



Delivra Health Brands Inc.

Condensed Consolidated Interim Financial Statements (Unaudited)

For the three and nine months ended March 31, 2026 and 2025

(in Canadian dollars)

Delivra Health Brands Inc.

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Delivra Health Brands Inc.

Notice to reader

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

Delivra Health Brands Inc.

Condensed consolidated interim statements of financial position

As at March 31, 2026 and June 30, 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	March 31 2026	June 30 2025
		\$	\$
Assets			
Current assets			
Cash		2,639	3,302
Accounts receivable	3	2,203	3,340
Inventories	4	2,171	2,759
Prepaid expenses and deposits		112	177
		<u>7,125</u>	<u>9,578</u>
Property, plant and equipment	5	-	27
Total assets		<u>7,125</u>	<u>9,605</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	1,849	3,253
Loans payable	7	317	308
		<u>2,166</u>	<u>3,561</u>
Loans payable	7	2,017	1,805
Total liabilities		<u>4,183</u>	<u>5,366</u>
Equity			
Share capital	9	148,630	148,630
Other reserves	10	26,215	26,107
Accumulated other comprehensive loss		(21)	(146)
Accumulated deficit		(171,882)	(170,352)
Total equity		<u>2,942</u>	<u>4,239</u>
Total liabilities and equity		<u>7,125</u>	<u>9,605</u>

Going concern (note 2(c))

"Jason Bednar"
Jason Bednar, Director

"Gord Davey"
Gord Davey, Director

Delivra Health Brands Inc.

Condensed consolidated interim statements of loss and comprehensive loss

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	Three months ended March 31		Nine months ended March 31	
		2026	2025	2026	2025
		\$	\$	\$	\$
Revenue		1,247	3,095	6,887	9,012
Cost of sales		935	1,534	4,050	4,478
Inventory write-down	4	1	9	53	90
Gross profit		311	1,552	2,784	4,444
Expenses					
General and administration	8	954	1,027	2,980	2,938
Sales and marketing		307	410	1,119	1,647
Depreciation and amortization	5	-	326	27	978
Share-based compensation	10	28	71	108	214
		1,289	1,834	4,234	5,777
Loss from operations		(978)	(282)	(1,450)	(1,333)
Other (expense) income					
Interest and finance costs		(68)	(64)	(214)	(229)
Gain (loss) from extinguishment/ forgiveness of accounts payable		20	-	143	(58)
Foreign exchange (loss)		(2)	(76)	(9)	(89)
		(50)	(140)	(80)	(376)
Net loss		(1,028)	(422)	(1,530)	(1,709)
Other comprehensive gain (loss)-items that may be reclassified to profit and loss:					
Foreign currency translation		144	248	125	511
Comprehensive loss		(884)	(174)	(1,405)	(1,198)
Net gain (loss) per share – basic and diluted		(0.03)	(0.01)	(0.05)	(0.06)
Weighted average number of outstanding common shares (basic)		31,261,781	31,261,781	31,261,781	25,261,781

Delivra Health Brands Inc.

Condensed consolidated interim statements of changes in equity

For the nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	Number of shares #	Share capital \$	Other reserves \$	Accumulated other comprehensive gain (loss) \$	Accumulated deficit \$	Total
Balance, June 30, 2024		31,261,785	148,630	25,827	(101)	(169,162)	5,194
Share-based compensation	10	-	-	214	-	-	214
Foreign currency translation		-	-	-	511	-	511
Rounding of fractional shares after share consolidation		(4)	-	-	-	-	-
Net loss		-	-	-	-	(1,709)	(1,709)
Balance, March 31, 2025		31,261,781	148,630	26,041	410	(170,871)	4,210
Balance, June 30, 2025		31,261,781	148,630	26,107	(146)	(170,352)	4,239
Share-based compensation	10	-	-	108	-	-	108
Foreign currency translation		-	-	-	125	-	125
Net loss		-	-	-	-	(1,530)	(1,530)
Balance, March 31, 2026		31,261,781	148,630	26,215	(21)	(171,882)	2,942

Delivra Health Brands Inc.

Condensed consolidated interim statements of cash flows

For the nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	For the nine months ended	
		March 31	
		2026	2025
			\$
Operating activities			
Net gain (loss)		(1,530)	(1,709)
Adjustments to reconcile non-cash items			
Depreciation and amortization	5	27	978
Inventory write-down	4	53	90
Share-based compensation	10	108	214
Interest and accretion on loans and borrowings	7	234	231
Gain (loss) from extinguishment/forgiveness of accounts payable		(143)	(58)
Changes in working capital			
Accounts and lease receivable		1,039	28
Inventories		515	(420)
Prepaid expenses and deposits		65	(106)
Accounts payable and accrued liabilities		(1,256)	(509)
Net cash used in operating activities		(888)	(1,317)
Financing activities			
Repayment of loans and borrowings	7	(13)	(32)
Net cash used in financing activities		(13)	(32)
Effect of foreign exchange on cash		238	640
Change in cash during the period		(663)	(709)
Cash, beginning of the year		3,302	4,200
Cash, end of the period		2,639	3,491

Supplemental information:

- 1) During the nine months ended March 31, 2026, interest paid was \$5 (2025: \$7)
- 2) During the nine months ended March 31, 2026, there was no income tax paid (2025: \$0)

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

1. Nature of operations

Delivra Health Brands Inc. (“Delivra Health” or the “Company”) is a publicly traded corporation, incorporated in Canada, with its head office located at 404 – 999 Canada Place, Vancouver, BC, V6C 3E2. Delivra Health’s common shares are listed on the TSX Venture Exchange under the symbol “DHB” and on the OTCQB® Venture Market operated by OTC Market Group under the symbol “DHBUF”.

These unaudited condensed consolidated interim financial statements as at and for the three and nine months ended March 31, 2026 and 2025 include Delivra Health and its subsidiaries (together referred to as “the Company”).

The Company is in the health and wellness consumer packaged goods business. The Company provides innovative lifestyle and health and wellness self-care products to consumers and patients in regulated markets around the world through its subsidiaries: Dream Water Global (“Dream Water”) and Delivra Corp. (“Delivra”).

On January 27, 2025, the Company’s Board of Directors approved the consolidation of the Company’s issued and outstanding common shares at a consolidation ratio of ten (10) pre-consolidation common shares for every post-consolidation common share (the “Share Consolidation”). The change has been applied retrospectively and as a result, all disclosures of common shares, per common share data and data related to stock options, warrants in the accompanying consolidated financial statements and related notes reflect this share consolidation for all periods presented.

2. Material accounting policies

a) *Basis of presentation and statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements were approved and authorized for issue by the board of directors (“Board of Directors”) of the Company on May 29, 2026.

b) *Estimation Uncertainty*

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflict, trade restrictions and tariffs in other regions and heightened inflation. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

To date, the Company has not experienced a significant overall downturn in demand for its products in connection with such ongoing uncertainties, however, the Company cannot provide assurance that there will not be downturns or disruptions to its operations in the future.

c) *Basis of accounting – going concern*

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s ability to continue in the normal course of operations is dependent on its ability to achieve profitable operations and/or raise additional capital through debt or equity financings. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future.

The Company had a consolidated net loss of \$1,028 and \$1,530 for the three and nine months ended March 31, 2026 and negative operating cash flows of \$888 for the nine months ended March 31, 2026 and an accumulated deficit of \$171,882 as at March 31, 2026. The ability of the Company to continue as a going concern is dependent upon generating profit through its operations and/or obtaining additional financing through the issuance of debt or equity. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company or that profitable operations are not achieved. These matters result in material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company’s ability to realize assets at their recognized values, in particular intangible assets, and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

2. Material accounting policies (continued)

d) *Basis of measurement*

These condensed consolidated interim financial statements are presented in Canadian dollars and are prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

e) *Basis of consolidation*

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries. The accounts of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Intercompany transactions, balances and unrealized gains or losses on transactions are eliminated.

Subsidiary	Jurisdiction	% ownership	Accounting method
Dream Products Inc.	Canada	100%	Consolidation
Dream Products USA Inc.	USA	100%	Consolidation
Sarpes Beverages, LLC	USA	100%	Consolidation
Delivra Corp.	Canada	100%	Consolidation
Delivra Inc.	Canada	100%	Consolidation
Delivra Pharmaceuticals Inc.	Canada	100%	Consolidation
LivCorp Inc.	Canada	100%	Consolidation
LivCorp International Inc.	Canada	100%	Consolidation
LivVet Inc.	Canada	100%	Consolidation
PortaPack Ltd.	Canada	100%	Consolidation
United Greeneries Holdings Ltd.	Canada	100%	Consolidation
United Greeneries Operations Ltd.	Canada	100%	Consolidation

3. Accounts receivable

The summary of the Company's accounts receivable is as follows:

	March 31 2026	June 30 2025
	\$	\$
Trade receivables	1,919	3,134
Taxes recoverable from governments	284	206
	2,203	3,340

The Company provides credit to its customers in the normal course of business and has mitigated this risk by managing and monitoring the underlying business relationships. At the reporting date, there was \$nil trade receivable write-down (March 2025 - \$nil). At reporting date, the Company assessed the collectability of the balance and concluded that none of the receivables were uncollectible.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

4. Inventories

The summary of the Company's inventories is as follows:

	March 31 2026	June 30 2025
	\$	\$
Infused licensed products		
Raw materials and work-in-progress	79	-
	79	-
Liquid sleep shots and sleep powder packets		
Finished goods	1,269	1,787
	1,269	1,787
Pain relief creams		
Raw materials and work-in-progress	327	271
Finished goods	526	737
	853	1,008
Packaging and supplies	167	159
Inventory allowance	(197)	(195)
	2,171	2,759

a) *Allowance and write-downs*

During the three and nine months ended March 31, 2026, the inventory write-down was \$1 and \$53 (2025: \$9 and \$90). Due to estimation uncertainties attributable to forecasting including slow moving and expiry dates, it is not possible to predict whether the full carrying value of inventory can be recognized in the next 12 months. As such, as at March 31, 2026, the Company recognized an inventory valuation allowance of \$197.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

5. Property, plant and equipment

The summary of the Company's property, plant and equipment is as follows:

	Plant and Equipment	Total
	\$	\$
Cost		
July 1, 2024	480	480
June 30, 2025	480	480
Accumulated depreciation		
July 1, 2024	377	377
Amortization	76	76
June 30, 2025	453	453
Net book value June 30, 2025	27	27
Cost		
July 1, 2025	480	480
March 31, 2026	480	480
Accumulated depreciation		
July 1, 2025	453	453
Amortization	27	27
March 31, 2026	480	480
Net book value March 31, 2026	-	-

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

6. Accounts payable and accrued liabilities

The summary of the Company's accounts payable and accrued liabilities is as follows:

	March 31 2026	June 30 2025
	\$	\$
Trade payables	1,010	1,338
Accrued liabilities	631	1,562
Other payables	208	353
	<u>1,849</u>	<u>3,253</u>

Trade payables, accrued liabilities, payroll liabilities and other payables are non-interest bearing. All amounts are expected to be settled within 12 months.

7. Loans

The summary of the Company's loans and borrowings is as follows:

	Notes	March 31 2026	June 30 2025
		\$	\$
Unsecured loans	(a)	2,334	2,113
Total loans liabilities		2,334	2,113
Current portion		(317)	(308)
Non-current portion		<u>2,017</u>	<u>1,805</u>

a) Secured and unsecured loans

As at March 31, 2026, the Company has two remaining unsecured interest-free loans from the Atlantic Canada Opportunities Agency ("ACOA") (2025 – three remaining unsecured loans).

	Discount Rate(ii)	Maturity	Face Value	Balance, July 1, 2025	Accretion	Repayments	Total
			\$	\$	\$	\$	\$
Loans assumed on acquisition							
ACOA 201210	16%	(i)	2,860	1,958	214	-	2,172
ACOA 206924	16%	2026	117	8	5	(13)	-
ACOA 207593	16%	(i)	484	147	15	-	162
Balance, March 31, 2026			<u>3,461</u>	<u>2,113</u>	<u>234</u>	<u>(13)</u>	<u>2,334</u>

(i) The annual instalments are calculated as 5% to 10% of forecasted revenues from pipeline products for the calendar year immediately preceding the due date of the respective payment, with an estimated commencement date of August 31, 2026.

(ii) The discount rate used to calculate the fair value of the loans.

The loans with ACOA are through the Atlantic Innovation Fund for the specified projects, in which repayable contributions are received by the Company to a maximum amount based on the lesser of: (i) a percentage of eligible costs, plus a percentage of working capital requirements for the project in certain instances, and (ii) a specified amount. The Company must meet certain conditions of assistance, which are specific to each agreement and project, including maintaining specified amounts of equity.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

8. General and administration expenses

The summary of the Company's general and administration expenses is as follows:

	Three months ended		Nine months ended	
	March 31		March 31	
	2026	2025	2026	2025
	\$	\$	\$	\$
Insurance	36	55	131	146
Investor relations	22	31	198	89
Office and general	81	77	226	239
Professional and consulting services	237	174	643	451
Regulatory	6	15	17	40
Rent	5	5	15	18
Salaries, bonus and benefits	530	624	1,641	1,821
Travel	37	46	109	134
	954	1,027	2,980	2,938

9. Share capital

a) *Authorized*

The Company has an unlimited number of authorized common shares with no par value.

b) *Issued capital*

On February 21, 2025, the Company completed the Share Consolidation in which one (1) new common share was issued for each ten (10) outstanding common shares. Prior to this Share Consolidation, a total of 312,617,854 common shares were outstanding, which have since consolidated into 31,261,781 common shares. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect this Share Consolidation. As a result of the Share Consolidation and effective February 21, 2025, the exchange basis of the December Warrants and the number of December Warrant Shares obtainable upon exercise of the December Warrants was decreased by a multiple of ten (10), such that a holder of the December Warrants will be required to exercise ten (10) December Warrants to acquire one (1) December Warrant Share at the adjusted price of \$0.50 per December Warrant Share. All information in these consolidated financial statements is presented on a post-Share Consolidation basis. As a result of the Share Consolidation, the number, exchange basis or exercise price of all stock options and warrants have been adjusted, to reflect the ten-for-one Share Consolidation.

At March 31, 2026, 31,261,781 common shares (June 30, 2025 – 31,261,781) were issued and fully paid.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves

The summary of the Company's other reserves is as follows:

	Share-based awards (a)	Warrants (b)	Other	Total
	\$	\$	\$	\$
Balance, June 30, 2024	12,040	12,972	815	25,827
Share-based compensation	280	-	-	280
Balance, June 30, 2025	12,320	12,972	815	26,107
Share-based compensation	108	-	-	108
Balance, March 31, 2026	12,428	12,972	815	26,215

a) Share-based awards

(i) Stock options

On March 20, 2020, the Company adopted a fixed share option plan ("Predecessor Plan") under which the maximum number of common shares that were issuable pursuant to the exercise of stock options was fixed at 2,150,795 common shares, representing 10% of the issued and outstanding common shares as of the date of the implementation of the Predecessor Plan. On March 20, 2024, the Company adopted a new 10% fixed stock option plan (the "New Plan") that replaced the Predecessor Plan. Under the New Plan a maximum of 3,126,178 common shares are reserved for issuance, representing 10% of the issued and outstanding common shares as of the date of the implementation of the New Plan.

The continuity of the Company's shares reserved for issue under stock options is as follows:

	Number outstanding #	Weighted average exercise price \$
Outstanding at June 30, 2024	2,755,024	0.67
Forfeited	(88,857)	0.53
Outstanding at June 30, 2025	2,666,167	0.67
Granted	915,000	0.23
Forfeited	(30,000)	0.50
Expired	(476,167)	0.82
Outstanding at March 31, 2026	3,075,000	0.50

During the nine months ended March 31, 2026, the Company granted a total of 915,000 stock options (nine months ended March 31, 2025 – nil).

815,000 stock options were granted during the three months ended March 31, 2026. These options have an exercise price of \$0.16 per common share, expire on March 18, 2031, and vest one-third annually over three years from the date of grant.

100,000 stock options were granted on August 7, 2025. These options have an exercise price of \$0.30 per common share, vested immediately, and expire on August 6, 2028.

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to establish the fair value of stock options granted. The following assumptions were applied for the stock options granted above:

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves (continued)

815,000 stock options granted during the three months ended March 31, 2026:

Risk-free interest rate	3.05%
Expected life of options (years)	5.00
Expected annualized volatility	170.44%
Expected dividend yield	Nil

100,000 stock options granted on August 7, 2025 in the fiscal year ended March 31, 2026:

Risk-free interest rate	2.69%
Expected life of options (years)	3.00
Expected annualized volatility	200.65%
Expected dividend yield	Nil

The number of shares reserved for issue under stock options outstanding and exercisable at March 31, 2026 is as follows:

Expiry date	Number outstanding #	Exercise price \$	Number exercisable #
April 8, 2026	445,000	1.20	445,000
October 31, 2027	410,000	0.50	410,000
August 6, 2028	100,000	0.30	100,000
May 27, 2029	1,305,000	0.50	435,000
March 18, 2031	815,000	0.16	-
	3,075,000		1,390,000

b) Warrants

The continuity of the Company's warrants is as follows:

	Total # outstanding	Weighted average exercise price	
		#	\$
Outstanding at June 30, 2024	6,000,000	6,000,000	0.50
Outstanding at June 30, 2025	6,000,000	6,000,000	0.50
Outstanding at March 31, 2026	6,000,000	6,000,000	0.50

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves (continued)

(i) Private placement December Warrants

Pursuant to the December 2023 Offering, the Company issued an aggregate of 60,000,000 December Warrants (Shares reserved for issue under warrants is 6,000,000 post Share Consolidation). Each December Warrant will entitle the holder thereof to acquire one December Warrant Share at a price of \$0.50 per December Warrant Share for 36 months following the completion of the December 2023 Offering.

The fair value of private placement warrants was estimated using the relative fair value method and the following assumptions:

Stock price at time of measurement	\$0.15
Risk free interest rate	4.04
Expected life of warrants (years)	3.00
Expected annualized volatility	197.48%
Expected dividend yield	Nil

The Company's shares reserved for issue under warrants as of March 31, 2026 is as follows:

	Issued #	Outstanding #	Exercise price \$	Expiry date
Private Placement	6,000,000	6,000,000	0.50	Dec 12, 2026
	6,000,000	6,000,000		

11. Related parties

The summary of the Company's related party transactions During the three and nine months ended March 31, 2026 and 2025 is as follows:

a) *Compensation of key management personnel*

Key management personnel ("KMP") include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The KMP of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to KMP is as follows:

	Three months ended March 31		Nine months ended March 31	
	2026	2025	2026	2025
	\$	\$	\$	\$
Salaries and benefits	174	174	516	508
Directors' fees	60	60	180	180
Share-based compensation	23	43	63	129
Total	257	277	759	817

b) *Payments to related parties*

As at March 31, 2026, there was \$200 directors' fees (June 30, 2025 – \$244) included in accounts payable and accrued liabilities.

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Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

12. Net revenue

a) The Company generates net revenue from two geographical locations:

Net revenue	Three months ended March 31		Nine months ended March 31	
	2026	2025	2026	2025
	\$	\$	\$	\$
Canada	490	535	1,531	1,871
US	757	2,560	5,356	7,141
Total	1,247	3,095	6,887	9,012

Net revenues in each geographical location relate to the sale of the following:

- Canada – Dream Water liquid sleep shots, gummies and sleep powder packets, and LivRelief™ pain relief creams
- US – Dream Water liquid sleep shots, gummies and sleep powder packets

The Company's non-current assets are all in Canada.

b) Net revenue comprised the following sales: (1) Dream Water® brand sales in both US and Canada; (2) Delivra LivRelief™ brand sales in Canada; and (3) LivRelief™ Infused topical cream licensing sales in Canada.

The following table sets forth the disaggregation of the Company's net revenue from customer listing agreements of the Company's brands:

Net revenue	Three months ended March 31		Nine months ended March 31	
	2026	2025	2026	2025
	\$	\$	\$	\$
Dream Water® US and Canada	991	2,811	6,047	7,837
LivRelief™	256	245	819	873
LivRelief™ Infused	-	39	21	302
Total	1,247	3,095	6,887	9,012

13. Major customers

During the three and nine months ended March 31, 2026, the Company reported net revenue from two major customers respectively, over 10% of its total net revenue. The customers represented during the three months ended March 31, 2026, approximately \$174 and \$161 (Three months ended March 31, 2025 - \$1,576 and \$358). The customers represented during the nine months ended March 31, 2026 approximately \$3,055 and \$766 (Nine months ended March 31, 2025 – \$4,401 and \$874) of total net revenue of the Company.

14. Financial instruments and risk

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

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Notes to the condensed consolidated interim financial statements

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(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

14. Financial instruments and risk (Continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at March 31, 2026, the Company is exposed to foreign currency risk through its bank accounts denominated in United States Dollars (“USD”). A 10% appreciation (depreciation) of USD against the CAD, with all other variables held constant, would result in an increase or decrease of \$3 (March 31, 2025 - \$32) in the Company’s profit and comprehensive profit for the year.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s trade accounts receivable. The Company’s cash and accounts receivable are exposed to credit risk. The risk for cash is mitigated by holding these instruments with highly rated financial institutions. The Company provides credit to its customers in the normal course of business and has mitigated this risk by managing and monitoring the underlying business relationships. As at March 31, 2026, the Company is exposed to credit risk in the amount of the carrying amount of the Company’s cash and accounts receivable.

As at March 31, 2026, the Company’s aging of receivables was approximately as follows:

	March 31 2026	June 30 2025
	\$	\$
0 – 60 days	698	1,820
Over 60 days	1,221	1,314
	1,919	3,134

Credit concentration

As at March 31, 2026, the Company had a major customer whose balance was greater than 10% of total trade receivables accounting approximately for \$1,333 (June 30, 2025 - \$2,586).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2026, the Company is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities have maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company has current assets of \$7,125 (June 2025: \$9,578) and current liabilities of \$2,166 (June 2025: \$3,561). The Company addresses its liquidity through the sale of securities. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

14. Financial instruments and risk (Continued)

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

During the three and nine months period ended March 31, 2026, there were no transfers of amounts between fair value levels.

Cash and short-term investments are classified as a Level 1 financial instrument.

The Company's other financial instruments, including accounts receivable, current portion of lease receivable, promissory note and accounts payable and accrued liabilities are carried at cost which approximates fair value due to the relatively short maturity of those instruments. The carrying value of the Company's non-current portion of lease receivable, loans and borrowings approximate fair value as they bear a market rate of interest.