

Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following management's discussion and analysis ("MD&A") for the six months ended June 30, 2026 and 2025 is prepared based on information available as of August 10, 2026. It is supplemental to, and should be read in conjunction with, the unaudited consolidated interim financial statements and the related notes thereto for the six months ended June 30, 2026 and 2025 prepared in accordance with IAS 34, *Interim Financial Reporting* (the "**Q1 Financial Statements**") of TelyRx Holdings Inc. (referred to hereinafter as "**TelyRx**", "**we**", "**us**" and "**our**") and its subsidiaries and affiliated companies (together with TelyRx, the "**Company**").

Unless otherwise noted, all financial information in this MD&A is reported in thousands of United States dollars. The tables and charts included in this document form an integral part of this MD&A.

This MD&A has been prepared with reference to National Instrument 51-102 – *Continuous Disclosure Obligations*.

This MD&A includes references to the Company's trademarks and trade names, some of which may be protected under applicable intellectual property laws of one or more countries and which TelyRx believes are its property. Solely for convenience, the Company's trademarks referred to in this MD&A may appear without the TM or ® symbols, but such references are not intended to indicate, in any way, that the Company will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

Cautionary Note Regarding Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion other than statements of historical facts including, without limitation, those that address future events, developments, or transactions that we expect, are forward-looking statements. These forward looking statements are made as of the date of this MD&A. Forward-looking statements are frequently, but not always, identified by words such as "expect", "anticipate", "estimate", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "predicts"; "potential", "projects", "possible", "milestones", "projection" or the negative of any of these words and similar expressions, although these words may not be present in all forward-looking statements. Examples of forward-looking statements in this MD&A include, but are not limited to, statements regarding:

- our expectations regarding continued investments in technology development, sales and marketing efforts, and that such investments will positively impact our results of operations over the long term;
- our belief that we will generate profits in the future and our expectations regarding long-term revenue growth;
- our expectations that marketing expenses, operations and support expenses, technology and development expenses, and general and administrative expenses as a percentage of revenue will decrease over the long term as we scale our business;
- our expectations regarding the stabilization of gross margin over the long term as we continue to scale our business and increase our ability to negotiate more favorable costs of revenue;
- statements about our future capital requirements and our expectations to continue to pursue opportunities to expand our manufacturing and internal fulfillment capabilities and to acquire or invest in complementary businesses, services, and technologies;
- our belief that we will be able to meet our obligations as they become due and continue operations for at least the twelve-month period following the issuance of our unaudited consolidated interim financial statements;
- our expectations regarding future revenue growth, improving operating results, and maintaining access to capital markets and other financing alternatives;
- our expectations regarding customer retention, customer acquisition, and the recurring customer mix;
- our expectations regarding the expansion into new health and wellness specialties and jurisdictions; and
- our expectations regarding operational efficiency improvements and the effectiveness of our retention strategies.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include,

but are not limited to, the factors discussed in the section entitled “Risk Factors” in this MD&A. Although we have attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this MD&A and, other than as required by law, we disclaim any obligation to update any forward-looking statements, whether because of new information, future events, or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based on several assumptions, which may prove to be incorrect, including but not limited to the assumptions discussed in this section. Accordingly, readers should not place undue reliance on forward-looking statements.

Accounting Policies

In February 2021, the International Accounting Standards Board (“IASB”) issued amendments to IAS 1 Presentation of Financial Statements that aim to assist companies in providing more relevant and company-specific disclosures of accounting policies. The amendments require companies to disclose ‘material’ accounting policies rather than ‘significant’ accounting policies. The amendments clarify that accounting policy information is material if, when considered together with other information, it can be reasonably expected to influence decisions that the primary users of the financial statements make. Furthermore, accounting policy information may be material based on nature, even if the amounts are not material. The amendments are effective for annual periods beginning on January 1, 2023. Their adoption did not have a significant impact on the disclosures made in these unaudited consolidated interim financial statements.

Overview

TelyRx is a vertically integrated, technology-enabled healthcare and pharmacy services company that operates a digital pharmacy platform at TelyRx.com. The platform connects patients with independent, state-licensed providers and allows them to conveniently request and receive everyday prescription medications. Prescriptions are fulfilled through TelyRx’s two licensed pharmacies located in Clearwater, Florida, and Dallas, Texas. Since launching in January 2024 with fewer than 100 medications, TelyRx has expanded to offer more than 500 FDA-approved medications across over 60 indications, reaching more than 97% of the U.S. population and operating in 48 states and territories.

The Company built TelyRx.com to streamline the patient experience by integrating telehealth provider review with direct pharmacy fulfillment. Patients select a medication, complete a detailed History & Physical certification, and submit their request for provider review. Independent providers, organized into 19 third-party practice groups, exercise full clinical judgment in approving or denying requests and play an ongoing role in shaping the Company’s formulary. TelyRx does not employ these providers; instead, they contract through TelyRx Services, LLC, ensuring broad coverage across nearly all U.S. jurisdictions.

TelyRx’s formulary strategy emphasizes safety, regulatory simplicity, and broad accessibility. The formulary excludes all controlled and compounded substances, as TelyRx does not hold and does not intend to obtain DEA registration. Instead, the Company dispenses only FDA-approved generic and branded medications sourced from licensed U.S. wholesalers and manufacturers. No single medication accounts for more than 10% of revenue, and offerings span chronic conditions, infections, dermatologic treatments, digestive health, women’s and men’s health, lifestyle categories, and weight-loss therapies. Providers continually inform formulary evolution to maintain appropriate risk profiles and regulatory compliance.

Medication fulfillment occurs through TelyRx’s licensed pharmacies, which hold Community Pharmacy licenses and extensive non-resident or mail-order licenses enabling national dispensing. Once a provider issues a prescription, pharmacy technicians prepare the medication under pharmacist supervision, followed by stringent pharmacist verification before shipment. Most orders ship within 24 hours, subject to provider approval and pharmacist review. Revenue is recognized when completed prescriptions are transferred to national carriers, marking the point at which control passes to the patient and TelyRx’s performance obligations are fully satisfied.

Key Factors Affecting Results of Operations

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges.

New Customer Acquisition

Our ability to attract new customers is a key factor for our future growth. To date, we have successfully acquired new customers through digital marketing efforts and the development of our brands. As a result, revenue has increased each year since our launch. If we are unable to acquire enough new customers in the future, revenue might decline. New customer acquisition could be negatively impacted if our marketing efforts are less effective in the future. Increases in advertising rates could also negatively impact our ability to acquire new customers. Consumer tastes, preferences, and sentiment for our brands may also change and result in decreased demand for our products and services. Changes in the legal or regulatory environment could also negatively impact our ability to acquire new customers, including changes to privacy, healthcare, or other laws, or the interpretation or enforcement of such laws, and could impact customer acquisition costs.

Retention of Customers

Customer retention remains a critical driver of our long-term growth and profitability. As a provider of healthcare technology and pharmacy services, our ability to maintain strong relationships with healthcare providers, payers, and patients is essential to sustaining recurring revenue and expanding our market presence. Our retention strategy includes proactive customer support, continuous platform enhancements, and strategic initiatives that reinforce trust and satisfaction. We believe that our customer-centric approach positions us favorably to navigate competitive pressures and capitalize on emerging opportunities in the healthcare ecosystem. If there is a change in customer behavior due to inflationary pressures, recessionary trends, or if there is a change in healthcare policy, our revenue could be adversely affected. Additionally, disruptions in supply chains or trade-related actions could affect drug availability and pricing, further influencing customer retention and overall operational performance.

Investments in Growth

We expect to continue to focus on long-term revenue growth through investments in technology development and sales and marketing efforts. In addition, we believe continued investments in platform modules and clinical programs will allow us to further penetrate our products and services into our existing client relationships and new opportunities. Accordingly, in the short term we expect these activities to result in net losses, but in the long term, we anticipate that these investments will positively impact our results of operations. If we are unsuccessful at improving our offerings or are unable to generate additional demand for our offerings, we may not recover the financial investments we make into the business and revenue may not increase in the future.

Expansion into New Specialties

During February of 2026, the Company introduced over-the-counter (“OTC”) supplement products to further support our customers’ health needs. As of June 30, 2026, over 50 new OTC products are available on TelyRx.com. The Company will continue to identify additional OTC products based on feedback received by customer demands.

We expect to continue to expand into new health and wellness specialties with our offerings. Specialty expansion allows us to increase the number of health and wellness consumers for whom we can provide products and services. It also allows us to offer access to treatment of additional conditions that may already affect our current customers. Expanding into new health and wellness specialties has required and will continue to require financial investments in additional headcount, marketing and customer acquisition costs, additional operational capabilities, and may require the purchase of new inventory. If we are unable to generate or maintain sufficient demand in new health and wellness specialties, we may not recover the financial investments we make into new specialties and revenue may not increase in the future.

Components of Results of Operations

Revenue

Revenue consists of revenue from the sale of goods and service revenue. We recognize revenue when we transfer promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. Our consolidated revenue primarily comprises online sales of health and wellness products through our website. In contracts that contain prescription products issued as the result of a consultation, revenue also includes medical consultation and post-consultation service support provided by doctors. As this is an extension of the sale of goods, it is recognized as revenue when the sale of goods is eligible to be recognized as revenue. Service revenue consists of revenue derived from the service of arranging the shipping and handling of goods.

Cost of Revenue

Cost of revenue consists of costs directly attributable to the products shipped and services rendered, including product costs of purchased and manufactured products, packaging materials, shipping costs, labor costs directly related to revenue generating activities including medical consultation services, and credit card processor fees. Costs related to free products where there is no expectation of future purchases from a customer and depreciation and amortization on property, equipment, and software (other than related to manufactured products) are considered to be operating expenses and are excluded from cost of revenue.

Gross Profit and Gross Margin

Our gross profit represents total revenue less our total cost of revenue, and our gross margin is our gross profit expressed as a percentage of our total revenue. Our gross profit and gross margin have been and will continue to be affected by a number of factors, including the prices we charge for our products and services, the costs we incur from our vendors for certain components of our cost of revenues, the mix of the various products and services we sell in a period including the launch of new offerings, volume of fulfillment through affiliated and internal fulfillment capabilities, and our ability to sell our inventory. We expect our gross margin to fluctuate from period to period depending on these and other factors. Over the long term we expect gross margin to stabilize as we continue to scale our business and increase our ability to negotiate more favorable costs of revenue.

General and Administrative Expenses

Marketing expenses

The largest component of our general and administrative expenses (“G&A”) is marketing expenses, which primarily consist of our discretionary customer acquisition costs. Customer acquisition costs, also called paid marketing expense, are the advertising and media costs associated with our efforts to acquire new customers, promote our brands, and build awareness for our products and services. Customer acquisition costs include advertising in digital media, social media, television, radio, out-of-home media, and various other media outlets. Marketing expenses also include overhead expenses, including salaries, benefits, taxes, agency, contractor, and consulting expenses, content production, software, and other marketing operating costs. Marketing is an important driver of growth, and we intend to continue to make significant investments in customer acquisition and our marketing organization. Historically, our marketing expenses have increased quarter-over-quarter, and we expect this trend to continue. While marketing expenses may fluctuate as a percentage of revenue due to the timing and discretionary nature of these expenses, with the additional marketing leverage driven by our newer offerings, along with the maturation of our existing patient base, we expect total marketing expenses as a percentage of revenue to continue to decrease over the long term.

Operations and support expenses

Operations and support expenses within G&A include the salaries, benefits, taxes, professional services expenses, consultants, and contractors for our supply chain, retail, medical group, pharmacy, fulfillment, and customer service functions. These expenses also include operating expenses primarily relating to operating and support functions for facilities, warehousing and storage, fulfillment, and transaction processing to support those functions. We expect operations and support expenses to increase for the foreseeable future as we continue to invest in our fulfillment and operating capabilities and grow our business, resulting in additional operational efficiencies. As a result, we expect

revenue growth to continue to outpace those investments made, leading to a decrease in operations and support expenses as a percentage of revenue over the long term, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

Technology and development expenses

Technology and development expenses within G&A include the salaries, benefits, taxes, professional services expenses, consultants, and contractors for our engineering, product management, product development, and data science functions. These expenses also include operating expenses primarily relating to technology and development functions for the operation, maintenance and enhancement of our digital platform, websites and mobile applications, inclusive of related expenses to support those functions. Expenses also include investments to develop new health and wellness products and services. We expect technology and development expenses may increase in the foreseeable future as we grow our business and continue to invest in our platform and new offerings and stabilize over the long term, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

Other general and administrative expenses

Other G&A include the salaries, benefits, taxes, professional services expenses, and stock compensation expense for personnel, consultants, and contractors for our executive, legal, human resources, finance, brand strategy, communications, public and government relations, and other corporate functions. These expenses also include operating expenses primarily relating to general and administrative functions for insurance, third-party software and hosting to support those functions, and other general corporate costs. We expect G&A to increase for the foreseeable future as we increase headcount with the growth of our business. However, we anticipate G&A will decrease as a percentage of revenue over the long term, in part due to our expected execution of disciplined headcount growth and overall expense management, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

Depreciation and Amortization

Depreciation and amortization consist of non-cash expenses related to the use of our long-lived assets and capitalized costs over their estimated useful lives. These expenses primarily include depreciation of property and equipment, amortization of capitalized software development costs, and amortization of right-of-use assets associated with our lease arrangements. Depreciation and amortization are included within operating expenses and are not allocated to cost of revenue. These expenses are driven by the level and timing of our capital investments and lease activity. As we continue to invest in infrastructure, technology, and facilities to support the growth of our business, we expect depreciation and amortization to increase over time.

Finance Expense, Net

Finance expense, net consists primarily of interest expense incurred on our outstanding debt arrangements, partially offset by interest income earned on our cash balances and short-term investments. Interest expense is driven by the level of our borrowings, applicable interest rates, and the timing of new financing arrangements or repayments, while interest income reflects yields earned on cash held in interest-bearing accounts. Finance income and expense may vary over time depending on changes in our capital structure, financing activities, and cash management practices.

Listing Expense

Listing expense represents a non-cash charge recognized in connection with the Company's transition to a public company through the Broker Private Placement Transaction. This expense is non-recurring and reflects activities specific to the listing process.

Other Income

Other income consists of miscellaneous benefits received during the period. These amounts relate to non-recurring items and are not indicative of ongoing operating activities.

Results of Operations

Comparisons for the Three and Six Months Ended June 30, 2026 and 2025

The following tables set forth our unaudited consolidated interim statements of loss and other comprehensive loss for the three and six months ended June 30, 2026 and 2025 and the dollar and percentage change between the two periods (US dollars in thousands):

	Three Months Ended June 30,			
	2026	Change	% Change	2025
Revenues	\$ 22,670	\$ 13,328	143%	\$ 9,342
Cost of revenue	9,655	5,401	127%	4,254
Gross profit	13,015	7,927	156%	5,088
Operating expenses ⁽¹⁾				
General and administrative	18,159	12,144	202%	6,015
Depreciation and amortization	307	136	80%	171
Total operating expenses	18,466	12,280	199%	6,186
Loss from operations	(5,451)	(4,353)	*	(1,098)
Finance expense, net	29	(102)	(78)%	131
Listing expense	-	-	*	-
Other income	(1,011)	(1,011)	*	-
Loss before tax	(4,469)	(3,240)	*	(1,229)
Income tax expense	-	-	*	-
Total net loss and other comprehensive loss	\$ (4,469)	\$ (3,240)	*	\$ (1,229)

(*) Not meaningful

(1) Includes stock compensation expense attributable to general and administrative expenses for the three months ended June 30, 2026 and 2025 of \$1.8 million and \$0 million, respectively.

	Six Months Ended June 30,			2025
	2026	Change	% Change	
Revenues	\$ 42,064	\$ 25,791	158%	\$ 16,273
Cost of revenue	18,341	10,648	138%	7,693
Gross profit	23,723	15,143	176%	8,580
Operating expenses ⁽¹⁾				
General and administrative	31,503	22,211	239%	9,282
Depreciation and amortization	560	255	84%	305
Total operating expenses	32,063	22,466	234%	9,597
Loss from operations	(8,340)	(7,323)	*	(1,017)
Finance expense, net	264	13	5%	251
Listing expense	2,309	2,309	*	-
Other income	(1,768)	(1,768)	*	-
Loss before tax	(9,145)	(7,877)	*	(1,268)
Income tax expense	-	-	*	-
Total net loss and other comprehensive loss	\$ (9,145)	\$ (7,877)	*	\$ (1,268)

(*) Not meaningful

(1) Includes stock compensation expense attributable to general and administrative expenses for the six months ended June 30, 2026 and 2025 of \$2.0 million and \$0 million, respectively.

The following table sets forth our results of operations as a percentage of our total revenue for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	100%	100%	100%	100%
Cost of revenue	43%	46%	44%	47%
Gross profit	57%	54%	56%	53%
Operating expenses				
General and administrative	80%	64%	75%	57%
Depreciation and amortization	1%	2%	1%	2%
Total operating expenses	81%	66%	76%	59%
Loss from operations	(24)%	(12)%	(20)%	(6)%
Finance expense, net	0%	1%	1%	2%
Listing expense	0%	0%	5%	0%
Other income	(4)%	0%	(4)%	0%
Loss before tax	(20)%	(13)%	(22)%	(8)%
Income tax expense	0%	0%	0%	0%
Total net loss and other comprehensive loss	(20)%	(13)%	(22)%	(8)%

Revenue

Revenue was \$22.7 million for the three months ended June 30, 2026 compared to \$9.3 million for the three months ended June 30, 2025, an increase of \$13.3 million, or 143%. Throughout the three months ended June 30, 2026, the Company achieved consistent month-over-month revenue expansion, resulting in a 7.7% compounded monthly growth rate for the period.

Revenue was \$42.1 million for the six months ended June 30, 2026 compared to \$16.3 million for the six months ended June 30, 2025, an increase of \$25.8 million, or 158%. Throughout the six months ended June 30, 2026, the Company achieved consistent month-over-month revenue expansion, resulting in a 8.2% compounded monthly growth rate for the period.

Cost of Revenue and Gross Profit

Cost of revenue was \$9.7 million for the three months ended June 30, 2026 compared to \$4.3 million for the three months ended June 30, 2025, an increase of \$5.4 million or 127%.

Cost of revenue was \$18.3 million for the six months ended June 30, 2026 compared to \$7.7 million for the six months ended June 30, 2025, an increase of \$10.6 million or 138%.

This increase in cost of revenue for the three and six months ended June 30, 2026 was in line with the increase to revenue and was primarily due to continued growth in sales volumes.

Gross profit was \$13.0 million for the three months ended June 30, 2026 compared to \$5.1 million for the three months ended June 30, 2025, an increase of \$7.9 million. Correspondingly, gross margin was 57% for the three months ended June 30, 2026 compared to 54% for the three months ended June 30, 2025.

Gross profit was \$23.7 million for the six months ended June 30, 2026 compared to \$8.6 million for the six months ended June 30, 2025, an increase of \$15.1 million. Correspondingly, gross margin was 56% for the six months ended June 30, 2026 compared to 53% for the six months ended June 30, 2025.

The increase in gross margin for the three and six months ended June 30, 2026 was primarily due to improved purchasing economics for prescription medications, including increased direct purchasing from manufacturers and more favorable pricing negotiated with wholesale suppliers. Gross margin also benefited from lower transaction costs, including a reduction in credit card processing fees on a per-order basis, as well as improved margins on shipping and handling.

General and Administrative Expenses

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 (US dollars in thousands):

	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 - equity awards	1,785	-	1,785	-
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
Stock compensation expense - warrant vesting	-	-	204	-
Other operating expenses	271	158	465	286
Total general and administrative expenses	\$ 18,159	\$ 6,015	\$ 31,503	\$ 9,292

Advertising and marketing expenses were \$9.6 million for the three months ended June 30, 2026 compared to \$3.6 million for the three months ended June 30, 2025, an increase of \$6.0 million. Advertising and marketing expenses were \$17.7 million for the six months ended June 30, 2026 compared to \$5.0 million for the six months ended June 30, 2025, an increase of \$12.7 million. The increase in customer acquisition costs was primarily a result of management's decision to increase investment in digital advertising to drive new patient acquisitions.

Salaries and wages were \$3.6 million for the three months ended June 30, 2026 compared to \$1.8 million for the three months ended June 30, 2025, an increase of \$1.8 million. Salaries and wages were \$6.7 million for the six months ended June 30, 2026 compared to \$3.2 million for the six months ended June 30, 2025, an increase of \$3.5 million. The increase in salaries is a direct result of talent acquisitions to facilitate the growth of the company.

Stock compensation expenses were \$1.8 million for the three months ended June 30, 2026 compared to \$0 million for the three months ended June 30, 2025, an increase of \$1.8 million. Stock compensation expenses were \$2.0 million for the six months ended June 30, 2026 compared to \$0 million for the six months ended June 30, 2025, an increase of \$2.0 million. This increase was primarily driven by equity grants awarded to senior management in the second quarter following TelyRx, LLC's public transaction.

Legal and professional fees were \$1.1 million for the three months ended June 30, 2026 compared to \$0.2 million for the three months ended June 30, 2025, an increase of \$0.9 million. Legal and professional fees were \$1.9 million for the six months ended June 30, 2026 compared to \$0.3 million for the six months ended June 30, 2025, an increase of \$1.6 million. The increase is a result of legal fees incurred to support the Broker Private Placement Transaction along with increased professional consulting costs to support the growth of the company.

Branding and digital experience costs were \$0.6 million for the three and six months ended June 30, 2026 compared to \$0 million for the three and six months ended June 30, 2025, an increase of \$0.6 million for each period. This increase was primarily due to the Company's 2026 rebranding initiative, which included a comprehensive redesign of its customer-facing website to improve the customer experience and align with the Company's future vision.

All other general and administrative expense increases are a direct result of continuing the scale the growth of the company.

Non-IFRS Financial Measures

In addition to our financial results determined in accordance with IFRS, we present non-IFRS measures such as Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“**Adjusted EBITDA**”), Adjusted EBITDA Margin, and Free Cash Flow each as defined below that do not have standardized meanings prescribed by IFRS. We believe that Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow, when taken together with the corresponding IFRS financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. We consider Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow to be important measures because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis. We believe that the use of Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow is helpful to our investors as they are used by management in assessing the health of our business, our operating performance, and our liquidity.

However, non-IFRS financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with IFRS. In addition, other companies, including companies in our industry, may calculate similarly-titled non-IFRS financial measures or ratios differently or may use other financial measures or ratios to evaluate their performance, all of which could reduce the usefulness of Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow as tools for comparison. Reconciliations are provided below to the most directly comparable financial measures stated in accordance with IFRS. Investors are encouraged to review our IFRS financial measures and not to rely on any single financial measure to evaluate our business.

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as net income / (loss) adjusted for interest expense, depreciation and amortization, stock compensation expense, transaction expenses and, income tax (benefit) / provision, as applicable. Adjusted EBITDA Margin is defined as adjusted EBITDA divided by the total revenues for the same period. Management believes adjusted EBITDA and adjusted EBITDA Margin are useful supplemental measures to determine our cash burn rate related to operations so investors can understand the cash that is available to operate the business.

The following table reconciles net loss to Adjusted EBITDA for the three and six months ended June 30, 2026 and 2025 (US dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues	\$ 22,670	\$ 9,342	\$ 42,064	\$ 16,273
Net loss	(4,469)	(1,229)	(9,145)	(1,268)
Finance expense, net	29	131	264	251
Depreciation and amortization	307	171	560	305
Listing expense	-	-	2,309	-
Other income	(1,011)	-	(1,768)	-
Stock compensation expense	1,785	-	1,989	-
Transaction readiness costs	83	-	252	15
Severance	75	35	75	35
Adjusted EBITDA	\$ (3,201)	\$ (892)	\$ (5,464)	\$ (662)
Net loss as a percentage of revenue	(20)%	(13)%	(22)%	(8)%
Adjusted EBITDA Margin	(14)%	(10)%	(13)%	(4)%

Some of the limitations of Adjusted EBITDA include (i) Adjusted EBITDA does not properly reflect capital commitments to be paid in the future, and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures. In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. We compensate for these limitations by providing specific information regarding the IFRS items excluded from Adjusted EBITDA. When evaluating our performance, you should consider Adjusted EBITDA in addition to, and not as a substitute for, other financial performance measures, including our net income (loss) and other IFRS results.

Free Cash Flow

Free Cash Flow is a key performance measure that our management uses to assess our liquidity. Because Free Cash Flow facilitates internal comparisons of our historical liquidity on a more consistent basis, we use this measure for business planning purposes. Free Cash Flow is defined as net cash provided by (used in) operating activities, less purchases of property, equipment, and intangible assets and investment in internal-use software in investing activities.

The following table reconciles net cash used in operating activities to Free Cash Flow for the six months ended June 30, 2026 and 2025 (US dollars in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash and cash equivalents used in operating activities ⁽¹⁾	\$ (5,595)	\$ (148)
Less: Purchase of property, equipment, and intangible assets in investing activities	(799)	(850)
Free Cash Flow	<u>\$ (6,394)</u>	<u>\$ (998)</u>

(1) Includes transaction readiness costs for the six months ended June 30, 2026 and 2025 of \$0.25 million and \$0.02 million, respectively.

Some of the limitations of Free Cash Flow include (i) Free Cash Flow does not represent our residual cash flow for discretionary expenditures and our non-discretionary commitments, and (ii) Free Cash Flow includes capital expenditures, the benefits of which may be realized in periods subsequent to those in which the expenditures took place. In evaluating Free Cash Flow, you should be aware that in the future we will have cash outflows similar to the adjustments in this presentation. Our presentation of Free Cash Flow should not be construed as an inference that our future results will be unaffected by these cash outflows or any unusual or non-recurring items. When evaluating our performance, you should consider Free Cash Flow in addition to, and not as a substitute for, other financial performance measures, including our net cash used in operating activities and other IFRS results.

Liquidity and Capital Resources

As of June 30, 2026, our principal sources of liquidity are cash and cash equivalents in the amount of \$21.7 million, which are primarily invested in interest-bearing cash accounts and money market funds, and short-term investments of \$0.5 million held in restricted certificates of deposit. In connection with the refinancing described in Note 8 of the accompanying unaudited consolidated interim financial statements, the Company deposited \$10.2 million into a money market account with the lending institution to satisfy a cash collateral requirement to maintain the \$10.2 million term loan.

Management believes the Company has the ability to generate sufficient cash to meet its operating requirements in both the short and long term. The Company's largest operating expenditure, third-party marketing can be adjusted in real time through paid search and social media campaigns, providing significant flexibility to scale spending up or down based on performance and liquidity considerations. In periods of growth, increased marketing investments are deployed to acquire new customers and expand the Company's customer base. Conversely, management has the ability to reduce marketing spend, allowing the Company to generate cash from its base of recurring customers and preserve liquidity as needed. In addition, the Company has access to borrowing capacity and may utilize debt financing from

time to time to supplement liquidity and support working capital or strategic initiatives, subject to market conditions and lender terms.

The Company's future capital requirements will depend on a number of factors, including customer order volumes, growth in the customer base, and the timing and extent of expenditures to support sales and marketing initiatives, product and technology development, and operational infrastructure. These requirements may also be affected by broader macroeconomic conditions, including inflationary or recessionary pressures, supply chain constraints, and the potential impact of trade policies or other external factors. The Company expects to continue evaluating opportunities to expand its internal fulfillment and operational capabilities and may pursue strategic acquisitions or investments in complementary businesses, services, technologies, or intellectual property to support long-term growth. In addition, the Company may, from time to time, purchase inventory in advance of anticipated demand to manage seasonality or supply chain lead times, which could result in quarter-to-quarter fluctuations in cash and cash equivalents.

Cash Flows

The following table provides a summary of cash flow data (US dollars in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash used in operating activities	\$ (5,595)	\$ (148)
Net cash provided by (used in) investing activities	28	(850)
Net cash provided by (used in) financing activities	24,254	(41)

Net cash used in operating activities

Our largest source of operating cash flows is cash collections from our customers. Our primary use of cash from operating activities includes costs of revenue, marketing expenses, and personnel-related expenditures to support the growth of our business.

During the six months ended June 30, 2026, net cash used in operating activities was \$5.6 million, primarily driven by a net loss of \$9.1 million and \$1.2 million of interest paid, partially offset by \$5.9 million of non-cash reconciling items. Non-cash adjustments primarily consisted of \$2.0 million of stock compensation expense, \$2.3 million of listing expense, and \$0.6 million of depreciation and amortization. The favorable change in working capital of \$0.1 million was driven by increases in accounts payable of \$1.8 million, largely offset by increase to prepaid expenses and other current assets of \$0.9 million and accounts receivable of \$0.2 million, and a decrease in accrued expenses and other current liabilities of \$0.6 million.

During the six months ended June 30, 2025, net cash used in operating activities was \$0.1 million, primarily driven by a net loss of \$1.3 million, partially offset by \$0.6 million of non-cash reconciling items and \$0.5 million of favorable working capital changes. Non-cash adjustments primarily consisted of \$0.3 million of depreciation and amortization and \$0.3 million of non-cash interest expense. The favorable change in working capital was driven by increases in accounts payable of \$1.2 million and accrued expenses and other current liabilities of \$0.7 million, partially offset by increases in inventory of \$0.8 million, accounts receivable of \$0.3 million, and prepaid expenses of \$0.3 million.

Net cash provided by (used in) investing activities

During the six months ended June 30, 2026, net cash provided by investing activities was approximately \$0 million. This was a result of cash received in conjunction with the reverse takeover transaction of \$0.8 million (refer to Note 4 of the accompanying unaudited consolidated interim financial statements) offset by the investment in website development and internal-use software of \$0.6 million and purchases of property and equipment of \$0.2 million.

During the six months ended June 30, 2025, net cash used in investing activities was \$0.9 million, which was primarily due to investments in intangible assets of \$0.6 million and in property and equipment of \$0.3 million.

Net cash provided by (used in) financing activities

During the six months ended June 30, 2026, net cash provided by financing activities was \$24.3 million, which was primarily due to the proceeds from the completion of the brokered private placement of subscription receipts for \$23.4 million and the net impact of proceeds and repayments of borrowings of \$0.9 million related to debt refinancing. During the six months ended June 30, 2025, net cash used in financing activities was \$0.04 million, which was due to the repayment of the principal portion of lease liabilities.

Working Capital

Our working capital was \$18.1 million as of June 30, 2026, compared to negative working capital of \$10.3 million as of December, 31, 2025.

Borrowings

On December 15, 2022, the Company entered into a senior secured credit facility with a shareholder of the Company, FL Pharma Investment Group, LLC, which provided a \$5.5 million 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%. In September 2024, the Company entered into a new secured loan agreement superseding the prior senior credit facility. As of September 6, 2024, the \$5.5 million loan had accrued interest totaling \$1.7 million. The new loan dated September 6, 2024, was a loan amount for \$7.2 million 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. Accrued interest expense for the year ended December 31, 2025 was \$0.8 million.

On December 24, 2025, the Company entered into a bridge loan agreement with a shareholder of the Company, Benjamin Atkins. The principal of the loan is \$2.0 million. The loan bears interest at a rate of 12% per annum and includes a 2% origination fee. 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.

On January 23, 2026, the Company entered into a new credit facility with a financial institution, Waterfall Bank, providing term financing of \$10.2 million. 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 \$0.05 million were incurred in connection with the new financing. As noted above, the outstanding principal balance under the facility is fully secured by cash collateral maintained with the lending 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.

Contractual Obligations and Commitments

Our contractual obligations and commitments include the term loan and leases. Total contractual obligations and commitments as of June 30, 2026 were \$13.5 million, of which \$0.9 million is payable within 12 months.

Equity

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 \$6.6 million and is being recognized as stock compensation expense over the applicable vesting periods. For the three months ended June 30, 2026, the Company recognized \$1.8 million of stock compensation expense related to these awards.

The company also granted 10,000 stock options during the three months ended June 30, 2026. The options have an exercise price of \$10.00 per share, vested upon grant, and expire 180 days after the grant date. The associated stock compensation expense was recognized during the three months ended June 30, 2026.

During the three months ended June 30, 2026, 27,026 Apolo options were exercised through cashless exercises, resulting in the issuance of 11,744 shares.

The following table summarizes the Company's outstanding equity securities as of June 30, 2026:

Type of Securities	Outstanding Quantity
Subordinate Voting Shares	26,365,473
Proportionate Voting Shares	224,967
Restricted Stock Units	3,246,326
Options	73,061
Warrants	26,133

The senior employees who hold executive roles at the Company are the Chief Executive Officer, Chief Financial Officer, Chief Revenue Officer, Chief Operating Officer, Chief Digital Officer, and Corporate Secretary and General Counsel for the six months ended June 30, 2026.

Critical Accounting Estimates

The preparation of our unaudited consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments, and assumptions that affect the amounts reported in our unaudited consolidated interim financial statements and accompanying notes. Management believes that the estimates, judgments, and assumptions upon which it relies are reasonable based upon information available to it at the time that these estimates, judgments, and assumptions were made. Actual results may differ from management's estimates. To the extent that there are material differences between these estimates and actual results, our unaudited consolidated interim financial statements will be affected.

Our significant accounting policies are described in Note 2 – Critical Accounting Estimates and Judgments to the unaudited consolidated interim financial statements. These are the policies that we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Off Balance Sheet Arrangements

As of June 30, 2026, there were no off-balance sheet arrangements.

Related Party Transactions

The following is a description of certain transactions between the Company and related parties:

Key Management Personnel Compensation

For the three months ended June 30, 2026 and 2025, management compensation for key management personnel consisted of salary of \$0.5 million and \$0.3 million, respectively, and accrued bonus of \$0.2 million and \$0.1 million, respectively. For the six months ended June 30, 2026 and 2025, management compensation for key management personnel consisted of salary of \$1.0 million and \$0.6 million, respectively, and accrued bonus of \$0.5 million and \$0.2 million, respectively.

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 \$0.14 million and \$0.05 million for the three months ended June 30, 2026 and 2025, respectively, and \$0.2 million and \$0.1 million 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 above (and in Note 8 of the accompanying unaudited consolidated interim financial statements), 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 million and \$0.9 million, 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.

Broker Private Placement Transaction

On January 21, 2026, the Company entered into a definitive business combination agreement with Apolo V Acquisition Corp. ("Apolo"), 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 Apolo 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 Apolo 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 \$25.8 million through the issuance of 7,980,260 subscription receipts ultimately exchangeable for shares of the resulting issuer. Transaction-related costs incurred were \$2.4 million 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 \$23.4 million.

Contemporaneously with the Proposed Transaction, Apolo 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 Apolo's equity and any intercompany balances have been eliminated.

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 (refer to Notes 4 and 13 of the unaudited consolidated interim financial statements).

Future Changes in Accounting Standards

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 three 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*: Effective for annual periods beginning on or after January 1, 2027. 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.

Risk Factors

In the normal course of business, we are exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are described below.

In addition to the other information included in this report, readers should consider carefully the following factors, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control. The following is a description of some of, but not all of, the important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the forward looking statements set forth in this report relating to the Company's financial results, operations and business prospects. Except as required by law, the Company undertakes no obligation to update any such forward looking statements to reflect events or circumstances after the date of this MD&A.

For the purposes of this section, "Material Adverse Change" means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of the Company, any one or more changes, events or occurrences, and "material adverse effect" means, in respect of the Company, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of the Company or any of its subsidiaries which in the judgment of the Company, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the Company and its subsidiaries taken as a whole or the value of the securities of the Company.

For a discussion of risk factors, please refer to the filing statement of the Company under "Risk Factors" therein.

Credit and Concentration Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. We do not provide any guarantees which would expose us to credit risk. The credit risk on cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Since its incorporation, we have not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the asset's contractual lifetime, no credit loss is anticipated.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial

assets or liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

Convertible loans and short-term advances from related parties bear interest at fixed rates or are noninterest bearing. Accordingly, the fair value of these financial liabilities could fluctuate because of changes in market interest rates.

Liquidity Risk

Liquidity risk refers to the risk that we 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 our short, medium and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate cash balances and borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table provides details of our remaining contractual maturity for 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 we can be required to pay. The table includes both interest and principal cash flows as of June 30, 2026 (US dollars in thousands):

	Within 1 Year	Within 5 Years	Later Than 5 Years	Total
Accounts payable	\$ 4,446	\$ -	\$ -	\$ 4,446
Accrued expenses	1,992	-	-	1,992
Borrowings (including accrued interest)	640	9,523	-	10,163
Lease liabilities	265	1,389	1,679	3,333

Access to Capital

We make, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since incorporation, we have financed these expenditures through offerings of equity and debt securities. We will have further capital requirements and other expenditures as we proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to us. We may incur major unanticipated liabilities or expenses. We can provide no assurance that we will be able to obtain financing to meet the growth needs of its operations.

Retention and Acquisition of Skilled Personnel

The loss of any member of our management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel could have a material adverse effect on the Company's business and operating results. The expansion of marketing and sales of its products will require us to find, hire and retain additional capable employees who can understand, explain, market, and sell its products.

There is intense competition for capable personnel in all these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take a significant amount of time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as we move into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Managing Growth

To manage growth and changes in strategy effectively, the Company must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities, and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While the Company intends to focus on managing its costs and expenses over the long term, we expect to invest its earnings and capital to support its growth but may incur additional unexpected costs. If the Company incurs unexpected costs, it may not be able to expand quickly enough to capitalize on potential market opportunities.

Onboarding and Transitioning

While the Company has a standardized onboarding and transitioning process, its operations can be negatively impacted depending on the individual situations of patients. The Company is heavily reliant on the effectiveness of its training, data migration and interface implementation.

Intense Competition for Healthcare Providers

As the Company expands its operations, it may encounter difficulty in securing the necessary professional medical and support staff to support its expanding operations. Competition for nurse practitioners, doctors, behavioural health specialists or other healthcare service providers may affect the Company's ability to adequately meet demand for its services and provide its clients with adequate services, which may adversely affect the business, financial condition, and results of operations of the Company.

Breach of Clients' or Patients' Confidential Information and Clinical Malpractice

Our platform stores confidential information of clients and patients, including personal health information and other personally identifiable sensitive data. Any accidental or willful security breaches of our information technology systems or other unauthorized access could cause clients' secure information to be stolen and used for criminal purposes. Security breaches or unauthorized access to secure information could also expose the Company to liability related to the loss of the information, time consuming and expensive litigation, negative publicity, and loss of reputation. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in its licensed software is exposed and exploited, and, as a result, a third party or disaffected employee obtains unauthorized access to any of its clients' data, the Company's relationships with its users could be severely damaged and the Company could incur significant liability.

Regulatory Requirements

Regulatory compliance risk is the risk of potential non-conformance with laws, rules, regulations, and prescribed practices in any jurisdiction in which the Company operates. The Company operates in a highly regulated environment and is subject to multiple federal, state, and local laws.

Any violation of rules and statutes that govern our operations present a risk to the Company. The Company has policies and procedures in place to address these regulatory requirements, compliance and adherence is a critical part of our day-to-day operations. However, legislation may be subject to change, whilst uncertainty of interpretation, application and enforcement may result in failure to comply with legal requirements. Non-compliance with legislation could result in regulatory challenges, fines, and litigation.

Healthcare Legislation

Reforms in the legislation governing the healthcare industry in any of the jurisdictions in which the Company operates could impact the services that the Company can charge for, which would reduce its revenues and harm its operating results. In addition to extensive existing government healthcare regulation, there could be initiatives at the federal, state, or provincial levels for reforms affecting the payment for and availability of healthcare services. It is not clear at this time what proposals, if any, will be adopted or, if adopted, what effect these proposals would have on the business of the Company. The adoption of any such proposals could have an adverse impact on the business, financial conditions, or results of operations of the Company.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities in the future. There can be no assurance that the Company will be able to obtain any or all necessary licenses and permits that may be required.

Material Defects or Errors in our Technology Infrastructure

The Company's ability to provide services to its customers is heavily dependent on the operability of its technology as well as partner or supplier-owned technology that is embedded or interfaces with the Company's platform. Material defects or errors in the Company's and its partners'/vendors' technology infrastructure could harm the Company's reputation, result in significant costs and impair the Company's ability to sell its services. Software used by the Company can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, the Company's technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner, or at all.

Dependencies on Third Party Software and Services

Certain of the Company's technology and services rely on software and services developed and maintained by third party vendors. The Company's business may be disrupted if these services or software ceased to be available to the Company or offered to it on commercially reasonable terms. In either instance, the Company would either be required to redesign services to function with alternate third-party vendors, or the Company may need to develop these components itself, which could result in increased costs and could result in delays in providing future services. Further, the Company may be forced to limit the features available in its current or future service offerings because of unavailability of third-party software.

Litigation Risks

Our business may become susceptible from time to time to various legal claims, including class action claims, during its operations or with respect to the interpretation of existing agreements. Any future claims or litigation could have a material adverse effect on the Company's business and its profitability. We carried malpractice insurance to protect the Company's business.

History of Losses

We have a history of losses since inception. We intend to further incur expenses to facilitate the growth of the business. While we expect to generate profits in the future, there can be no assurances that it will be successful in this regard.

Foreign Sales

Our functional currency is denominated in U.S. dollars. We currently expect that sales will be denominated in U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes operations or distribution. In addition, we incur the majority of our operating expenses in U.S. dollars. In the future, the proportion of our sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact our business, financial condition, and results of operations. We have not previously engaged in foreign currency hedging. If we decide to hedge our foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs, or illiquid markets. In addition, those activities may be limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses.

Significant assumptions and estimates used in preparing the unaudited consolidated interim financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

No History of Payment of Cash Dividends

We have not declared or paid cash dividends during the six months ended June 30, 2026. We intend to retain future earnings to finance the operation, development, and expansion of the business. We do not anticipate paying cash dividends in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board of Directors considers relevant.

Going Concern

Management has assessed the Company's ability to continue as a going concern in connection with the preparation of the Company's unaudited consolidated interim financial statements for the six months ended June 30, 2026 and 2025. The unaudited consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets, the settlement of liabilities, and the continuation of operations in the normal course of business.

Based on current cash resources, forecasted revenues, and operating plans, management believes the Company will be able to meet its obligations as they become due and continue operations for at least the twelve-month period following the issuance of these unaudited consolidated interim financial statements. Management's operating plan is focused on continued revenue growth, improving operating results, and maintaining access to capital markets and other financing alternatives, as necessary, to support the Company's growth strategy.

While future operating results and financing activities are subject to market conditions and execution risks, management believes that its current operating plans and available strategic alternatives provide sufficient flexibility and liquidity to support ongoing operations and long-term business objectives.

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.