

PUDO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED

FEBRUARY 28, 2025

(EXPRESSED IN CANADIAN DOLLARS)

Prepared by:

PUDO Inc.

**6600 Goreway Drive Unit D, Mississauga,
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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of PUDO Inc. ("PUDO" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended February 28, 2025. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations.

This discussion should be read in conjunction with the audited consolidated financial statements of PUDO Inc. for the year ended February 28, 2025 ("FY 2025"), together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of June 2, 2025, unless otherwise indicated.

The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The Company's fiscal year end is February 28.

Further information about the Company and its operations are available on the Company's website at www.pudopoint.com and under the Company's SEDAR+ issuer profile at <https://www.sedarplus.ca/landingpage/>, or upon request to the Company at 6600 Goreway Drive Unit D, Mississauga, Ontario, Canada, L4V 1S6.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements address possible future events, conditions and financial performance based upon management's current expectations, estimates, projections and assumptions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A are made only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

Forward-looking statements	Assumptions	Risk factors
	current expectations; the Company will be able to obtain borrowings or equity funding when required.	capital markets not being favourable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans	The operating activities of the Company for the twelve months ended February 28, 2025 will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Overview

The audited consolidated financial statements for the year ended February 28, 2025 have been prepared with the assumption that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations and do not include any adjustments that may be required if it were unable to continue as a going concern. Management believes that actions currently being taken, which primarily involve increasing revenues and controlling expenses will allow the Company to achieve profitability and allow the Company to continue as a going concern.

The Company has a history of operating losses; however, those losses are primarily the result of expenditures in attracting customers, business partners, and costs related to building a robust infrastructure to serve as a platform for future growth.

PUDO was incorporated on February 28, 2015 and is listed on the Canadian Securities Exchange ("CSE") under the symbol "PDO" and on the OTCQB Venture Market under the symbol "PDPTF".

Description of Business

PUDO's purpose is to improve the connection between e-commerce and consumers. PUDO deploys their technology to provide consumers with convenient locations to Pick-Up or Drop-Off ("PUDO" or "Network") e-commerce parcels. Through collaboration with online retailers, third party logistics companies ("3PL"), Software as a Service ("SaaS") providers and courier companies, consumers can take secure delivery of their parcels or drop-off returns where, and when, it's convenient for them.

Existing businesses, such as convenience stores or gas stations, provide services as a PUDOpoint™ ("PUDOpoint"). PUDOpoints are typically open extended hours, seven days a week to make it convenient for busy consumers to quickly and efficiently collect what they have ordered online or drop off what they need to return. The Company deploys its software technology to provide consumers with convenient PUDOpoints (the "Network") to pick-up or drop-off ("PUDO") e-commerce parcels.

PUDO's services provide courier companies and retailers with a presence in a broad variety of locations to better serve their customers. Not only convenient, these services can also save money. Couriers don't have to attempt delivery a second or third time or make other arrangements with customers who aren't home. Retailers can ship directly to PUDOpoints saving residential delivery costs and reducing the risk of theft or spoilage. PUDO also helps retailers reduce the cost and increase the convenience of their returns program. Consumers can drop off pre-labeled parcels at any PUDOpoint for processing back to the retailer.

Overall Performance

Highlights

The Company continued to focus on optimizing the PUDO Network to enhance alignment with partner requirements in Canada and the United States ("U.S.") while leveraging the current services and Network to develop new partner relationships to further enhanced revenue opportunities. IT integration and enhancements remain a key focus as the Company looks to increase efficiencies, add new partners, and grow revenue. The Company is positioned well to add new partners for residential redirects, growing parcel volumes for direct to PUDOpoint deliveries, expanding the returns program, and add new revenue streams in the coming quarters. The Network remains uniquely positioned to offer cost effective convenient services for ecommerce returns and to consumers who are looking for an alternative to home delivery.

During FY 2025, noteworthy highlights include:

- 📍 The PUDOpoint network experienced continued steady growth, reaching approximately 1,700 locations across Canada and the United States available to accept packages.
- 📍 Management maintained its focus on strategic software development to enhance PUDO's existing technology platform and database architecture. These efforts aimed to improve API integration capabilities for both existing and future service offerings with current and prospective partners. A key area of investment included ongoing enhancements to the PUDO Label returns service. This service allows retail customers to generate a return label for previously purchased items and drop off the return package at any PUDOpoint location. The service supports an efficient and cost-effective consolidated pickup and reverse logistics process for retailers, streamlining operations and improving PUDO partner satisfaction.
- 📍 Returns revenue increased by 157.1% compared to Fiscal Year 2024, driven primarily by PUDO's collaboration with a new retail partner. This partnership showcased the capabilities of the PUDOpoint

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

network and the effectiveness of PUDO's returns and consolidation services, contributing significantly to in parcel volumes and associated revenue within this service.

- 📍 PUDO's For Pick Up service revenue increased by 52.8%, in part due to the Canada Post strike during Nov-Dec 2024. Q4 FY2025 saw a 175.3% increase in package volume as a direct result of the strike.
- 📍 In October 2024, Peter Whitcomb was appointed to PUDO's Board of Directors, bringing valuable retail and returns experience and insight to the organization.
- 📍 During the Canada Post strike in November and December 2024, the PUDOpoint network served as a critical infrastructure component by offering secure and strategic package receiving and storage locations. This enabled PUDO's partners to manage a significant surge in parcel volume from customers unable to ship with Canada Post.

Capital Activities

During Q4 FY 2025 the Company completed the follow capital transactions to directors and employees pursuant to the Company's stock option plan.

- 📍 On January 30, 2025, a total of 685,000 stock options were granted to six directors and one employee of the Company. These options are exercisable at a price of \$0.135 per share for a period of five years, with vesting to occur annually over a four-year period.
- 📍 Additionally, 1,000,000 stock options were granted to another employee on the same date, also at an exercise price of \$0.135 per share. These options will vest quarterly over a four-year period and will expire on January 30, 2030.

Note: Subsequent to FY 2025

- 📍 On March 10, 2025, the Company announced the closing of a non-brokered private placement. The Company issued 2,913,147 Common shares at a price of \$0.135 per common for aggregate gross proceeds of \$393,274.85. The shares are subject to a statutory hold period expiring four months and one day from the date of issuance. Also on March 10, 2025, the Company announced debt settlement in the aggregate amount of \$416,898.00 owed by the Company to certain creditors of the Company in exchange for an aggregate of 3,088,132 Common shares a price of \$0.135 per share. The debt settlement shares are subject to a statutory hold period expiring four months and one day from the date of issuance.

Operations

PUDOpoint Counters Network

The Company remained focused on optimizing the PUDOpoint network to meet the evolving parcel requirements and volumes of its partners. Leveraging a growing footprint of approximately 1,700 PUDOpoint locations across Canada and the United States, the Company pursued the development of new partnerships and service offerings designed to enhance revenue opportunities.

These initiatives led to the addition of new retail customers, contributing to increased parcel volumes within PUDO's returns revenue stream. Information technology integration and system enhancements continued to

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

be a strategic priority, supporting goals to improve operational efficiency, onboard new partners, and drive sustainable revenue growth.

Through targeted strategic partnerships, the Company is well positioned to expand its PUDOpoint network across North America. This expansion is expected to deliver several benefits in the coming quarters, including:

- 📍 New location options for e-commerce partners to support residential redirects
- 📍 Increased parcel volumes for direct-to-PUDOpoint deliveries
- 📍 The introduction of new revenue-generating service offerings

The PUDOpoint Network continues to offer a cost-effective and convenient solution for product returns and for consumers seeking alternatives to home delivery, further strengthening its competitive position in the growing e-commerce logistics market.

PUDO Parcel Analysis

Parcel volume and other factors within the e-commerce system affected PUDO's goals and performance during the year. While the Company continued to strategically manage the growth and development of the PUDOpoint Network and new services throughout FY 2025, overall parcel volume in FY 2025 increased by 41.3% compared to the year ended February 29, 2024 ("FY 2024") and overall parcel volumes during Q4 FY 2025 increased by 117.4% as compared to the quarter ended Q4 FY 2024.

Below is a summary of PUDO's parcel services being utilized by partners and customers:

- 📍 **Returns:** During FY 2025 total returns increased by 157.1% as compared to the prior year FY 2024. During Q4 FY 2025 returns increased 335.8% as compared to Q4 FY 2024. In sequential quarters, returns parcel volume increased by 137.9% in Q4 FY 2025 over Q3 FY 2025 due to an increase in partner returns directed to the PUDOpoint network following the holiday season. In FY 2024 PUDO continued to expand the return service in the cities of New York, Maimi, and Boston. The FY 2025 increase was also a result of PUDO's partners increasing client returns volumes in key strategic Canadian and USA cities as the value of this service provided by PUDO reduced returns logistics and consolidation costs for their clients.
- 📍 **For Pickup ("FPU"):** During FY 2025 FPU increased by 52.8% as compared to the prior year FY 2024. During Q4 FY 2025 FPU increased 157.3% as compared to Q4 FY 2024. In sequential quarters, FPU parcel volume increased by 51.9% in Q4 FY 2025 over Q3 FY 2025. The increase in package volume is partially attributed to the Canada Post strike that occurred during November and December 2024. The disruption in postal services led to a significant surge in parcel redirection and collection activity through the PUDOpoint network underscoring the critical role of the PUDOpoint network in supporting alternative delivery and pickup solutions during periods of postal service interruption.
- 📍 **Failed First Attempt ("FFA"):** During FY 2025 total FFA parcel volume increased by 6.6% relative to FY 2024, while during Q4 FY 2025 FFA parcel volume increased by 59.3% as compared to FFA parcel volume in Q4 FY 2024. In sequential quarters, parcel volumes in Q4 FY 2025 compared to Q3 FY 2024 increased by 48.9%. The increases may be a result of PUDO partners increasing their share of the market as they support customers impacted by the Canada Post strike during the height of the holiday season.
- 📍 **Third Party Logistics ("3PL"):** During FY 2025, 3PL parcel shipments increased by 17.2% relative to FY 2024, while during Q4 FY 2025 3PL parcel volume increased by 116.3% as compared to 3PL volume in Q4 FY 2024. In sequential quarters, 3PL parcel shipments in Q4 FY 2025 as compared to Q3 FY 2025 increased 56.4%. These increases may also be a result of PUDO partners increasing their share of the

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

market as they support customers impacted by the Canada Post strike during the height of the holiday season .

- 📍 **Border Member:** During FY 2025 total member parcel volume decreased by 2.3% relative to FY 2024, while during Q4 FY 2025 the member parcel volume decreased by 5.2% as compared to member volume in Q4 FY 2024. In sequential quarters, parcel volumes in Q4 FY 2025 compared to Q3 FY 2025 decreased by 7.0%. The decreases may be a direct result of uncertainty of crossing the border into the United States and the longer wait times to clear customs at either border crossing.
- 📍 **Pickup Counters:** During FY 2025 Pickup Counter parcel volume decreased by 4.6% as compared to FY 2024. During Q4 FY 2025 Pickup Counter volume decreased by 2.1% relative to Q4 FY 2024. In sequential quarters, Pickup Counter volume in Q4 FY 2025 increased by 5.3% compared to Q3 FY 2025. This increase may be a result of the holiday season and shoppers shipping packages directly to a PUDOpoint rather than their home.
- 📍 **Direct to PUDO ("D2P"):** During FY 2025 the D2P parcel volume decreased by 18.4% as compared to FY 2024, while during Q4 FY 2025 D2P volume decreased by 63.0% relative to Q4 FY 2024. In sequential quarters, D2P volume in Q4 FY 2025 decreased by 31.8% compared to Q3 FY 2025. This decrease may be due to a PUDO partner adjusting to new foreign ownership and changed strategic direction in Canada & US expansion.

As PUDO continues to evolve and expand the PUDOpoint Network the Company anticipates that a broader base of partners will help to mitigate parcel volume fluctuations and reduce reliance on any single partner. This strategic diversification is expected to enhance network resilience, support consistent volume growth, and strengthen PUDO's position.

Financial Condition and Performance

The following table includes PUDO's financial highlights as at and for the years ended February 28, 2025, February 29, 2024, and February 28, 2023:

	As at / Year Ended February 29, 2025	As at / Year Ended February 29, 2024	As at / Year Ended February 28, 2023
Total assets	\$ 1,457,666	\$ 696,219	\$ 612,380
Cash	649,997	155,725	177,925
Total liabilities	1,185,925	796,271	569,130
Deficit	(10,253,457)	(10,170,649)	(9,672,761)
Shareholders' equity (deficit)	271,741	(100,052)	43,250
Revenue	4,150,465	3,257,696	3,834,049
Gross profit	1,429,868	1,295,840	1,477,774
Comprehensive loss	(106,078)	(499,676)	(327,812)
Loss per share basic and diluted	(0.00)	(0.02)	(0.01)
Working capital surplus (deficiency)	218,532	(146,580)	4,058
Cash provided by operating activities	259,630	18,810	52,363
Cash (used in) investing activities	33,900	39,219	-
Cash provided by financing activities	\$ 291,811	\$ -	\$ -

In FY 2025, the Company's revenues increased by 27.4% relative to the prior fiscal year and incurred a comprehensive loss of \$111,864. Of the \$387,812 decrease in the comprehensive loss relative to the previous year, \$104,953 was due to lower administrative and finance expenses along with a \$170,313 decrease in non-

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

cash share-based compensation expense, offset by \$134,028 change in gross profit. Gross profit increased by 10.3% to \$1,429,868 in FY 2025 relative to the previous year.

In FY 2025, the Company generated \$259,630 of positive cash from operating activities. This is an increase from FY 2024, where \$18,810 of cash was generated by operating activities. Primary reason for the increase was due to increase in returns volume and impact to revenue on gross profit. The Company used \$33,900 of cash in investing activities in FY 2025 as compared to \$37,400 in FY 2024 and received \$291,811 in financing activities for common shares to be issued in March 2025. In addition, the Company incurred a loss of \$23,269 in foreign currency translation. As a result, cash increased by \$494,272 in FY 2025.

Trends

Throughout FY 2025, PUDO continued to prioritize the development of its direct returns solutions for e-commerce retailers seeking to lower logistics and consolidation costs—a persistent and substantial expense within the industry. By offering cost-effective and streamlined returns processes, PUDO supports retailers in enhancing their operational efficiency and customer experience.

The Company is working closely with its partners to activate new PUDOpoint locations in response to growing demand for its expanding suite of services, with particular emphasis on returns processing.

Looking ahead, the returns market will remain a strategic area of expansion for PUDO, as online retailers increasingly seek scalable, affordable alternatives to manage customer returns and maintain competitive margins.

Selected Annual Financial Information

The following is selected financial data derived from the consolidated financial statements of the Company for the years ended February 28, 2025, February 29, 2024, and February 28, 2023:

	As at / Year Ended February 28, 2025	As at / Year Ended February 29, 2024	As at / Year Ended February 28, 2023
Total assets	\$ 1,457,666	\$ 696,219	\$ 612,380
Cash	649,997	155,725	177,925
Total liabilities	1,185,924	796,271	569,130
Deficit	(10,253,457)	(10,170,648)	(9,672,761)
Shareholders' equity (deficit)	271,741	(100,052)	43,250
Revenue	4,150,465	3,257,696	3,834,049
Gross profit	1,429,868	1,295,840	1,477,774
Comprehensive loss	(106,078)	(499,676)	(327,812)
Loss per share basic and diluted	(0.00)	(0.02)	(0.01)

Year ended February 28, 2025, compared with the year ended February 29, 2024:

The Company's comprehensive loss was \$106,078 for the year ended February 28, 2025, with basic and diluted loss of \$0.00 per share. This compares with a comprehensive loss of \$499,676 with basic and diluted loss of \$0.02 per share for the year ended February 29, 2024.

The decrease of \$393,598 in the comprehensive loss for the year ended February 28, 2025, relative to the prior year was principally because:

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

- Revenues increased by \$892,769 in FY 2025 representing a 27.4% increase, owing primarily to increases in PUDO returns and FPU revenue offset by a decrease in FFA and 3PL revenues.
- Gross profit of \$1,429,868 increased by \$134,028, or 10.3%, relative to the prior year. As a percentage of revenue, the gross profit in FY 2025 decreased to 34.5%, down from 39.8% in the prior year. This is primarily related to the shift of revenue from returns shipments and the associated expenses with the consolidation and processing of the returns volume.
- Administrative expenses decreased by 110,738, or 7%, relative to the prior year representing. The decrease was primarily a result of the reduction in general expenses, professional fees, and travel costs, offset by increases in salaries and benefits.
- Non-cash share-based compensation decreased by \$170,312.

Year ended February 29, 2024, compared with the year ended February 28, 2023:

The Company's net loss was \$499,676 for the year ended February 29, 2024, with basic and diluted loss of \$0.02 per share. This compares with a net loss of \$327,812 with basic and diluted loss of \$0.01 per share for the year ended February 28, 2023.

The increase of \$171,864 in the net loss for the year ended February 29, 2024, relative to the prior year was principally because:

- Revenues decreased by \$576,353 to 3,257,696 in FY 2024 relative to the previous year representing a 15% decrease, owing primarily to decreases in FPU and 3PL, offset by increases in returns, member, and D2P shipments.
- Gross profit of \$1,295,840 for the year ended February 29, 2024, decreased by \$181,934, or 12.3%, relative to the prior year. As a percentage of revenue, the gross profit in FY 2023 increased to 39.8%, up from 38.5% in the prior year. This is primarily related to the shift of revenue to returns shipments.
- The Company had administrative expenses of \$1,436,840 during the year ended February 29, 2024, compared to \$1,492,478 in the prior year representing a 3.8% decrease. The decrease was primarily a result of the reduction in salaries and benefits, and professional fees, offset by increases in general administrative expenses, travel and business development costs, investor relations, and consulting fees.
- The Company incurred \$356,374 in non-cash share-based compensation during the year ended February 29, 2024, in comparison with \$313,108 during the year ended February 28, 2023. The increase in non-cash share-based compensation was due to options issued in March 2022 and February 2023.

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

The consolidated statements of financial position of the Company as at February 28, 2025, February 29, 2024, and February 28, 2023. were as follows:

	As at February 28, 2025	As at February 29, 2024	As at February 28, 2023
Current assets	\$ 1,404,456	\$ 649,691	\$ 573,188
Non-current assets	53,210	46,528	39,192
Total assets	1,457,666	696,219	612,380
Current liabilities	1,185,924	796,271	569,130
Long-term liabilities	-	-	-
Total liabilities	1,185,924	796,271	569,130
Share capital	9,177,037	9,177,037	9,177,037
Shares to be issued	291,811	-	-
Stock option reserve	1,081,410	895,348	538,974
Accumulated other comprehensive income	(25,059)	(1,789)	-
Deficit	(10,253,457)	(10,170,648)	(9,672,761)
Shareholders' equity (deficiency)	271,741	(100,053)	43,250
Total liabilities and shareholders' equity (deficiency)	\$ 1,457,666	\$ 696,219	\$ 612,380

The Company started operations in 2015 and has historically incurred operating losses associated with its expansion, as reflected by an increasing deficit over time. The Company's ability to fund its operations is dependent upon securing additional financing or increasing earnings from revenue growth as it strives to get to profitability. See "Trends" and "Risk Factors." The Company has been successful in raising additional financing as is reflected in the increased share capital.

Summary of Quarterly Results

The following quarterly financial information is derived from the interim consolidated financial statements of the Company for the interim periods indicated below:

Three Months Ended	Total Revenue (\$)	Profit or (Loss)		Gross Profit (\$)	Admin Expenses (\$)	Non-Cash Share Based Compensation (\$)	Finance Costs (\$)
		Total (\$)	Per Share (Basic & Diluted) (\$)				
2025-Feb. 28	1,464,838	167,522	(0.00)	571,027	(338,771)	(52,989)	-
2024-Nov. 30	948,554	(22,147)	(0.00)	335,874	(301,060)	(43,126)	-
2024-Aug. 31	880,689	(148,340)	(0.01)	229,708	(338,781)	(43,127)	-
2024-May 31	856,384	(108,898)	(0.00)	293,259	(353,788)	(46,819)	-
2024-Feb. 29	865,375	(89,539)	(0.00)	320,358	(322,181)	(87,035)	-
2023-Nov. 30	799,026	(77,533)	(0.00)	309,239	(298,585)	(87,035)	-
2023-Aug. 31	810,332	(123,476)	(0.00)	357,390	(386,154)	(91,945)	-
2023-May 31	782,963	(209,129)	(0.01)	308,852	(427,623)	(90,358)	-

Revenue and gross profit have fluctuated over the past eight quarters as a result of new and current partners using the PUDO Network for return services during FY 2025. The net loss is directly affected by revenues, gross profit, non-cash stock compensation expense as well as the level of administrative expenses.

Overall Objectives

The Company remains committed to broadening its customer base as it continues to gain valuable experience in integrating new partners and revenue-generating services. This strategic focus is driven by the objective of increasing revenues to support and ultimately offset the operating overhead costs associated with maintaining and expanding the PUDOpoint Network to support the PUDO services and package volume.

Off-Balance-Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures, and capital resources that would be considered material to investors.

Outlook

The Company anticipates that the PUDO returns service will remain a key driver of revenue growth in Fiscal Year 2026 ("FY 2026"). This service enables retailers to leverage the PUDOpoint Network as drop-off locations for return parcels, which are then collected, consolidated, and distributed in accordance with the retailers' specific logistics requirements.

Following the continued success of the PUDO Label Returns Service in the United States during FY 2025 — particularly in support of existing retail partners — PUDO plans to expand into additional strategic U.S. markets in FY 2026 with current and new partners.

PUDO expects to also benefit from servicing a greater share of its existing customers service needs. During FY2025 PUDO benefited from some of its most significant customer increasing the percentage of package allocation to PUDO as well as an expansion of the geographic footprint serviced by PUDO for its customers. It is anticipated that this trend will continue providing additional revenue growth.

Additionally, PUDO continues to pursue new customers to add to its business mix. Opportunities exist across many of the company's service lines to add new customers both in Canada and the U.S.

The Company has a history of operating losses and negative cash flow from operations, which cast doubt on the Company's ability to continue to operate as a going concern, but in FY 2025 the Company had a working capital surplus of \$212,747 (2024 – \$146,580), had not yet achieved profitable operations, had received cash from operating activities of \$259,630 for the year ended February 28, 2025 (2024 – \$18,810), had a deficit of \$10,259,242 as at February 28, 2025 (2024 - \$10,170,648) and had a shareholders' equity of \$265,957 at February 28, 2025 (2024 – deficit of \$100,052). The Company is well positioned to move forward in FY 2026 .

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to achieve and sustain profitable operations in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future.

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

Share Capital

As of the date of this MD&A, June 2, 2025, the Company has (i) 33,272,286 common shares outstanding; (ii) no warrants available for exercise; and (iii) 1,513,206 stock options exercisable for the purchase of 1,513,206 common shares.

Liquidity and Capital Resources

As noted in "Selected Annual Financial Information", the Company generates limited cash from operations. The Company's primary source of funding has been through the issuance of equity. Additional equity financing will be required for the Company to be able to successfully execute its business plan and get to a sustainable level of profitability.

PUDO intends to manage its existing cash and operating cash flow as well as to increase operating income through increased revenue to fund its operations and its planned expansion. Additionally, PUDO would consider raising equity capital to fund its planned expansion and/or offset cash operating losses. The Company has a history of successfully raising the capital required to operate and believes that it can continue to raise necessary capital. However, the history of losses casts doubts on the ability of the Company to continue to operate as a going concern. While management expects to be able to raise the necessary capital, there is no assurance that any capital raise will be successfully completed at terms acceptable to the Company. Failure to raise sufficient capital may impact the Company's ability to expand as rapidly as planned, or even continue operations at the present level.

A summary of the cash flows and essential components thereof for the years ended February 28, 2025, and February 29, 2024, are outlined below.

Details	As at / year ended Feb. 28, 2025	As at / year ended Feb 29, 2024	Comments
Total assets	\$ 1,457,666	\$ 696,219	
Cash & cash equivalents	676,299	181,575	<i>Includes restricted cash of \$26,302 (2024 - \$25,850)</i>
Working capital surplus (deficit) surplus	218,532	(146,580)	<i>Includes non-cash working capital</i>
Cash flows provided by (used) operating activities (including non-cash)	259,630	18,810	<i>Attributable to a increase in the operating and in trade and other receivables offset by an increase in trade and other payables as at Feb. 28, 2025.</i>
Cash flows used in investing activities	(33,900)	(39,219)	<i>Increase FY 2024 cash outflows was a result of a investment in the investment of proprietary PUDO software.</i>
Cash flows used in financing activities	\$ 291,811	\$ -	<i>Proceeds from shares to be issued in March 2025</i>

Material accounting policies

(a) Adoption of New Accounting Standards and Amendments

As at the date of authorization of these consolidated financial statements, the IASB and the IFRS Interpretations Committee had issued certain new pronouncements that are mandatory for the Company's accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact upon the adoption of the following amendments on its consolidated financial statements:

- Amendment to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.
 - This amendment requires entities to recognize deferred tax for transactions that result in equal taxable and
 - deductible temporary differences (effective for annual periods beginning on or after January 1, 2024).
- Amendment to IAS 1 – Presentation of Financial Statements (effective from the annual period beginning on or after January 1, 2024)
 - These narrow-scope amendments to IAS 1 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- Amendment to IFRS 16 – Leases on Sale and Leaseback
 - Adds requirements for accounting for sale-and-leaseback transactions where lease payments include variable components (effective for annual periods starting on or after January 1, 2024).
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
 - Introduces guidelines for assessing contingent cash flows, ESG-linked features, and updates disclosure requirements (effective for annual periods starting on or after January 1, 2025).

(b) Foreign currencies

The functional currency of the Company and two of its subsidiaries, Grandview Gold (USA) Inc., and Recuperacion Realzada, S.A.C, is the Canadian dollar. The functional currency of PUDOpoint Inc. is the United States dollar ("USD"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

In situations where the functional currency is not the same as the presentation currency, foreign currency denominated assets and liabilities are translated to their presentation currency equivalents using foreign exchange rates in effect at the consolidated statement of financial position date. Revenues and expenses are translated at average rates of exchange during the period.

(c) Revenue recognition

To determine the amount and timing of revenue to be recognized, the Company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and

5. Recognizing revenue when/as performance obligation(s) are satisfied.

The Company provides technology and a network of third-party locations where consumers can pick up or drop off parcels and revenue is generated in various ways when (i) a courier cannot deliver a parcel to a residential customer, they may choose to drop the parcel off at a PUDOpoint; (ii) consumers choose to have their parcels delivered directly to a PUDOpoint or KinekPoint; (iii) partners utilize the network for drop off packages for a consolidated pickup; and (iv) PUDO partners utilize the PUDOpoint network for returns of e-commerce packages.

The Company also provides a service (Third Party Logistics) where partners utilize our technology and services for package final mile delivery to a residential or business address. This service does not require the packages to be delivered to a PUDOpoint location.

PUDO recognizes revenue when the parcel has arrived at the PUDOpoint, KinekPoint, or a PUDO warehouse which is the point at which the Company has satisfied its performance obligation under its contracts with consumers, couriers and third-party locations and revenue is reliably measurable and collection is reasonably assured. For third-party logistics, revenue is recognized when the package is accepted by the final mile carrier.

(d) Equipment

Equipment, which consists primarily of computer tablets and scanners, is initially recorded at cost. Computer tablets and scanners are amortized using the straight-line method over their estimated useful life of 2 years.

(e) Intangible assets

Intangible assets, which consist of computer systems software, including software acquired in a business combination, are initially recorded at cost. Computer systems software is amortized using the straight-line method over its estimated useful life of 4 years.

(f) Impairment of non-financial assets

At each statement of financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is an indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statements of loss and comprehensive loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

At each reporting date, the Company assesses whether there is any indication that previously recognized impairment losses no longer exist. If such an indication exists, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss in the statements of loss and comprehensive loss.

(g) Financial instruments

The Company's accounting policies in respect of its financial instruments are set out below:

Financial assets

On initial recognition, financial assets are recognized at fair value. They are classified to be subsequently measured at amortized cost or fair value through profit or loss ("FVTPL"). The objective of the financial assets is to hold them and contractual cash flows are solely payments of principal and interest on the outstanding principal amount. Therefore, subsequent measurements are made at amortized cost.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recorded in profit or loss.

At each reporting date, the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Trade receivables are initially measured at the transaction price and classified as amortized cost. Cash, restricted short-term investments and other amounts receivable are initially measured at fair value and classified as amortized cost.

Financial liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or amortized cost. Trade and other payables, and loans and borrowings are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Trade and other payables, advances payable, and loans and borrowings are initially recognized at fair value. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

Fair value measurement

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Offsetting

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

Financial assets and liabilities are offset and the net amount presented in the financial statements when and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

(h) Share-based compensation

Equity-settled share-based compensation to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock option reserve notes in the financial statements.

Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to stock options reserve.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

On exercise, the value originally recorded in stock option and warrant reserves is recorded in share capital with proceeds received. For those stock options and warrants that expire after vesting, the recorded value is transferred from stock option and warrant reserves to deficit.

(i) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(j) Income taxes

Income tax expense comprises current and deferred taxes. Current taxes and deferred taxes are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

A deferred tax asset is recognized for unused tax losses, tax credits 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 reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

(k) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as stock options and warrants. Stock options and warrants are dilutive when the Company has income from operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Since the stock options held during the years ended February 28, 2025 and February 29, 2024 were anti-dilutive, they have been excluded from the diluted loss per share calculation.

(l) Short-term investments

Short-term investments are comprised of guaranteed investment certificates with original maturities of greater than three months and up to one year. As at February 28, 2025 and February 29, 2024, the restricted short-term investment was comprised of a cashable guaranteed investment certificate to be held as collateral for a corporate credit card for as long as the credit card is active and has been reflected as a restricted asset. The restricted short-term investment amount would change if there is any change in the credit limit on the credit card.

(m) Segment information

The Company operates in one operating segment: providing technology and a network of third-party locations for alternative drop-off and pick up options for parcels.

The Company has identified its operating segment based on the financial information that is reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or "CODM") in assessing performance and in determining the allocation of resources. The CODM considers the business from a single segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities. These measures include revenue, operating expenditures, working capital, non-current assets and total debt.

Financial information about the operating segment is reported to the CODM on at least a monthly basis. As the operations comprise a single segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

(n) Receivables and Expected Credit Loss

Accounts receivables are recorded at the invoiced amount and do not bear interest. Expected credit losses reflect the Company's estimate of amounts in its existing accounts receivable that may not be collected due to customer claims or customer inability or unwillingness to pay. Collectability of receivables is reviewed on an ongoing basis.

The expected credit loss is determined based on a combination of factors, including the Company's risk assessment regarding the credit worthiness of its customers, historical collection experience and length of time the receivables are past due. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statement of financial position as a deduction from the gross carrying amount of the financial asset.

Related Party Transactions

During the year ended February 28, 2025, the Company incurred bookkeeping fees, office rental, and warehouse sorting costs to a company with a common office and director. Warehouse sorting is included in cost of sales in the amount of \$113,879 (2024 – \$71,500). Bookkeeping fee and office rental are included in accounting and office expense \$12,216 (2024 - \$13,126).

During the years ended February 28, 2025 and February 29, 2024, the Company had the following transactions with shareholders, management and directors:

	2025	2024
Share-based compensation	\$ 186,062	\$ 356,374
Salaries and benefits	99,856	119,027
Consulting fees	59,538	118,352
	\$ 345,456	\$ 593,753

As at February 28, 2025, balances payable to the related parties noted above amounted to \$364,333 (2024 - \$176,928) and are included in trade and other payables. \$263,285 is due to a company with a common officer and director and \$101,048 is due to a related party contractor. These balances are unsecured, non-interest bearing and due on demand.

Financial Risk Management

Information about the Company's exposure to various financial risks is disclosed below.

(a) Fair values

The carrying amounts of cash, trade and other receivables, restricted short-term investment, trade and other payables and loans and borrowings approximate their fair values, given their short-term nature.

(b) Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management. This note discloses information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

The Board of Directors of the Company (the "Board") has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or trade and other receivables. The extent of the Company's exposure to credit risk is approximated by the carrying values recorded in the Company's consolidated statement of financial position. The Company has three customers with significant revenues.

	2025	2024
Revenue from customer #1	\$ 1,381,736	\$ 1,203,373
% of total revenue	33%	37%
Revenue from customer #2	\$ 847,113	\$ 685,884
% of total revenue	20%	21%
Revenue from customer #3	\$ 603,052	\$ 656,714
% of total revenue	15%	20%
Account receivable from customer #1	\$ 146,129	\$ 50,779
% of total accounts receivable	25%	14%
Account receivable from customer #2	\$ 80,252	\$ 58,008
% of total accounts receivable	14%	16%
Account receivable from customer #3	\$ 79,106	\$ 30,769
% of total accounts receivable	13%	8%

The maximum exposure to credit risk at the reporting date was:

	2025	2024
Cash	\$ 649,997	\$ 155,725
Restricted short-term investment	26,302	25,850
Trade and other receivables	633,737	370,999
	\$ 1,310,036	\$ 552,574

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including interest, where applicable:

As at February 28, 2025	1 Year or Less	Greater than 1 year	Total
Trade and other payables	\$ 1,181,925	\$ -	\$ 1,185,926

As at February 29, 2024	1 Year or Less	Greater than 1 year	Total
Trade and other payables	\$ 796,271	\$ -	\$ 796,271

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All of the Company's equipment and intangible assets are located in Canada.

Revenue by geographic region is as follows:

	FY 2025	FY 2024
Canada	\$ 3,993,754	\$ 3,071,990
United States of America	156,711	185,706
	\$ 4,150,465	\$ 3,257,696

Revenue by service is as follows:

	FY 2025	FY 2024
Returns	\$ 2,162,877	\$ 1,496,993
For Pick Up	746,631	483,746
Failed First Attempts	434,557	464,416
Third Party Logistics	403,216	424,939
Direct to PUDO	233,765	217,532
KinekPoints and other	169,419	170,071
	\$ 4,150,465	\$ 3,257,696

(iv) Currency risk

Since the Company has a bank account denominated in US dollars, it is exposed to foreign currency risk due to fluctuations in the foreign exchange rate. The Company also has revenue and expenses in both Canadian and US dollars. Since the Company reports its results in Canadian dollars, the functional and presentation currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar. As at February 28, 2025 and February 29, 2024, the Company had cash, trade and other receivables and trade and other payables denominated in US dollars as follows:

As at February 28, 2025	USD	CAD
Cash	\$ 57,799	\$ 83,450
Trade and other receivables	141,813	204,750
Trade and other payables	(56,073)	(80,958)
	\$ 143,539	\$ 207,242

PUDO Inc.
Management's Discussion & Analysis
For the year ended February 28, 2025
Discussion dated: June 2, 2025

As at February 29, 2024	USD		CAD	
Cash	\$	72,657	\$	98,596
Trade and other receivables		50,585		68,644
Trade and other payables		(43,536)		(59,078)
	\$	79,706	\$	108,162

(v) Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash and short-term investment balances. The Company regularly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

(vi) Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business. The Company defines capital as shareholders' equity and loans and borrowings. As at February 28, 2025, the Company had a shareholders' equity of \$265,957 (2024 – deficit of \$100,052).

The Company's capital management objectives, policies and processes have remained materially unchanged during the years ended February 28, 2025 and February 29, 2024.

(vii) Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over the year. Sensitivity to a plus or minus 10% change in the US–Canadian dollar foreign exchange rate, based on the US dollar denominated balances as at February 28, 2025, would affect the net loss by approximately \$14,300 during the year.

Risk Factors

Financing

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of the growth strategy into the other services and markets and it could have a substantial impact on the Company's ability to continue operations at its present level.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investments diluted.

Financial Risk Factors and Credit Facilities

See above under heading "Financial Risk Management" – (b) Financial Risk Factors

Currently, no loans extended to the Company that contain financial covenants related to the Company's financial position and earnings.

Economic Downturns

The Company cannot be certain that economic or political conditions will generally be favourable or that there will not be significant fluctuations that adversely affect the economy as a whole or the key markets that the Company targets.

Changes in the Regulatory Environment

The Company's results of operations can be affected significantly by changes in the regulatory environment.

Dependence on Key Personnel

The success of the Company depends on its senior management team and other key employees, including their ability to retain and attract skilled employees. The loss of the services of key personnel could have a material adverse effect on the business, financial condition, results of operations or future prospects. The Company may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Investment Risk

From time to time, the Company may divest of a business that is not meeting performance expectations. This may result in losses from the disposal or wind-up of that business operation.

The Company purchases goods and services in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar.

History of Operating Losses

The Company has a history of operating losses and while it has a plan to reach profitability, there is no assurance that the plan can be achieved. The plan may be affected by other risk factors discussed in this section and will require additional capital to be raised to achieve this plan. This history of losses casts doubt on the ability of the Company to continue operating as a going concern. While management expects to be able to raise the necessary capital, there is no assurance that such capital can be raised on terms acceptable to the Company.

Potential Future Developments

Management of the Company, in the ordinary course of business, regularly explores potential strategic opportunities and transactions. The public announcement of any of these or similar strategic opportunities or transactions might have a significant effect on the price of the Company's securities. The Company's policy is

not to publicly disclose information concerning potential strategic opportunities or transactions unless and until a definitive binding agreement is reached or the respective boards are confident that the transaction will be completed, in accordance with applicable securities regulations. There can be no assurance that investors who buy or sell securities of the Company are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction which, when announced, would have a significant effect on the price of the Company's securities.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements present fairly in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the Company's generally accepted accounting principles, which follow IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Corporations

The expenses categorized by nature, incurred by the Company for the years ended February 28, 2025 and February 29, 2024 are as follows:

Cost of sales	Year Ended February 28, 2025	Year Ended February 29, 2024
External processing charges	\$ 2,713,809	\$ 1,954,588
Computer and web access charges	6,788	7,268
Total cost of sales	\$ 2,720,597	\$ 1,961,856
Administrative expenses	February 29, 2024	February 29, 2024
Salaries and benefits	\$ 724,314	\$ 652,403
General and administrative expenses	274,557	303,254
Consulting fees	123,817	140,752
Professional fees	30,725	92,412
Investor relations	42,143	67,796
Travel, promotion and business development	29,028	55,599
Agent and filing fees	52,269	54,883
Accounting and office	41,538	37,126
Amortization	27,218	31,884
Foreign exchange (gain) loss	(18,993)	2,244
Total administrative expenses	\$ 1,326,615	\$ 1,437,353