



TelyRx Holdings Inc.

Unaudited Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2026 and 2025

TABLE OF CONTENTS

	Page
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	
Unaudited Consolidated Interim Statements of Financial Position as of June 30, 2026 and December 31, 2025	1
Unaudited Consolidated Interim Statements of Loss and Other Comprehensive Loss for the Three and Six Months Ended June 30, 2026 and 2025	2
Unaudited Consolidated Interim Statements of Cash Flows for the Six Months Ended June 30, 2026 and 2025	3
Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity for the Six Months Ended June 30, 2026 and 2025	4
Notes to the Unaudited Consolidated Interim Financial Statements for the Three and Six Months Ended June 30, 2026 and 2025	5

TelyRx Holdings Inc.
Unaudited Consolidated Interim Statements of Financial Position
(in thousands of U.S. dollars)
As of June 30, 2026 and December 31, 2025

	Note	June 30, 2026	December 31, 2025
Current assets			
Cash and cash equivalents	3	\$ 21,675	\$ 2,988
Restricted certificates of deposit	3	473	464
Inventory		1,519	1,352
Accounts receivable	3	682	456
Prepaid expenses & other current assets		1,152	297
Total current assets		25,501	5,557
Non-current assets			
Property and equipment, net	5	878	714
Right-of-use assets	6	3,226	2,565
Software, net	5	1,261	1,040
Total non-current assets		5,365	4,319
Total assets		\$ 30,866	\$ 9,876
Current liabilities			
Accounts payable	3	\$ 4,446	\$ 2,655
Accrued expenses	3, 7	1,992	2,988
Contract liability		27	39
Current portion of borrowings	3, 8	627	9,173
Accrued interest	3, 8	13	801
Current portion of lease liabilities	3, 6	265	165
Total current liabilities		7,370	15,821
Non-current liabilities			
Borrowings	3, 8	9,523	-
Lease liabilities	3, 6	3,068	2,529
Total non-current liabilities		12,591	2,529
Total liabilities		19,960	18,350
Equity			
Shareholders' equity	4, 13	44,436	15,912
Accumulated deficit		(33,531)	(24,386)
Total equity		10,905	(8,474)
Total liabilities and equity		\$ 30,866	\$ 9,876

Events after the reporting date

15

The accompanying notes form part of these unaudited consolidated interim financial statements.

TelyRx Holdings Inc.
Unaudited Consolidated Interim Statements of Loss and Other Comprehensive Loss
(in thousands of U.S. dollars)
For the three and six months ended June 30, 2026 and 2025

		Three months ended June 30,		Six months ended June 30,	
	Note	2026	2025	2026	2025
Revenues	2	\$ 22,670	\$ 9,342	\$ 42,064	\$ 16,273
Cost of revenue		9,655	4,254	18,341	7,693
Gross profit		13,015	5,088	23,723	8,580
Operating expenses					
General and administrative	9	18,159	6,015	31,503	9,292
Depreciation and amortization	5, 6	307	171	560	305
Total operating expenses		18,466	6,186	32,063	9,597
Loss from operations		(5,451)	(1,098)	(8,340)	(1,017)
Finance expense, net		29	131	264	251
Listing expense	4	-	-	2,309	-
Other income	3	(1,011)	-	(1,768)	-
Loss before tax		(4,469)	(1,229)	(9,145)	(1,268)
Income tax expense	10	-	-	-	-
Total net loss and other comprehensive loss		\$ (4,469)	\$ (1,229)	\$ (9,145)	\$ (1,268)
Basic loss per share	2	(0.09)	(0.12)	(0.30)	(0.12)
Diluted loss per share	2	(0.09)	(0.12)	(0.30)	(0.12)

The accompanying notes form part of these unaudited consolidated interim financial statements.

TelyRx Holdings Inc.
Unaudited Consolidated Interim Statements of Cash Flows
(in thousands of U.S. dollars)
For the six months ended June 30, 2026 and 2025

		Six months ended June 30,	
	Note	2026	2025
Cash flows from operating activities			
Net loss		\$ (9,145)	\$ (1,268)
Adjustments to reconcile net loss to net cash and cash equivalents provided from operating activities			
Amortization and depreciation	5, 6	560	305
Lease interest expense	6	70	48
Non-cash interest expense		5	301
Interest earned on restricted certificates of deposit		(9)	(15)
Gain on lease termination	6	(89)	-
Stock compensation expense	13	1,989	-
Listing expense	4	2,309	-
Total adjustments to reconcile net loss to net cash and cash equivalents provided from operating activities		4,835	639
Changes in non-cash working capital items			
Accounts receivable		(226)	(307)
Inventory		(167)	(758)
Prepaid expenses and other current assets		(855)	(309)
Accounts payable		1,831	1,176
Accrued expenses and other current liabilities		(664)	727
Total changes in non-cash working capital items		(81)	529
Interest paid		(1,204)	(48)
Net cash and cash equivalents used in operating activities		(5,595)	(148)
Cash flows from investing activities			
Property and equipment purchases	5	(245)	(293)
Software purchases	5	(554)	(557)
Cash acquired in reverse takeover transaction		827	-
Net cash and cash equivalents provided by (used in) investing activities		28	(850)
Cash flows from financing activities			
Proceeds from borrowings	8	10,146	-
Repayments of borrowings	8	(9,213)	-
Repayment of principal portion of lease liabilities	6	(78)	(38)
Repurchase of shares from shareholder	13	-	(3)
Proceeds from share issuance	4, 13	23,339	-
Net cash and cash equivalents provided by (used in) financing activities		24,254	(41)
Net increase (decrease) in cash and cash equivalents		18,687	(1,039)
Cash and cash equivalents, beginning of period		2,988	3,314
Cash and cash equivalents, end of period		\$ 21,675	\$ 2,275

The accompanying notes form part of these unaudited consolidated interim financial statements.

TelyRx Holdings Inc.
Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity
(in thousands of U.S. dollars, except share data)
For the six months ended June 30, 2026 and 2025

		Shareholders' Equity		Accumulated	
	Note	Shares	Share Capital	Deficit	Total
Balance, January 1, 2025		10,688,537	\$ 15,915	\$ (18,961)	\$ (3,046)
Repurchase of shares	13	(126)	(3)		(3)
Net loss	13	-	-	(1,268)	(1,268)
Balance, June 30, 2025		10,688,411	\$ 15,912	\$ (20,229)	\$ (4,317)
Balance, January 1, 2026	13	10,688,411	\$ 15,912	\$ (24,386)	\$ (8,474)
Non-employee stock compensation expense – warrant vesting	13	-	204	-	204
Shares issued in cashless warrant exercise	13	826,034	-	-	-
Share recapitalization in connection with reverse takeover	4, 13	6,183,115	-	-	-
Shares issued for cash consideration	4, 13	7,980,260	23,399	-	23,399
Shares issued in reverse takeover transaction	4, 13	900,876	3,136	-	3,136
Stock compensation expense – equity awards	13	-	1,785	-	1,785
Shares issued in cashless options exercise	4	11,744	-	-	-
Net loss		-	-	(9,145)	(9,145)
Balance, June 30, 2026		26,590,440	\$ 44,436	\$ (33,531)	\$ 10,905

The accompanying notes form part of these unaudited consolidated interim financial statements.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

1. General Information

TelyRx Holdings 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, TelyRx, LLC and TelyRx Dallas, LLC (collectively referred to as the “Licensed Pharmacies”), which are subsidiaries of TelyRx, Inc. (a wholly owned subsidiary of TelyRx; and together with TelyRx, Inc.’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 500 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.

2. Material Accounting Policy Information

Statement of Compliance

These unaudited consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). These unaudited consolidated interim financial statements do not include all the information required for full annual financial statements prepared in accordance with IFRS as issued by the IASB. Accordingly, these unaudited consolidated interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2025 and 2024 and the accompanying notes.

These unaudited consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of TelyRx on August 10, 2026.

Basis of Presentation

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

For the periods ended June 30, 2026 and December 31, 2025, the Company had operations exclusively in the United States.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

2. Material Accounting Policy Information, continued

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 unaudited consolidated interim 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 as of June 30, 2026 and December 31, 2025.

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 in the unaudited consolidated interim 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 periods ended June 30, 2026 and December 31, 2025, there have been no obsolete inventory write-offs.

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 June 30, 2026 and December 31, 2025, gross accounts receivable was \$682 and \$456, respectively. There were no write-offs of accounts receivable for the periods ended June 30, 2026 and December 31, 2025. 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 June 30, 2026 and December 31, 2025. Management will continue to monitor circumstances and will record an allowance in future periods if credit loss exposure arises.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

2. Material Accounting Policy Information, continued

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.

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.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

2. Material Accounting Policy Information, continued

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 2035, 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.

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.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

2. Material Accounting Policy Information, continued

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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue from sale of goods	\$ 19,775	\$ 8,420	\$ 36,943	\$ 14,705
Service revenue	2,895	922	5,121	1,568
Total revenue	\$ 22,670	\$ 9,342	\$ 42,064	\$ 16,273

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.

Stock Compensation Expense

Stock compensation expense 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 shares granted to employees and non-employees 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.

Income Taxes

The Company is taxed as a corporation. For the three and six months ended June 30, 2026 and 2025, the Company did not recognize 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.

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 loss attributable to the Company's shareholders for the period by the basic and diluted weighted-average number of subordinate voting share equivalents outstanding during the period, respectively. Proportionate voting shares are converted to subordinate voting share equivalents for purposes of calculating loss per share. Prior to the reverse takeover, the weighted-average number of shares reflects common shares outstanding (see Notes 4 and 13).

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

2. Material Accounting Policy Information, continued

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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	\$ (4,469)	\$ (1,229)	\$ (9,145)	\$ (1,268)
Weighted-average shares outstanding - basic	48,855,978	10,688,497	30,166,053	10,688,517
Weighted-average shares outstanding - diluted	48,855,978	10,688,497	30,166,053	10,688,517

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 Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

3. Financial Instruments – Risk Management, continued

(ii) Financial instruments by category

As of June 30, 2026	Carrying Amount			
	Fair Value Through Profit & Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value
Financial assets and liabilities				
Cash and cash equivalents	\$ -	\$ -	\$ 21,675	\$ 21,675
Restricted certificates of deposit	-	-	473	473
Accounts receivable	-	-	682	682
Accounts payable	-	-	4,446	4,446
Accrued expenses	-	-	1,992	1,992
Borrowings (including accrued interest)	-	-	10,163	10,163
Lease liabilities	-	-	3,333	3,333

As of December 31, 2025	Carrying Amount			
	Fair Value Through Profit & Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value
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

(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 as of June 30, 2026 and December 31, 2025.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

3. Financial Instruments – Risk Management, continued

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:

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. As of June 30, 2026 and December 31, 2025, the Company has recorded a provision of expected credit losses of \$0 and \$0, respectively, relating to its receivables.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. As of June 30, 2026, 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 Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

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 June 30, 2026	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	\$ 4,446	\$ -	\$ -	\$ -	\$ -	\$ 4,446
Accrued expenses	992	1,000	-	-	-	1,992
Borrowings (including accrued interest)	13	627	1,506	8,017	-	10,163
Lease liabilities	64	201	296	1,093	1,679	3,333

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

4. Broker Private Placement Transaction

On January 21, 2026, the Company entered into a definitive business combination agreement with Apollo V Acquisition Corp. (“Apollo”), a capital pool company listed on the TSX Venture Exchange (the “Exchange”), to effect a business combination of the two companies (the “Proposed Transaction”). The Proposed Transaction was a reverse takeover of Apollo by the Company and its shareholders.

On March 31, 2026, the Company completed the Proposed Transaction. The transaction does not constitute a business combination as Apollo does not meet the definition of a business under IFRS 3, *Business Combinations*. In accordance with IFRS 3, the substance of the transaction is a reverse acquisition of a non-operating company. As a result, the transaction will be accounted for as a capital transaction with TelyRx, Inc. being identified as the acquirer.

As a condition of closing the Proposed Transaction, TelyRx, Inc. completed a concurrent financing at a price of \$3.23 per share to raise aggregate gross proceeds of \$25,813 through the issuance of 7,980,260 subscription receipts ultimately exchangeable for shares of the resulting issuer. Transaction-related costs incurred were \$2,414 and were accounted for as a deduction from equity in accordance with IAS 32, *Financial Instruments: Presentation*, resulting in a net increase to shareholders’ equity of \$23,399.

Contemporaneously with the Proposed Transaction, Apollo consolidated its 27,026,300 issued and outstanding common shares on a 30-to-1 basis, resulting in 900,876 issuer shares. In addition, 2,702,630 options and 784,000 warrants were consolidated on the same 30-to-1 basis, resulting in 90,087 options and 26,133 warrants outstanding, respectively. All share and per-share amounts presented in the financial statements have been reflected on a post-consolidation basis. The fair value of the resulting issuer shares was determined to be \$3.23 per share, based on the price established in the concurrent financing. The resulting unaudited consolidated interim statement of financial position is presented as a continuation of TelyRx, Inc. Accordingly, all amounts related to Apollo’s equity and any intercompany balances have been eliminated.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

4. Broker Private Placement Transaction, continued

The allocation of the purchase price is as follows:

Consideration transferred	
Fair value of 900,876 shares	\$ 2,914
Fair value of 90,087 options	180
Fair value of 26,133 warrants	42
Total consideration transferred	\$ 3,136
Allocation of purchase consideration	
Cash	\$ 827
Listing expense	2,309
Total allocation of purchase consideration	\$ 3,136

Options

In connection with the reverse takeover, options originally issued by Apolo remained outstanding in accordance with their terms following the share consolidation. These options were accounted for as part of the transaction and were measured at fair value as of the reverse takeover date. During the three months ended June 30, 2026, 27,026 options were exercised through cashless exercises, resulting in the issuance of 11,744 shares. The following table summarizes the Apolo options outstanding as of June 30, 2026:

Securities	Exercise Price	Number Outstanding	Expiry
Apolo options	\$1.10	44,395	October 24, 2035
Apolo options	\$2.19	18,666	October 24, 2035
Total Apolo options		63,061	

Warrants

In connection with the reverse takeover, warrants originally issued by Apolo remained outstanding in accordance with their terms following the share consolidation. These warrants were accounted for as part of the transaction and were measured at fair value as of the reverse takeover date. No warrants were exercised during the three months ended June 30, 2026. The following table summarizes the Apolo warrants outstanding as of June 30, 2026:

Securities	Exercise Price	Number Outstanding	Expiry
Apolo warrants	\$2.19	26,133	October 24, 2030

Share Recapitalization

The Company exchanged all issued and outstanding shares of TelyRx, Inc. for shares of TelyRx Holdings, Inc., resulting in the issuance of 17,697,560 shares to former TelyRx, Inc. shareholders, an increase of 6,183,115 total shares (see Note 13).

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

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 as of June 30, 2026 and December 31, 2025:

Cost or Valuation

	Leasehold Improvements	Furniture and Equipment	Software
As of January 1, 2025	\$ 183	\$ 58	\$ 857
Additions	334	253	855
Disposals	-	(5)	-
As of December 31, 2025	517	306	1,712
Additions	105	140	554
As of June 30, 2026	\$ 622	\$ 446	\$ 2,266

Accumulated Depreciation and Amortization

	Leasehold Improvements	Furniture and Equipment	Software
As of January 1, 2025	\$ (9)	\$ (3)	\$ (217)
Additions	(31)	(67)	(455)
Disposals	-	1	-
As of December 31, 2025	(40)	(69)	(672)
Additions	(25)	(57)	(333)
As of June 30, 2026	\$ (65)	\$ (125)	\$ (1,005)

Depreciation and amortization expense related to the above asset classes totaled \$222 and \$131 for the three months ended June 30, 2026 and 2025, respectively, and \$415 and \$228 for the six months ended June 30, 2026 and 2025, respectively.

6. Leases

The maturity analysis of lease liabilities as of June 31, 2026 and December 31, 2025 is as follows:

Year	June 30, 2026	December 31, 2025
2026	\$ 226	\$ 272
2027	463	281
2028	478	289
2029	492	298
2030	507	308
Thereafter	2,140	1,977
Total future minimum rental payments	4,306	3,425
Less imputed interest	(973)	(731)
Total lease liabilities	\$ 3,333	\$ 2,694

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

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, 2025	\$ 2,310
Additions	483
Depreciation	(228)
As of December 31, 2025	2,565
Additions	2,335
Depreciation	(145)
Terminations	(1,529)
As of June 30, 2026	\$ 3,226
	Lease Liabilities
As of January 1, 2025	\$ 2,322
Additions	483
Accretion of interest	105
Lease payments	(216)
As of December 31, 2025	2,694
Additions	2,335
Accretion of interest	70
Lease payments	(148)
Terminations	(1,618)
As of June 30, 2026	\$ 3,333

During the three months ended June 30, 2026, the Company commenced a new lease to expand an existing facility and recognized a right-of-use asset and associated lease liability of \$2,335. In connection with the new lease, the Company terminated the existing lease, resulting in the derecognition of right-of-use asset of \$1,529 and lease liability of \$1,618, and recognized a gain on lease termination of \$89.

Depreciation expense related to right-of-use assets was \$85 and \$41 for the three months ended June 30, 2026 and 2025, respectively, and \$145 and \$77 for the six months ended June 30, 2026 and 2025, respectively.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

7. Accrued Expenses

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

	June 30, 2026	December 31, 2025
Compensation and benefits	\$ 1,344	\$ 1,187
Marketing and advertising	442	444
Shipping and logistics	176	182
Professional services	20	75
Severance payable	5	1,006
State tax payable	-	18
Other accrued expenses	5	76
Total accrued expenses	\$ 1,992	\$ 2,988

8. Borrowings

The Company's borrowings as of June 30, 2026 and December 31, 2025:

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 was secured by substantially all of the Company's assets. The Company did not make any cash interest payments on the senior debt during the year ended December 31, 2025. Accrued interest expense for the year ended December 31, 2025 was \$801.

The outstanding balance of this facility, including all accrued payment-in-kind interest, was repaid in full on January 23, 2026 in connection with the Company's debt refinancing.

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 was included within accounts payable on the unaudited consolidated interim statement of financial position, and was subsequently paid on January 2, 2026. Interest accrued monthly and was capitalized into the outstanding principal balance. The proceeds from the loan were used 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.

The bridge loan, including all accrued payment-in-kind interest, was repaid in full on January 23, 2026 in connection with the Company's debt refinancing.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

8. Borrowings, continued

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 a \$10,200 cash collateral deposit maintained with the financial institution.

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.

As of June 30, 2026, the Company's borrowings comprise a term loan of \$10,200, net of unamortized deferred financing costs of \$49. As of December 31, 2025, the Company's borrowings comprised a term loan of \$7,213 and a bridge loan of \$2,000, net of unamortized deferred financing costs of \$40. Borrowings are measured at amortized cost.

9. General and Administrative Expenses by Nature

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Advertising and marketing	\$ 9,583	\$ 3,554	\$ 17,725	\$ 5,053
Salaries, wages, and benefits	3,559	1,790	6,748	3,201
Stock compensation expense	1,785	-	1,989	-
Legal and professional fees	1,136	235	1,859	298
Office and administrative expenses	787	189	1,298	319
Branding and digital experience	558	-	558	-
Software and subscriptions	480	89	861	135
Other operating expenses	271	158	465	286
Total general and administrative expenses	\$ 18,159	\$ 6,015	\$ 31,503	\$ 9,292

10. Income Tax Provision

Since inception, the Company has incurred net taxable losses, and accordingly, no provision for income taxes has been recorded. Cash paid for income taxes was \$25 during the six months ended June 30, 2026. No cash was paid for income taxes during the six months ended June 30, 2025.

11. Related Party Transactions

Key Management Personnel Compensation

For the three months ended June 30, 2026 and 2025, management compensation for key management personnel consisted of salary of \$498 and \$275, respectively, and accrued bonus of \$186 and \$105, respectively. For the six months ended June 30, 2026 and 2025, management compensation for key management personnel consisted of salary of \$968 and \$550, respectively, and accrued bonus of \$468 and \$210, respectively.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

11. Related Party Transactions, continued

Lease with Shareholder

The Company leases one of its licensed retail pharmacy locations from a related party entity that is partially owned by a shareholder of the Company. Lease payments under this arrangement totaled approximately \$136 and \$53 for the three months ended June 30, 2026 and 2025, respectively, and \$214 and \$113 for the six months ended June 30, 2026 and 2025, respectively.

Borrowings from Shareholders

In connection with the senior debt and the bridge loan as described in Note 8, certain parties who issued debt are also shareholders of the Company. The senior debt and bridge loan were repaid in January 2026 in connection with the new credit facility.

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 June 30, 2026 and December 31, 2025, the Company had recognized a liability of \$0 and \$929, respectively, related to this agreement, which is included within accrued expenses in the unaudited consolidated interim statements of financial position. During the six months ended June 30, 2026, the remaining liability was settled 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 in 2024. As of June 30, 2026 and December 31, 2025, the remaining future lease payments subject to this guarantee total approximately \$1,118 and \$1,303, 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 unaudited consolidated interim financial statements in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

13. Shareholders' Equity

Share Capital

The Company is authorized to issue an unlimited number of subordinate voting shares ("SVS") and proportionate voting shares ("PVS"), each with a par value of \$0.01 per share. The SVS shares carry one vote per share, and the PVS shares carry 100 votes per share and are convertible into SVS shares on a 100-for-1 basis. The SVS and PVS shares are otherwise economically equivalent.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

13. Shareholders' Equity, continued

Share Recapitalization and Reverse Takeover Transaction

On March 31, 2026, the Company completed a share recapitalization in connection with the reverse takeover transaction described in Note 4. Immediately prior to the reverse takeover, TelyRx, Inc. had 11,514,445 common shares outstanding. The recapitalization resulted in the issuance of 17,697,560 shares to former TelyRx, Inc. shareholders, consisting of 17,472,593 SVS shares and 224,967 PVS shares. The following table summarizes all shares issued in connection with the reverse takeover:

	<u>TelyRx, Inc.</u>	<u>TelyRx Holdings, Inc.</u>		
	<u>Common Shares</u>	<u>SVS Shares</u>	<u>PVS Shares</u>	<u>Total Shares</u>
TelyRx, Inc. common shares outstanding prior to reverse takeover	11,514,445	-	-	-
Exchange of TelyRx, Inc. common shares	(11,514,445)	17,472,593	224,967	17,697,560
Shares issued to Apollo shareholders	-	900,876	-	900,876
Shares issued for cash consideration	-	7,980,260	-	7,980,260
Total shares issued as of March 31, 2026	-	26,353,729	224,967	26,578,696

Dividends

The Company has not declared or paid any dividends during the three and six months ended June 30, 2026 and 2025. The declaration and payment of any future dividends will be at the discretion of the Board of Directors.

Warrants

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 warrants had an exercise price of \$2.00, a contract term of five years, and an intrinsic value of \$815. Vesting of the warrants was contingent upon the achievement of four Company milestones. On March 31, the fourth and final milestone was achieved, resulting in the recognition of \$204 of non-employee stock compensation expense during the six months ended June 30, 2026. A Black-Scholes valuation model was used to calculate the expense.

Upon vesting, all warrants were exercised through a cashless exercise, resulting in the issuance of 826,034 common shares of TelyRx, Inc. with no cash proceeds. These shares were then exchanged for 2,867,536 shares of TelyRx Holdings Inc. upon the completion of the private placement transaction (see Note 4). As of June 30, 2026, no warrants issued under this arrangement remain outstanding.

Repurchase of Shares

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

Omnibus Equity Incentive Plan

In April 2026, the Company adopted the Omnibus Equity Incentive Plan, which authorizes the issuance of stock options, restricted stock units ("RSUs"), and other equity-based awards to directors, officers, employees, and consultants.

During the three months ended June 30, 2026, the Company granted 3,246,326 RSUs to executive officers, directors, and employees. The awards are subject to varying vesting terms. The aggregate grant-date fair value of the awards was approximately \$6,572 and is being recognized as stock compensation expense over the applicable vesting periods. For the three months ended June 30, 2026, the Company recognized \$1,784 of stock compensation expense related to these awards.

The company also granted 10,000 stock options to a former director during the three months ended June 30, 2026. The options have an exercise price of \$10.00 per share, vested upon grant, expire 180 days after the grant date, and had a grant-date fair value of \$1, determined using the Black-Scholes option pricing model. The associated stock compensation expense of \$1 was recognized during the three months ended June 30, 2026.

TelyRx Holdings Inc.
Notes to the Unaudited Consolidated Interim Financial Statements
(in thousands of U.S. dollars, except share data)
For the three and six months ended June 30, 2026 and 2025

14. Standards Issued but Not Yet Effective

At the date of authorization of these unaudited consolidated interim financial statements, the International Accounting Standards Board (IASB) has issued new standards, amendments, and interpretations that are not yet effective for the six months ended June 30, 2026. The Company has not early adopted these standards.

The following new standard is 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.

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

15. Events after the Reporting Date

The Company has evaluated subsequent events through August 10, 2026, the date the unaudited consolidated interim financial statements were issued.