3,999,999)	-	15,268,974	1,560,801	(600,000)	-	871,680	189,000	(1,559,128)	462,403
Balance, as at October 31, 2025	165,943,513	-	21,878,143	19,608,744	31,399,122	-	2,663,081	1,243,167	9,119,808	(34,825,107)	9,600,071

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

Devonian Health Group Inc.

Interim Condensed Consolidated Statement of Cash Flows For the three-month periods ended October 31, 2025 and 2024

(Unaudited)

	October 31, 2025 \$	October 31, 2024 \$
Cash flows from		
Operating activities		
Net loss	(1,559,128)	(606,666)
Items not affecting cash:		
Amortization of property, plant, equipment, and right-of-use asset	37,398	77,530
Amortization of intangible assets	766	11,615
Interest on convertible debentures	-	36,164
Interest on lease liability	1,860	2,585
Stock-based compensation	-	395,833
	<u>(1,519,104)</u>	<u>(82,939)</u>
Net change in non-cash working capital items (note 13)	<u>(829,798)</u>	<u>2,706,216</u>
<i>Cash provided by (used in) operating activities</i>	<u>(2,348,902)</u>	<u>2,623,277</u>
Investing activities		
Acquisition of property, plant, and equipment	<u>-</u>	<u>(17,350)</u>
<i>Cash used in investing activities</i>	<u>-</u>	<u>(17,350)</u>
Financing activities		
Principal payments on lease liability	(13,441)	(13,443)
Issuance of shares and warrants, net of issuance costs (note 6, 8)	<u>2,021,531</u>	<u>-</u>
<i>Cash provided by (used in) financing activities</i>	<u>2,008,090</u>	<u>(13,443)</u>
Increase (decrease) in cash	(340,812)	2,592,484
Cash and cash equivalents– Beginning of period	<u>6,983,620</u>	<u>9,862,511</u>
Cash and cash equivalents– End of period	<u>6,642,808</u>	<u>12,454,995</u>

For the period ended October 31, 2025, cash flow from operating activities includes interest paid of nil (2024 - \$84,136).

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

Devonian Health Group Inc.

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

1 Statutes of incorporation, nature of activities and material uncertainty related to going concern

Devonian Health Group Inc. (“Devonian” or the “Company”) was incorporated under the *Business Corporations Act* (Québec) on March 27, 2015. On May 12, 2017, the Company was continued under the *Canada Business Corporations Act*.

On December 31, 2024, following a corporate reorganization, Altius Healthcare Inc, the fully owned subsidiary of Devonian, transferred all its assets and liabilities to Altius Healthcare LP (Altius), a limited partnership where Devonian is the ultimate holder of 100% of the units.

Devonian main activity is the development of drugs for auto-immune inflammatory conditions. It is also involved in the development of value-added products for dermo-cosmetics and the distribution of pharmaceutical products through its subsidiary Altius. The Company has established a research effort focused towards new solutions in the medical sector as well as in the cosmetic sector. The Company’s head office is located at 360, Rue des Entrepreneurs, Montmagny, Quebec.

These interim condensed consolidated financial statements (the “consolidated statements”) have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business for the foreseeable future. Accordingly, these consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or on the discharge or classification of liabilities, should the Company be unable to continue its normal course of business. The company is engaged in the development of botanical drugs and will need to obtain necessary financing to continue its operations until the commercialization phase of its products. The Company has incurred losses since its inception and expects this situation to continue for the foreseeable future. The Company’s liquidity is limited to its ongoing operations and related activities. Consequently, the Company’s ability to continue as a going concern depends also on its ability to source products from its pharmaceutical suppliers, its ability to distribute its products and generate positive cash flows, its ability to obtain further financing in a timely manner in order to complete research and development projects, and to market its developed products. There is no assurance about that.

Management continues to discuss further financing and to enter into various agreements that could generate positive cash flows. The Company’s ability to successfully complete such financings and agreements is subject to significant uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities in the normal course of operations. Such adjustments could be material.

2 Significant accounting policies

Declaration of compliance

The consolidated financial statements have been prepared in accordance with *International Accounting Standard 34*, Interim Financial Reporting. As a result, certain information and notes normally included in annual financial statements prepared in accordance with IFRS, as published by IASB, have been omitted or summarized. These consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the years ended July 31, 2025, and 2024.

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Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited)

These interim consolidated financial statements were adopted by the board of directors on December 11, 2025.

Significant accounting policies

The interim consolidated financial statements were based on the significant accounting policies described in the Company's consolidated financial statements for the year ended July 31, 2025 and 2024.

Use of estimates and judgments

The preparation of interim consolidated financial statements requires management to use judgment, make estimates and make assumptions that affect the application of accounting policies and the carrying value of assets, liabilities, revenues and expenses. Actual results could differ from estimated results. Significant accounting judgments and estimates applied by the Company are presented in the consolidated financial statements for the years ended July 31, 2025 and 2024 and remain unchanged. Estimates and underlying assumptions are reviewed regularly. Any revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected by such revisions.

3 Additional information to the interim consolidated statements of net loss and comprehensive loss

The interim consolidated statements of net income and comprehensive income include the following items:

	October 31, 2025 \$	October 31, 2024 \$
Research and development – Amortization of property, plant and equipment and right-of-use asset	37,398	77,530
Administrative expenses – Salaries and employer's contributions	373,720	416,283
Administrative expenses – Stock-based compensation	-	395,833
Research and development expenses – Salaries and employer's contributions	87,480	129,330
Cost of sales – Profit sharing & royalties	103,449	1,165,184
Cost of sales – Cost of inventories	383,891	2,888,533
Cost of sales – Logistic expenses	34,025	79,243
Cost of sales – Amortization of intangible assets	766	11,615

4 Accounts receivable

	October 31, 2025 \$	July 31, 2025 \$
Trade	1,202,037	475,884
Sales taxes	153,073	579,392
Interest receivable	19,365	78,483
	<u>1,374,475</u>	<u>1,133,759</u>

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October 31, 2025

(Unaudited)

5 Accounts payable

	October 31, 2025 \$	July 31, 2025
Suppliers	3,518,418	4,356,518
Accrued expenses	1,941,950	2,079,154
Salaries, payroll deductions and contributions	395,893	97,930
	<u>5,856,261</u>	<u>6,533,602</u>

6 Share capital

Description of authorized share capital

An unlimited number of ordinary, participating shares, without par value, carrying a non-cumulative dividend.

	October 31, 2025 \$	July 31, 2025 \$
Share capital issued and subscribed		
165,943,513 shares (July 31, 2025 – 148,222,532)	31,399,122	29,838,321
Nil shares subscribed (July 31, 2025 - 3,999,999)	-	600,000
	<u>31,399,122</u>	<u>30,438,321</u>

On August 7, 2025, the company completed a private placement by issuing 15,753,332 units at a price of \$0.15 par unit for gross proceeds of \$2,363,000. Each unit consists of one common share and one warrant allowing its holder to acquire one common share, at a price of \$0.20 per share, until August 7, 2027.

The related issuance costs of \$43,366 were proportionately split between share capital and warrants and recognized as a reduction in their respective initial value.

The fair value of the 15,753,332 shares issued was estimated at \$1,386,235 using the residual method. The fair value of the 15,753,332 warrants issued was estimated at \$933,399 using the Black-Scholes valuation model and the following assumptions:

Risk-free interest rate	3.75%
Average expected duration	2 years
Expected volatility	149%
Share price	\$0.15
Expected dividend	\$nil

On October 22, 2025, the Company completed a non-brokered private placement for aggregate gross proceeds of \$334,500. The Offering consisted of the issuance of 1,967,649 units of the Corporation at a price of \$0.17 per

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Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

Unit. Each Unit consists of one common share of the Corporation and one Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Share at an exercise price of \$0.17 per Share for a period of 24 months from the date of issuance thereof.

The related issuance costs of \$32,603 were proportionately split between share capital and warrants and recognized as a reduction in their respective initial value.

The fair value of the 1,967,649 shares issued was estimated at \$174,566 using the residual method. The fair value of the 1,967,649 warrants issued was estimated at \$127,331 using the Black-Scholes valuation model and the following assumptions:

Risk-free interest rate	3.56%
Average expected duration	2 years
Expected volatility	153%
Share price	\$0.17
Expected dividend	\$nil

7 Stock option plan

The following table summarizes information about the options outstanding and exercisable as at October 31, 2025 and July 31, 2025:

Options outstanding and exercisable

Exercise price \$	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life October 31, 2025
0.12	751,645	751,645	5.16 years
0.125	3,765,610	3,765,610	8.09 years
0.145	500,000	350,000	8.64 years
0.15	5,686,562	5,046,562	7.78 years
0.16	3,298,611	3,298,611	8.94 years
0.19	1,535,715	1,535,715	9.15 years
0.20	785,000	785,000	7.37 years
0.21	675,000	675,000	4.76 years
0.34	50,000	50,000	7.19 years
0.40	920,000	920,000	6.05 years
0.50	2,700,000	2,700,000	6.15 years
0.60	1,210,000	1,210,000	2.69 years
	<u>21,878,143</u>	<u>20,388,143</u>	

Devonian Health Group Inc.

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

8 Warrants

The following table summarizes information about the Company's warrants and the changes during the three-month period ended October 31, 2025, and the year ended July 31, 2025, all of which are exercisable:

	October 31, 2025		July 31, 2025	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding, beginning of period	4,339,770	0,30	12,941,850	0,24
Issued	17,720,981	0,20	-	-
Expired	(2,452,007)	0,31	(8,602,080)	0,20
	19,608,744	0,19	4,339,770	0,30

The issuance of warrants in the three-month period ended October 31, 2025 is related to the private placements described in Note 6.

The following table summarizes information about warrants outstanding as at October 31, 2025 and July 31, 2025:

	Warrants outstanding as at Oct 31, 2025	
Exercise price \$	Number of warrants outstanding	Average remaining contractual life
0.17 to 0.20	19,212,979	0,36 to 1,98 years
0.52 to 0.69	355,766	0,26 to 1,46 years
0.95	39,999	0,87 year
	19,608,744	

	Warrants outstanding as at July 31, 2025	
Exercise price \$	Number of warrants outstanding	Average remaining contractual life
0.20 – 0.28	3,764,727	0.08 – 0.62 years
0.52 – 0.69	535,044	0.01 – 1.67 years
0.95	39,999	1.13 year
	4,339,770	

Devonian Health Group Inc.

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

9 Financial expenses

Financial expenses are as follows, for the three-month periods ended:

	October 31, 2025 \$	October 31, 2024 \$
Interest expenses and bank charges	2,053	3,010
Interest on long-term debt	-	84,136
Interest on lease liability	1,860	2,585
Amortization of financial cost	-	36,164
	<u>3,913</u>	<u>125,895</u>

10 Net loss and comprehensive loss per share

The following table provides the weighted average number of shares used to calculate the basic loss per share:

	October 31, 2025	October 31, 2024
Weighted average number of shares used to calculate the basic loss per share	<u>165,815,187</u>	<u>148,222,531</u>
Items excluded from the calculation of diluted loss per share:		
Stock options	21,878,143	19,886,332
Warrants	19,608,744	12,739,868

For the three-month periods ended October 31, 2025, and 2024, the impacts of the warrants and stock options were excluded from the calculation of diluted loss per share as they would have an anti-dilutive effect.

Devonian Health Group Inc.

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

11 Details of consolidated statements of cash flows

Changes in non-cash working capital

The changes in non-cash working capital items for the three-month periods ended October 31, 2025 and 2024 are as follows:

	October 31, 2025 \$	October 31, 2024 \$
Accounts receivable	(240,716)	(213,006)
Tax credits receivable	146,249	-
Inventories	4,090	3,040
Prepaid expenses	109,308	70,388
Interest reserve	-	53,601
Deferred financing fees	(138,158)	-
Accounts payable	(677,342)	3,182,193
Income tax payable	(33,229)	(390,000)
	<u>(829,798)</u>	<u>2,706,216</u>

12 Related party transactions

The principal executives are the Chairman and CEO of the Company, the President of the subsidiary Altius, the Chief Financial Officer, the EVP Strategy and the Directors. During the three months period ended October 31, 2025 the Company has paid its principal executives a total remuneration of \$638,125 (2024 – \$841,561), which has been recognized in administrative expenses and of which the main components are:

	For the three-month periods ended October 31,	
	2025 \$	2024 \$
Included in selling and administrative expenses		
Salaries and benefits	321,250	378,228
Severance	300,000	-
Stock-based compensation (note 10)	-	395,833
	<u>621,250</u>	<u>774,061</u>
Included in research and development expenses		
Salaries and benefits	<u>16,875</u>	<u>67,500</u>
Included in accounts payable		
Accrued salaries and expense reimbursements	381,679	4,769
Bonus	-	700,000
	<u>381,679</u>	<u>704,769</u>

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Notes to Interim Condensed Consolidated Financial Statements

October 31, 2025

(Unaudited)

13 Segment information

The Company is currently operating in a single reportable operating segment in Canada, which is the pharmaceutical sector.

The following table details the disaggregation of distribution revenues during the financial periods:

	For the three-month periods ended October 31,	
	2025 \$	2024 \$
Pantoprazole Magnesium	818,796	384,955
Cléo-35	98,275	37,341
Dexlansoprazole	135,172	5,698,485
	<u>1,052,243</u>	<u>6,120,781</u>

After the expiry of the distribution agreement for Dexlansoprazole in April 2025 the Company no longer have sales of the product. The sales amounts recorded in the period ended October 31, 2025 relate to reversals of program allowance accruals and other similar charges previously presented as reduction of sales.

14 Economic dependence

During the three-month period ended October 31, 2025, the Company realized 37% (2024 – 44%) of its revenues from one client and 98% (2024 – 99%) of its purchases of inventories from one supplier.