

TelyRx, Inc.

Annual Report and Consolidated Financial Statements

Years Ended December 31, 2025, and 2024

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	Page 1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Loss and Other Comprehensive Loss	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Changes in Shareholders' Equity	6
Notes to the Consolidated Financial Statements	7

Independent Auditor's Report

Audit Committee
TelyRx, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of TelyRx, Inc. and its subsidiaries (the Company), which comprise the consolidated statement of financial position as of December 31, 2025, the related consolidated statements of loss and other comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Canadian Auditing Standards (CAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities, in accordance with ethical requirements that are relevant to our audit of the financial statements in the United States of America, together with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and the applicable provincial Code/Rules of Professional Conduct in Canada. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Company, as of and for the year ended December 31, 2024, were audited by other auditors, whose report, dated March 12, 2026, expressed an unmodified opinion on those statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and CAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and CAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

RSM US LLP

Boston, Massachusetts
April 21, 2026

TelyRx, Inc.
Consolidated Statements of Financial Position
(in thousands of U.S. dollars)
As of December 31, 2025 and 2024

	Note	December 31,	
		2025	2024
Current assets			
Cash and cash equivalents	3	\$ 2,988	\$ 3,314
Restricted certificates of deposit	3	464	444
Inventory		1,352	460
Accounts receivable	3	456	380
Prepaid expenses & other current assets		297	171
Total current assets		5,557	4,769
Non-current assets			
Property and equipment, net	5	714	229
Right-of-use assets	6	2,565	2,310
Software, net	5	1,040	640
Total non-current assets		4,319	3,179
Total assets		\$ 9,876	\$ 7,948
Current liabilities			
Accounts payable	3	\$ 2,655	\$ 937
Accrued expenses	3, 7	2,988	317
Contract liability		39	21
Current portion of borrowings	3, 8	9,173	-
Accrued interest	3, 8	801	184
Current portion of lease liabilities	3, 6	165	94
Total current liabilities		15,821	1,553
Non-current liabilities			
Borrowings	3, 8	-	7,213
Lease liabilities	3, 6	2,529	2,228
Total non-current liabilities		2,529	9,441
Total liabilities		18,350	10,994
Equity			
Shareholders' equity	16	15,912	15,915
Accumulated deficit		(24,386)	(18,961)
Total equity		(8,474)	(3,046)
Total liabilities and equity		\$ 9,876	\$ 7,948

Events after the reporting date

16

The accompanying notes form part of these consolidated financial statements.

TelyRx, Inc.
Consolidated Statements of Loss and Other Comprehensive Loss
(in thousands of U.S. dollars)
For the years ended December 31, 2025 and 2024

	Note	December 31,	
		2025	2024
Revenues	2	\$ 42,924	\$ 9,533
Cost of revenue		19,606	6,021
Gross profit		23,318	3,512
Operating expenses			
General and administrative	9	27,301	7,162
Depreciation and amortization	5, 6, 9	781	277
Total operating expenses		28,082	7,439
Loss from operations		(4,764)	(3,927)
Finance expense		661	931
Other income	3	(18)	(29)
Loss from continuing operations before tax		(5,407)	(4,829)
Income tax expense	10	(18)	-
Loss from continuing operations after tax		(5,425)	(4,829)
Discontinued operations			
Loss from discontinued operations	4	-	(2,585)
Loss on sale of subsidiary	4	-	(6,069)
Total loss from discontinued operations net of tax		-	(8,654)
Total net loss and other comprehensive loss		\$ (5,425)	\$ (13,483)
Basic loss per share – continuing operations	2	(0.51)	(0.63)
Basic loss per share – total loss	2	(0.51)	(1.77)
Diluted loss per share – continuing operations	2	(0.51)	(0.63)
Diluted loss per share – total loss	2	(0.51)	(1.77)

The accompanying notes form part of these consolidated financial statements.

TelyRx, Inc.
Consolidated Statements of Cash Flows
(in thousands of U.S. dollars)
For the years ended December 31, 2025 and 2024

	Note	December 31,	
		2025	2024
Cash flows from operating activities			
Net loss		\$ (5,425)	\$ (13,483)
Loss from discontinued operations	4	-	8,654
Adjustments to reconcile net loss to net cash and cash equivalents provided from operating activities			
Amortization and depreciation	5, 6	781	277
Lease interest expense	6	105	47
Payment-in-kind interest expense		616	964
Interest earned on restricted certificate of deposit		(20)	-
Stock compensation expense	13	-	3,199
Loss on asset disposal	5	4	-
Gain on extinguishment of lease	6	-	(29)
Total adjustments to reconcile net loss to net cash and cash equivalents provided from operating activities		1,486	4,458
Changes in non-cash working capital items			
Accounts receivable		(76)	(378)
Inventory		(892)	(399)
Prepaid expenses and other current assets		(126)	(139)
Accounts payable		1,678	830
Accrued expenses and other current liabilities		2,690	299
Total changes in non-cash working capital items		3,274	213
Interest paid		(105)	(47)
Cash used in continuing operations		(770)	(205)
Cash used in discontinued operations		-	(2,657)
Net cash and cash equivalents used in operating activities		(770)	(2,862)
Cash flows from investing activities			
Property and equipment purchases	5	(587)	(205)
Software purchases	5	(855)	(534)
Purchase of financial assets		-	(440)
Cash relinquished under Apothecare arrangement	4	-	(250)
Cash used in continuing investing activities		(1,442)	(1,429)
Cash used in discontinued investing activities		-	-
Net cash and cash equivalents used in investing activities		(1,442)	(1,429)
Cash flows from financing activities			
Proceeds from borrowings	8	2,000	859
Repayments of borrowings	8	-	(125)
Repayment of principal portion of lease liabilities	6	(111)	(57)
Capital contributions from shareholders	13	-	6,547
Repurchase of shares from shareholder	13	(3)	-
Cash provided by continuing financing activities		1,886	7,224
Cash used in discontinued financing activities		-	(57)
Net cash and cash equivalents provided by financing activities		1,886	7,167
Net increase (decrease) in cash and cash equivalents		(326)	2,876
Cash and cash equivalents, beginning of period		3,314	438
Cash and cash equivalents, end of period		\$ 2,988	\$ 3,314

The accompanying notes form part of these consolidated financial statements.

TelyRx, Inc.
Consolidated Statements of Changes in Shareholders' Equity
(in thousands of U.S. dollars, except share data)
For the years ended December 31, 2025, and 2024

	Note	Shareholders' Equity		Accumulated Deficit	Total
		Shares	Share Capital		
Balance, January 1, 2024		825	\$ 3,839	\$ (5,478)	\$ (1,639)
Share recapitalization	13	6,348,875	-	-	-
Capital contributions	13	1,830,987	6,547	-	6,547
Stock compensation expense - grants	13	1,350,000	2,588	-	2,588
Non-employee stock compensation expense - warrant vesting	13	-	611	-	611
Equity issued for non-cash consideration	13	1,000,000	1,500	-	1,500
Debt converted to equity	8	158,000	830	-	830
Share forfeiture	13	(150)	-	-	-
Net loss		-	-	(13,483)	(13,483)
Balance, December 31, 2024		10,688,537	\$ 15,915	\$ (18,961)	\$ (3,046)
Repurchase of shares	13	(126)	(3)	-	(3)
Net loss		-	-	(5,425)	(5,425)
Balance, December 31, 2025		10,688,411	\$ 15,912	\$ (24,386)	\$ (8,474)

The accompanying notes form part of these consolidated financial statements.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

1. General Information

TelyRx, Inc. (“TelyRx”), a Delaware corporation, is a patient-centric tech-enabled healthcare company whose mission is to enable people to access the everyday prescription medications they need conveniently, quickly, safely, discreetly, and in a regulatorily compliant manner. TelyRx does this efficiently by removing unnecessary barriers and facilitating telehealth encounters with credentialed, licensed, and independent providers (“Providers”). Once a Provider approves a prescription, TelyRx dispenses the medication through its licensed retail pharmacies, one of which is TelyRx, LLC, and the other is TelyRx Dallas, LLC, which are subsidiaries of TelyRx (TelyRx, LLC and TelyRx Dallas, LLC are collectively referred to as the “Licensed Pharmacies,” and together with TelyRx’s other subsidiaries, TelyRx Services, LLC, TelyRx Properties, LLC, TelyRx Management, LLC, and TelyRx Operations, LLC, the “Company”).

The TelyRx platform provides the Providers with access to a clinically focused electronic medical records system and the ability for them to electronically prescribe. TelyRx enables patient access to a risk-curated formulary of over 450 non-controlled, and non-compounded prescription medications selected by the Providers to address a broad cross-section of everyday chronic and acute ailments. The Providers review the information submitted by patients, engage in synchronous communication as necessary, and make prescribing decisions for patients in a frictionless exchange. Prescriptions are dispensed by our Licensed Pharmacies and delivered to patients by common carriers.

Corporate Reorganization

In August 2024, the members of TelyRx, LLC approved a resolution to create a new corporation, TelyRx, Inc., (the “Corporation”) and to transfer all of the membership interests of TelyRx, LLC to the newly formed Corporation. Pursuant to the resolution, at 11:59 p.m. on December 31, 2024, all outstanding shares of TelyRx, LLC were contributed to the Corporation in exchange for an equal number of shares of the Corporation.

2. Material Accounting Policy Information

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of TelyRx on April 21, 2026.

Basis of Presentation

The consolidated financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All financial information is presented in thousands of United States dollars (“U.S. dollars”), except share and per share amounts or as otherwise noted.

Basis of Consolidation

The consolidated financial statement includes the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in the consolidated financial statements herein.

For the years ended December 31, 2025 and 2024, the Company had operations exclusively in the United States.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

2. Material Accounting Policy Information, continued

Reclassification

Certain amounts in the December 31, 2024 consolidated statement of loss and other comprehensive loss and consolidated statement of cash flows have been reclassified for comparative purposes to conform to the presentation in the December 31, 2025 consolidated statements. These reclassifications had no impact on total reported net loss or cash flows.

Common Control Transactions

Common control business combinations specifically fall outside of scope of IFRS 3 and as such management has used its judgment to determine an appropriate policy to account for these transactions by considering other relevant accounting guidance that is within the framework of principles in IFRS and that reflects the economic reality of the transactions. TelyRx's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the consolidated statements of loss and comprehensive loss, consolidated statements of financial position, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows reflect the results of the combined entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place.

Material Accounting Judgments, Estimates and Uncertainties

The Company's business, operations, and financial results are subject to various risks and uncertainties, including adverse United States economic conditions, legal restrictions, changes to the regulatory environment, changing laws for healthcare services and prescription products, events affecting portions or all of its supply chain, and competition in its industry, any of which could adversely affect its business, financial condition, results of operations, and cash flows. These significant factors, among others, could cause the Company's future results to differ materially from the consolidated financial statements.

Cash and Cash Equivalents

The Company's cash consists of cash in hand, demand deposits with commercial financial institutions, other short-term highly liquid investments with maturities of three months or less at the time of purchase and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities. There were no overdrafts reflected in the financial statements for the years ended December 31, 2025 and 2024.

Restricted Certificates of Deposit

Restricted certificates of deposit have original maturities of twelve months and are pledged as collateral. These balances are not classified as cash equivalents and are presented separately on the consolidated statements of financial position within current assets.

Inventory

Inventory consists of prescription drugs that are located at the Licensed Pharmacies. Inventory is stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Management monitors inventory to identify events that would require impairment due to slow-moving, expired, or obsolete inventory and reduces the value of inventory when required. Obsolete inventory balances are written off against the inventory allowance when management determines that the inventory cannot be sold. For the years ending December 31, 2025 and 2024, there have been no obsolete inventory write-offs.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

2. Material Accounting Policy Information, continued

Trade and Other Receivables

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Receivables are stated at amounts estimated by management to be equal to their net realizable values. The allowance for credit losses is the Company's best estimate of the amount of expected credit losses on its accounts receivable. The expectation of collectability is based on the Company's review of credit profiles of customers, contractual terms and conditions, current economic trends, and historical payment experience. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and an allowance is recorded accordingly. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

As of December 31, 2025 and 2024, gross accounts receivable was \$456 and \$380, respectively. There were no write-offs of accounts receivable for the years ended December 31, 2025 and 2024. The Company applies the current expected credit loss model in evaluating receivables. Given the balance of trade accounts receivable represents customer payments already collected by a third-party credit card processor awaiting settlement to the Company, management concluded that no allowance for credit losses is required as of December 31, 2025 and 2024. Management will continue to monitor circumstances and will record an allowance in future periods if credit loss exposure arises.

Prepaid Expenses

Prepaid expenses consist of balances related to prepayments or vendor deposits for insurance, marketing, software, inventory and other operating costs. Prepaid expenses are recorded when payment has been made in advance for goods and services.

Property, Equipment, Software, and Depreciation and Amortization

Property and equipment are stated at cost less accumulated depreciation. Improvements and betterments are capitalized; routine maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts, and any gains or losses arising from the disposition are reflected in income.

Costs for software incurred in the applicable development phase or obtained for internal use are capitalized and amortized over the software's estimated useful life.

Depreciation and amortization are provided for over the estimated useful lives of the assets by the straight-line method. A summary of the range of lives by asset category follows:

Furniture and equipment	3 to 5 years
Leasehold improvements	Shorter of lease term or 15 years
Software	3 years

Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

2. Material Accounting Policy Information, continued

For purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The Company has assessed its CGU to be at the enterprise level. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The Company leases facilities for fulfillment and corporate purposes under non-cancelable leases with expiration dates between fiscal years 2028 and 2030, not including renewal options the Company is reasonably certain to exercise. Renewal options are generally at five-year intervals and may include rent escalation clauses. Lease commencement is the date the Company has the right to control the property.

The Company's right-of-use assets are initially measured based on the amount of the lease liability, adjusted for any lease payments made at or before the commencement date less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company does not assume renewals or early terminations unless it is reasonably certain to exercise these options at commencement. The Company monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, an adjustment is made to the carrying amount of the corresponding right-of-use asset.

The Company does not allocate consideration between lease and non-lease components. The Company's lease agreements contain variable costs such as common area maintenance, operating expenses, or other costs. Variable lease payments are recognized in the period in which the obligation for those payments is incurred. In addition, the Company does not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less of all asset classes.

Trade and Other Payables

Trade and other payables consist of payables to vendors, primarily for inventory and marketing services held at amortized cost.

Revenue Recognition

The core principle of IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

2. Material Accounting Policy Information, continued

Revenue from contracts with customers is recognized when the promised goods or services are transferred to the customer. The transaction price is the amount of consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes). The contract transaction price is allocated on a relative stand-alone selling price (SSP) basis to each performance obligation.

Revenue from the Sale of Goods

Revenue from the sale of goods is recognized in profit or loss at the point in time when goods are transferred to the customer, generally upon delivery of the goods to the carrier. The services of arranging a patient visit with a Provider for a flat fee paid by the patient is considered a fulfillment activity associated with this performance obligation.

Service Revenue

Service revenue consists of revenue derived from the service of arranging the shipping and handling of goods. Shipping and handling revenue is recognized at the point in time when the related shipping and handling services have been completed, which is generally upon the delivery of goods to the carrier.

Revenue Disaggregation

To depict how the nature, amount, timing and uncertainty of revenue are affected by economic factors, the Company disaggregates revenue by type of good or service as follows:

	For the Years Ended December 31,	
	2025	2024
Revenue from sale of goods	\$ 38,649	\$ 8,647
Service revenue	4,275	886
Total revenue	\$ 42,924	\$ 9,533

The notes to the consolidated financial statements for the year ended December 31, 2024 indicated that the service of arranging a patient visit with a Provider was a separate performance obligation. This was determined to be a fulfillment activity associated with the sale of goods. As a result, revenue of \$1,676 was reclassified from service revenue to revenue from sale of goods in the table above.

Contract Assets and Contract Liabilities

Where revenue on a contract is recognized in advance of invoicing, the asset is presented as a contract asset. Where amounts invoiced exceed the revenue recognized on a contract, the liability is presented as a contract liability.

Income Taxes

The Company was taxed as a partnership through 2024, which required the then individual members to account separately for their pro rata share of the Company's income and loss (see Note 1). Effective January 1, 2025, the Company is taxed as a corporation. For the year ended December 31, 2025, the Company recognized income tax expense, and deferred tax assets related to its net loss position have not been recognized as it is not considered probable that sufficient future taxable profits will be available (see Note 10).

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reassessed at each reporting date and adjusted as necessary to reflect the extent to which it remains probable that the related tax benefits will be realized. The Company is required to file and does file tax returns with the Internal Revenue Service and other taxing authorities. The Company's federal income tax returns for 2024, 2023, and 2022 are still subject to examination by the IRS.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

2. Material Accounting Policy Information, continued

Loss per Share

Loss per share is calculated in accordance with IAS 33, *Earnings per Share*. Basic and diluted loss per share have been determined by dividing the net income or loss attributable to the Company's shareholders for the period by the basic and diluted weighted-average number of ordinary shares outstanding, respectively.

The diluted weighted-average number of shares outstanding is calculated as if all dilutive potential ordinary shares had been exercised at the later of the beginning of the reporting period or the date of issuance, as applicable. In periods where the Company is in a loss position, the effect of potential ordinary shares is anti-dilutive and therefore excluded from the calculation of diluted loss per share.

	For the Years Ended December 31,	
	2025	2024
Net loss from continuing operations	\$ (5,425)	\$ (4,829)
Total net loss	\$ (5,425)	\$ (13,483)
Weighted-average shares outstanding - basic	10,688,463	7,609,047
Weighted-average shares outstanding - diluted	10,688,463	7,609,047

3. Financial Instruments – Risk Management

The Company is exposed through its operations to the following financial risks:

- Credit risk;
- Market risk; and
- Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices. These fluctuations may be significant.

(i) *Principal financial instruments*

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Restricted certificates of deposit
- Accounts receivable
- Accounts payable
- Accrued expenses
- Borrowings (including accrued interest)
- Lease liability

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

3. Financial Instruments – Risk Management, continued

(ii) Financial instruments by category

As of December 31, 2025	Carrying Amount			Fair Value
	Fair Value Through Profit & Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	
Financial assets and liabilities				
Cash and cash equivalents	\$ -	\$ -	\$ 2,988	\$ 2,988
Restricted certificates of deposit	-	-	464	464
Accounts receivable	-	-	456	456
Accounts payable	-	-	2,655	2,655
Accrued expenses	-	-	2,988	2,988
Borrowings (including accrued interest)	-	-	9,974	9,974
Lease liabilities	-	-	2,694	2,694

As of December 31, 2024	Carrying Amount			Fair Value
	Fair Value Through Profit & Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	
Financial assets and liabilities				
Cash and cash equivalents	\$ -	\$ -	\$ 3,314	\$ 3,314
Restricted certificates of deposit	-	-	444	444
Accounts receivable	-	-	380	380
Accounts payable	-	-	937	937
Accrued expenses	-	-	317	317
Borrowings (including accrued interest)	-	-	7,397	7,397
Lease liabilities	-	-	2,322	2,322

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, restricted certificates of deposit, accounts receivable, accounts payables, accrued expenses, borrowings, and lease liability. Due to their short-term nature, the carrying values of these financial instruments approximate their fair value.

(iv) Financial instruments measured at fair value

There were no financial instruments measured at fair value for the years ended December 31, 2025 and 2024.

General Objectives, Policies and Processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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. Further details regarding these policies are set out below:

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

3. Financial Instruments – Risk Management, continued

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. The Company is mainly exposed to credit risk from accounts receivable.

The Company determines concentrations of credit risk by regularly monitoring the creditworthiness rating of existing counterparties. For the year ended December 31, 2025, the Company has recorded a provision of expected credit losses of \$0 relating to its receivables.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. As of December 31, 2025, the Company's cash and cash equivalents are held through a service that distributes funds across FDIC-insured institutions to ensure full coverage. The Company has not experienced any losses associated with these accounts.

Cash in Bank and Short-Term Deposits

The Company's cash is held with commercial financial institutions. The Company monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash balances and borrowers, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

3. Financial Instruments – Risk Management, continued

The following table provides details of the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

As of December 31, 2025	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$ 2,655	\$ -	\$ -	\$ -	\$ -	\$ 2,655
Accrued expenses	1,999	989	-	-	-	2,988
Borrowings (including accrued interest)	-	9,974	-	-	-	9,974
Lease liabilities	40	125	180	646	1,703	2,694

As of December 31, 2024	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$ 937	\$ -	\$ -	\$ -	\$ -	\$ 937
Accrued expenses	317	-	-	-	-	317
Borrowings (including accrued interest)	-	-	7,397	-	-	7,397
Lease liabilities	11	83	120	435	1,673	2,322

4. Discontinued Operations and Assets and Liabilities Classified as Held-for-Sale

Discontinued Operations and Assets Held-for-Sale

Discontinued operations are presented in the consolidated statements of loss and other comprehensive loss and comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognized on the remeasurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

General Description

In 2022, the Company entered into an arrangement to acquire certain telehealth-related assets from Apothecare Pharmacy, LLC (“Apothecare”), an institutional pharmacy based in Brockton, Massachusetts. Apothecare provides pharmaceutical services to patients with intellectual and developmental disabilities (“I/DD”), primarily serving group home settings, and offers services including dispensing, packaging, delivery, prescription compounding, immunizations, and compliance training. Prior to the acquisition, Apothecare had entered into a contractual arrangement with a third party related to the development of a telehealth venture, which the Company sought to obtain.

The Company determined that acquisition of the entire Apothecare business was necessary to assume the underlying contractual arrangement. In connection with this strategy, the Company identified a potential buyer and obtained a non-binding letter of intent prior to completing the acquisition. The acquisition of Apothecare was completed in the fourth quarter of 2022, with the intention to subsequently dispose of the business.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

4. Discontinued Operations and Assets and Liabilities Classified as Held-for-Sale, continued

The anticipated disposition to the initial buyer did not occur as expected and was no longer probable by the fall of 2023. Apothecare continued to be classified as held-for-sale, and the Company continued to actively market the business throughout the remainder of 2023 and into 2024. While multiple potential transactions progressed to the letter of intent stage, none were consummated during that period. In September 2024, the Company entered into an agreement with an unrelated third party operating in the I/DD pharmacy sector in Massachusetts and completed the transfer of ownership of Apothecare. The transaction resulted in the transfer of all assets and liabilities of Apothecare, excluding pre-closing tax-related balances, to the purchaser.

The disposal of Apothecare represents a discontinued operation, as it constitutes the disposal of a separate major line of business. For the year ended December 31, 2024, the Company recognized a loss on sale of subsidiary of \$6,069, which is presented within loss from discontinued operations in the consolidated statements of loss and other comprehensive loss.

Impairment Losses

The disposal of Apothecare constitutes a discontinued operation as it represents the disposal of a separate major line of business from TelyRx's business. No impairment loss has been recognized in 2024 related to the measurement of the Apothecare disposal group, as the fair value less cost to sell exceeded the carrying amount of assets and liabilities held-for-sale in 2024 prior to disposal.

Results of Operations Attributable to Discontinued Operations

Following are results from operations attributable to discontinued operations in the consolidated income statements (there are no discontinued operations in 2025):

	2024
Revenues	\$ 10,912
Cost of revenue	7,823
Gross profit	3,089
Operating expenses	
Operations and support	4,065
General and administrative	1,312
Depreciation and amortization	74
Total operating expenses	5,451
Operating loss	(2,362)
Finance expense	8
Loss on lease extinguishment	215
Loss from discontinued operations	\$ (2,585)
Loss on sale of subsidiary	(6,069)
Total loss from discontinued operations	(8,654)

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

5. Property, Equipment, Software, and Depreciation and Amortization

The following table summarizes the changes in property, equipment, and software cost and accumulated depreciation and amortization for 2025 and 2024:

Cost or Valuation

	Leasehold Improvements	Furniture and Equipment	Software
As of January 1, 2024	\$ 36	-	322
Additions	147	58	535
As of December 31, 2024	183	\$ 58	\$ 857
Additions	334	253	855
Disposals	-	(5)	-
As of December 31, 2025	\$ 517	\$ 306	\$ 1,712

Accumulated Depreciation and Amortization

	Leasehold Improvements	Furniture and Equipment	Software
As of January 1, 2024	\$ (3)	\$ -	\$ (30)
Additions	(6)	(3)	(187)
As of December 31, 2024	(9)	(3)	(217)
Additions	(31)	(67)	(455)
Disposals	-	1	-
As of December 31, 2025	\$ (40)	\$ (69)	\$ (672)

Depreciation and amortization expense related to the above asset classes totaled \$553 and \$196 for the years ended December 31, 2025 and 2024, respectively.

6. Leases

The maturity analysis of lease liabilities as of December 31, 2025 and 2024 is as follows:

Year	2025	2024
2025	-	186
2026	272	208
2027	281	215
2028	289	222
2029	298	229
2030	308	236
Thereafter	1,977	1,738
Total future minimum rental payments	3,425	3,034
Less imputed interest	(731)	(712)
Total lease liabilities	\$ 2,694	\$ 2,322

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

6. Leases, continued

The carrying amounts of right-of-use assets and related lease liabilities, and the movements during the periods, are as follows:

	Right-of-Use Assets	
As of January 1, 2024	\$	1,113
Additions		2,348
Depreciation		(81)
Disposals, net of accumulated depreciation		(1,070)
As of December 31, 2024		2,310
Additions		483
Depreciation		(228)
As of December 31, 2025	\$	2,565

	Lease Liabilities	
As of January 1, 2024	\$	1,133
Additions		2,348
Accretion of interest		51
Lease payments		(111)
Disposals		(1,099)
As of December 31, 2024		2,322
Additions		483
Accretion of interest		105
Lease payments		(216)
As of December 31, 2025	\$	2,694

7. Accrued Expenses

The following table presents the components of accrued expenses recognized in the consolidated statements of financial position:

	As of December 31,	
	2025	2024
Salaries, wages, and benefits	\$ 1,187	\$ 137
Severance payable	1,006	-
Marketing and advertising	444	16
Shipping and logistics	182	85
Professional services	75	53
State tax payable	18	-
Other accrued expenses	76	26
Total accrued expenses	\$ 2,988	\$ 317

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

8. Borrowings

The Company's borrowings as of December 31, 2025 and 2024:

Senior Secured Credit Facility

On December 15, 2022, the Company entered into a senior secured credit facility which provided a \$5,500 term loan with a maturity date of December 16, 2024. The term loan accrued interest daily at the Prime Rate plus the applicable margin of 7.50%. The term loan was secured by substantially all of the Company's assets.

In September 2024, the Company entered into a new secured loan agreement superseding the prior senior credit facility. As of September 6, 2024, the \$5,500 loan had accrued interest totaling \$1,713. The new loan dated September 6, 2024, was a loan amount for \$7,213 with a maturity date of December 31, 2026. The term loan accrues interest daily at a rate of 8.0%. The total principal plus any accrued interest are due at maturity or upon the acceleration of a liquidity event. The term loan is secured by substantially all of the Company's assets. The Company did not make any cash interest payments on the senior debt during the years ended December 31, 2025 and 2024. Accrued interest expense was \$801 and \$184, respectively.

Subordinated Debt

In December 2023, the Company entered into a Promissory Note with a related party to borrow \$59. The note accrued interest daily at a rate of 8.0% and had a maturity date of February 1, 2025. The total principal plus any accrued interest were due at maturity. The Company repaid the note and accrued interest totaling \$63 in October, 2024.

In January 2024, the Company entered into a Promissory Note with a related party to borrow \$59. The note accrued interest daily at a rate of 8.0% and had a maturity date of February 1, 2025. The total principal plus any accrued interest were due at maturity. The Company repaid the note and accrued interest totaling \$62 in October, 2024.

In January 2024, the Company entered into a Promissory Note with a related party to borrow \$250. The note accrued interest daily at a rate of 8.0% and has a maturity date of February 1, 2025. In February 2024, the Company entered into a second Promissory Note with the same related party to borrow \$250. The note accrued interest daily at a rate of 8.0% and has a maturity date of March 1, 2026. In August 2024, the Company entered into a third Promissory Note with the same related party to borrow \$300. The note accrued interest daily at a rate of 8.0% and had a maturity date of August 1, 2025. For each note, the total principal plus any accrued interest were due at maturity. In October 2024, the Company converted the three notes plus accrued interest amounting to \$830 into 158,000 shares of equity.

Bridge Loan

On December 24, 2025, the Company entered into a bridge loan agreement with a shareholder of the Company. The principal of the loan is \$2,000. The loan bears interest at a rate of 12% per annum and includes a 2% origination fee of \$40. The origination fee was unpaid as of December 31, 2025 and is included within accounts payable on the consolidated statements of financial position. Interest accrues monthly and is capitalized into the outstanding principal balance. The principal amount together with accrued interest is due and payable at maturity on December 31, 2026. The proceeds from the loan are intended to support the Company's near term liquidity requirements and ongoing operations. To secure the obligations under the bridge loan agreement, the Company granted to the lender a security interest in the assets of the Company and its subsidiaries and any successor or parent entities that may be created during the term of the loan.

As of December 31, 2025, the Company's borrowings comprise a term loan of \$7,213 and a bridge loan of \$2,000, net of unamortized deferred financing costs of \$40, resulting in a total carrying amount of \$9,173. The borrowings are measured at amortized cost.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

9. Operating Expenses by Nature

The following table provides additional information about the nature of operating expenses presented in the consolidated statements of loss and other comprehensive loss:

	For the Years Ended December 31,	
	2025	2024
Advertising and marketing	\$ 15,334	\$ 1,974
Salaries, wages, and benefits	8,678	1,300
Legal and professional fees	1,713	167
Depreciation and amortization	781	277
Office and administrative expenses	433	132
Software and subscriptions	400	72
Travel, meals, and entertainment	371	71
Rent and facilities	194	201
Pharmacy and operating supplies	178	125
Stock compensation expense	-	3,199
Total operating expenses	\$ 28,082	\$ 7,439

10. Income Tax Provision

Prior to the year ending December 31, 2025, the Company was not subject to income taxes as the income taxes were the responsibility of the members. As such no tax benefit or expense was recorded prior to the year ending December 31, 2025.

Income tax expense is comprised of the following:

	For the Years Ended December 31,	
	2025	2024
Current federal tax expense	\$ -	\$ -
Current state tax expense	18	-
Income tax expense	\$ 18	\$ -

Income tax expense differed from the amount computed by applying the federal statutory income tax rate of 21% to pretax loss for the years ended December 31, 2025 and December 31, 2024 as a result of the following:

	For the Years Ended December 31,	
	2025	2024
Federal tax at statutory rate	\$ (1,135)	\$ (1,817)
Pass-through income taxed at member level	-	1,817
State income taxes, net of federal benefit	(262)	-
Change in entity tax status	(80)	-
Capitalized transaction costs	158	-
Non-deductible differences	9	-
Other	(11)	-
Unrecognized deferred tax assets	1,339	-
Income tax expense	\$ 18	\$ -

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

10. Income Tax Provision, continued

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	For the Years Ended December 31,	
	2025	2024
Deferred tax assets		
Capitalized research costs	\$ 94	\$ -
Deferred lease liability	704	-
Accruals and reserves	179	-
Total deferred tax assets	977	-
Deferred tax liabilities		
Property and equipment, net	(110)	-
Right-of-use assets	(670)	-
Software, net	(197)	-
Total deferred tax liabilities	(977)	-
Net deferred tax assets	\$ -	\$ -

Deferred tax assets related to net operating loss carryforwards have not been recognized as it is not considered probable that sufficient future taxable profits will be available to utilize these losses. The components of the unrecognized deferred tax assets at December 31, 2025 are as follows:

	2025
Deferred tax assets on net operating loss carryforwards	\$ 1,030
Other deferred tax assets	309
Total unrecognized deferred tax assets	\$ 1,339

As of December 31, 2025, the Company had net operating loss carryforwards for federal and state income tax purposes of approximately \$4,117 and \$3,322, respectively. The federal net operating loss carryforwards do not expire, while the state net operating loss carryforwards begin to expire on December 31, 2046.

11. Related Party Transactions

Key Management Personnel Compensation

For the year ended December 31, 2025, management compensation for key management personnel consisted of \$1,566 in salary and \$587 in bonus. For the year ended December 31, 2024, management compensation for key management personnel consisted of \$985 in salary, \$50 in bonus and \$1,875 in share based payments.

Lease with Shareholder

The Company leases one of its licensed retail pharmacy locations under an operating lease from a related party entity that is partially owned by a shareholder of the Company. Lease payments under this lease, which continues through 2026, totaled approximately \$235 and \$163 for the years ended December 31, 2025 and 2024, respectively.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

11. Related Party Transactions, continued

Borrowings from Shareholders

In connection with the senior debt, subordinated debt, and bridge loan as described in Note 8, the parties who issued the debt are also shareholders of the Company.

Equity Transaction with Shareholder

During the period, the Company repurchased shares from a related party (see Note 13).

Executive Severance Agreement

On October 31, 2025, the Company entered into a severance and release agreement with its Chief Executive Officer. The agreement provides for severance compensation, including amounts that effectively settle compensation previously subject to change-of-control provisions under a prior employment agreement. The severance agreement superseded the prior employment arrangement, including the change-of-control compensation provisions previously disclosed as a contingent liability in the prior year.

As of December 31, 2025, the Company has recognized a liability of \$929 related to this agreement, which is included within accrued expenses in the consolidated statements of financial position. The remaining balance is payable through a combination of lump-sum and periodic payroll payments.

12. Contingent Liabilities

The Company is the guarantor of a lease obligation related to an entity that was disposed of (see Note 4). As of December 31, 2025 and 2024, the remaining future lease payments subject to this guarantee total approximately \$1,303 and \$1,688, respectively. Management has determined that it is not probable that the Company will be required to make payments under the guarantee. Accordingly, no liability has been recorded in the consolidated financial statements in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

13. Shareholders' Equity

Common Shares

The Company has a single class of common shares with a par value of \$0.01 per share.

Distributions

Distributions, if made, are only made to the Shareholders at the times and in the aggregate amounts determined by the Board of Directors.

Stock Based Compensation

Stock based compensation is measured at the grant date based on the estimated fair value of the award. The expense is recognized over the employees' service period, consistent with the vesting terms of the award.

The Company records compensation expense in connection with common shares granted to employees and nonemployees in accordance with guidance related to equity-based payments. This guidance requires that all stock based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. Shares have been valued at fair value as of the grant date using completed share sales to determine the pricing method. During the year ended December 31, 2024, a total of 1,350,000 employee shares were granted and fully vested as of the grant date and fully expensed at that time in the Company's financial statements.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

13. Shareholders' Equity, continued

Total employee stock based compensation expense for the years ended December 31, 2025 and 2024 was \$0 and \$2,588, respectively. As of December 31, 2024, there are no employee share grants that remain unvested and there are no future expenses associated with these granted shares.

In April 2024, the Company awarded 1,000,000 shares of the Company to a non-employee in exchange for more favorable lease terms for the leased premise of the Apothecare business unit. The 1,000,000 shares were determined to have a non-cash consideration value of \$1,500. The value was determined by using a price per share that was used in conjunction with the sale of shares at the time.

In April 2024, the Company granted 1,000,000 warrant shares that were issued to a non-employee in connection with a service arrangement. The warrant has an exercise price of \$2.00, a contract term of 5 years, and an intrinsic value of \$815. The warrant shall vest in accordance with the terms of the warrant agreement, which is the achievement of four Company milestones. During 2024, three milestones were achieved, resulting in the vesting of 750,000 shares. None of the vested warrants have been exercised. A Black-Scholes valuation model was used to calculate the expense totaling \$611 for the year ended December 31, 2024. The unrecognized expense related to the unvested warrants is \$204 as of December 31, 2025.

Forfeitures

Pursuant to an indemnification agreement between the Company and a shareholder associated with the assets held-for-sale (see Note 4), a total of 150 shares were forfeited and returned to the Company as of December 31, 2024.

Additional Share Issuance

In February 2024, as part of a share recapitalization, the Company issued and allocated 6,348,875 shares to existing shareholders in accordance with their respective ownership interests and participation agreements. For the year ending December 31, 2024, 1,830,987 equity shares were issued and capital contributions of \$6,547 were received. The proceeds from such issuances are intended to provide funding to support the Company's growth initiatives and general business development.

Repurchase of Shares

In June 2025, the Company repurchased 126 shares from an existing shareholder in exchange for \$3.

14. Proposed Qualifying Transaction

On December 5, 2025, the Company entered into a non-binding letter of intent with Apolo V Acquisition Corp. ("Apolo") pursuant to which the parties intend to complete a transaction that would result in a reverse take-over of Apolo by the Company. If completed, the transaction is intended to constitute Apolo's qualifying transaction under the rules of the TSX Venture Exchange. The proposed transaction would be structured such that a wholly-owned subsidiary of Apolo will merge with and into the Company. The Company's shareholders would exchange their shares of common stock in the capital of the Company for subordinated voting and/or proportionate voting shares in the capital of Apolo (to be renamed TelyRx Holdings, Inc.) at an exchange ratio to be determined.

In connection with the proposed transaction, the Company intends to complete a concurrent private placement financing of subscription receipts for aggregate gross proceeds of approximately \$20,000, with an option to increase the offering to \$25,000. Completion of the proposed transaction is subject to, among other conditions, the execution of a definitive agreement, receipt of required approvals, including approval of the TSX Venture Exchange, and completion of the concurrent financing.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

15. Standards Issued but Not Yet Effective

At the date of authorization of these consolidated financial statements, the International Accounting Standards Board (IASB) has issued new standards, amendments, and interpretations that are not yet effective for the year ended December 31, 2025. The Company has not early adopted these standards.

The following new standards and amendments are relevant to the Company:

- *IFRS 18 Presentation and Disclosure in Financial Statements*: New standard effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 introduces new requirements for the presentation and disclosure of financial statements. The Company will assess the impact closer to the effective date.
- *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments*: Amendments effective for annual periods beginning on or after January 1, 2026, with early application permitted. The amendments clarify the date of recognition and derecognition of certain financial assets and liabilities, introduce an accounting policy option for certain financial liability settlements, and introduces a new disclosure requirement for certain financial instruments. The Company does not expect a material impact.

Management will continue to monitor the issuance of new standards and amendments and assess their impact on the Company's financial statements.

16. Events after the Reporting Date

The Company has evaluated subsequent events through April 21, 2026, the date the consolidated financial statements were issued.

Debt Refinancing

On January 23, 2026, the Company entered into a new credit facility with a financial institution providing term financing of \$10,200. The facility bears interest at a fixed rate of 6.5% per annum, with interest payable monthly. No principal payments are required during the first twelve months of the facility. Principal payments commence in month thirteen and are payable in monthly installments thereafter. The facility matures on January 23, 2031. Transaction costs of \$54 were incurred in connection with the new financing. The facility is secured by collateral provided by related parties totaling \$10,200.

Proceeds from the facility were used to repay in full the Company's outstanding term loan and bridge loan, including accrued payment-in-kind interest.

Exercise of Warrants

On March 31, 2026, upon achievement of the final vesting milestone, the remaining 250,000 warrants vested, and the Company recognized \$204 of equity-based compensation expense.

The warrants were exercised on that date through a cashless exercise, resulting in the issuance of 826,034 common shares with no cash proceeds to the Company.

Reverse Takeover Transaction

On March 31, 2026, the Company completed a reverse takeover transaction (the "Transaction") with Apolo V Acquisition Corp., resulting in the Company becoming a publicly listed entity under TelyRx Holdings, Inc. The Transaction was accounted for as a reverse acquisition, with TelyRx identified as the accounting acquirer.

TelyRx, Inc.
Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars, except share data)
December 31, 2025 and 2024

16. Events after the Reporting Date, continued

Pursuant to the Transaction, shareholders of TelyRx exchanged their shares for shares of TelyRx Holdings, Inc., resulting in the issuance of 39,971,795 shares to former TelyRx shareholders. In addition, 900,876 shares were issued to shareholders of Apolo V Acquisition Corp., and 7,980,260 shares were issued in connection with a concurrent financing that raised gross proceeds of approximately \$26,203. In conjunction with these issuances, the Company completed a capital reorganization, including the creation and reclassification of share classes.

Upon completion of the Transaction, the former shareholders of TelyRx obtained control of the combined entity.

Borrowings Secured by Cash Collateral

In connection with the refinancing described above, the Company is required to maintain cash collateral equal to the principal amount of the borrowings. On April 2, 2026, the Company deposited \$10,200 into a money market account with the lending institution to satisfy this requirement. Upon funding of the Company's cash collateral, the collateral previously provided by related parties was released.