

# **PUDO INC.**

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS**

**QUARTERLY HIGHLIGHTS**

**FOR THE THREE AND NINE MONTH PERIODS ENDED**

**NOVEMBER 30, 2025 and 2024**

**(EXPRESSED IN CANADIAN DOLLARS)**

**Prepared by:**

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**PUDO Inc.**  
**Interim Management's Discussion & Analysis - Quarterly Highlights**  
**Three and nine month periods ended November 30, 2025**  
**Discussion dated: January 22, 2026**

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## **Introduction**

The following interim Management's Discussion and Analysis – Quarterly Highlights (the “Quarterly Highlights”) 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 three and nine month periods ended November 30, 2025 (“Q3 FY 2026”), together with certain trends and factors that are expected to have an impact in the future.

These Quarterly Highlights have been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine month periods ended November 30, 2025, the audited annual consolidated financial statements of the Company for the years ended February 28, 2025 and February 29, 2024, together with the notes thereto, and the Management's Discussion and Analysis (“Annual MD&A”) Report of the Company for the year ended February 28, 2025. All dollar amounts are expressed in Canadian dollars unless otherwise noted.

The Company's unaudited condensed interim consolidated financial statements and 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 regarding the Company and its operations are available on the Company's website at [www.pudopoint.com](http://www.pudopoint.com) and under the Company's SEDAR issuer profile at [www.sedar+.com](http://www.sedar+.com), or upon request to the Company at 6600 Goreway Drive Unit D, Mississauga, Ontario, Canada, L4V 1S6.

## **Description of Business**

PUDO is listed on the Canadian Securities Exchange (“CSE”) under the symbol “PDO” and on the OTCQB exchange under the symbol “PDPTF”.

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've ordered online or drop off what they need to return. The Company deploys its technology to provide consumers with convenient PUDOpoints (the “Network”) to pick-up and drop-off (“PUDO”) e-commerce parcels.

The Company'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.

### Cautionary Note Regarding Forward-Looking Information

These Quarterly Highlights contain certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements related 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.

Management of the Company considers the assumptions on which the forward-looking information contained herein are based to be reasonable. However, by their very nature, forward-looking statements inherently involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such risks include, without limitation those risks discussed in the "Risk Factors" section of PUDO's Annual MD&A dated June 2, 2025.

All forward-looking statements herein are expressly qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in these Quarterly Highlights are made only as of the date of these Quarterly Highlights or as of the date specified in such statement. 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.

### 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 that 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, enlarging the returns program, and add new revenue streams in the coming quarters. The Network remains uniquely positioned to offer cost effective convenient services for returns and to consumers who are looking for an alternative to home delivery.

Below are a few Company highlights during Q3 FY 2026:

- 📍 Returns revenue for the three and nine month periods increased by 47.6% and 56.5% as compared to the prior year, Q3 FY 2025.
- 📍 The Company held the Annual General Meeting of Shareholders on September 16, 2025, via a live webcast. During the meeting Tom Bijou, Tracy K. Bramlett, Richard Cooper, Murray Cook, Howard Westerman, Peter Whitcomb, and Elliott Etheredge were nominated for another one-year term as Directors of the Company. Clearhouse LLP was re-appointed auditors of the Company.
- 📍 On October 8, 2025, the Company released the second quarter financial reports for the quarter ended August 31, 2025, and the Company filed the audited statements along with the Management Discussion and Analysis, as required to the CSE and to SEDAR websites. That same day, after the market closed,

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management hosted a live webcast to present the Q2 FY 2026 results that included a presentation by PUDO CEO, Elliott Etheredge, followed by a question and answer session.

- 📍 The PUDOpoint network continued steady growth, reaching approximately 1,852 locations across Canada and the United States available to accept packages.
- 📍 Management remained focused on strategic software development to strengthen PUDO's technology platform and database architecture. These initiatives were designed to enhance API integration capabilities for both current and future service offerings with existing and prospective partners. A key investment area during the quarter was the continued enhancement of the PUDO Label returns service. This service enables retail customers to generate return labels for previously purchased items and conveniently drop off packages at any PUDOpoint location. It supports retailers with a cost-effective, consolidated pickup and reverse logistics process, streamlining operations and improving partner satisfaction. During the quarter, the Company's API software was integrated with a U.S. partner deploying lockers across indoor and outdoor locations in New York City.
- 📍 On October 7, 2025, PUDO and GoLocker announced a landmark partnership combining GoLocker's rapidly expanding smart locker and distribution network with PUDO's platform. This collaboration provides New York residents with a unique blend of secure package pickup and return options, while helping carriers and merchants reduce the high costs of first- and last-mile deliveries without sacrificing consumer convenience. More than a signal of what is possible, this partnership sets a new standard for how cities can reimagine deliveries and returns by building logistics systems that are smarter, more sustainable, and designed for the realities of modern urban life.
- 📍 Following the PUDO and GoLocker announcement 56 locker locations were activated during Q3 FY 2026, enabling PUDO Label returns to be processed directly through the locker system. New locker locations will continue to be activated in the next quarter.

### **Capital Resources**

- 📍 On March 10, 2025, the Company announced the closing of a non-brokered private placement on March 7, 2025. The Company issued 2,913,147 common shares at a price of \$0.135 per common for aggregate gross proceeds of \$393,274. The shares are subject to a statutory hold period expiring four months and one day from the date of issuance. The private placement proceeds are intended to be used for general working capital.
- 📍 Also on March 10, 2025, the Company announced the closing of debt settlement on March 7, 2025, 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.
- 📍 During the three month period ended November 30, 2025, there were nil capital transactions completed.

### **Operations**

#### **PUDOpoint 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 1,852 PUDOpoint locations across Canada and the United States, the Company pursued the development of new partnerships and service offerings designed to enhance revenue opportunities.

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These initiatives led to the addition of new partners that will contribute to increased parcel volumes within PUDO's various revenue services. Information technology integration and system enhancements continued to 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 continue to expand its PUDOpoint network across North America. 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.

### ***Parcel Volume Analysis***

Parcel volume and other factors within the e-commerce ecosystem affect PUDO's goals and performance during its growth phase.

While the Company continued to strategically manage the growth and development of the PUDOpoint Network throughout Q3 FY 2026, overall parcel increased by 122.4% compared to the three month period ended November 30, 2024 ("Q3 FY 2025"). In sequential quarters, overall parcel volumes in Q3 FY 2026 as compared to Q2 FY 2026 decreased by 3.6%.

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

- ***Returns***: During Q3 FY 2026, returns parcel volumes increased by 338.5% compared to Q3 FY 2025. On a sequential basis, returns parcel volumes in Q3 FY 2026 decreased by 13.8% compared to the period ended August 31, 2025 ("Q2 FY 2026"). This decrease may be attributable to changes in online shopper behavior driven by uncertainty surrounding the implementation of tariffs on retail goods. For the nine months ended November 30, 2025, returns parcel volumes increased by 447.3% compared to the nine months ended August 31, 2024. These increases were primarily the result of PUDO's partners expanding the integration of their clients' return requirements through the PUDO Returns Label service. The growing adoption of this service reflects its value in reducing return costs for retail e-commerce clients.
- ***Failed First Attempts ("FFA")***: During Q3 FY 2026, total FFA parcel volumes increased by 33.8% compared to Q3 FY 2025. On a sequential basis, parcel volumes increased by 16.4% in Q2 FY 2025 compared to Q1 FY 2025. For the nine months ended November 30, 2025, FFA parcel volumes increased by 32.6% compared to the nine months ended November 30, 2024. These increases were primarily driven by PUDO's courier partners increasingly utilizing the PUDOpoint Network as safe and secure drop-off locations for their customers' packages.
- ***For Pickup ("FPU")***: During Q3 FY 2026, FPU parcel volumes increased by 93.3% compared to Q3 FY 2025. On a sequential basis, FPU parcel volumes in Q3 FY 2026 increased by 24.7% compared to Q2 FY 2026. For the nine months ended November 30, 2025, FPU parcel volumes increased by 83.2% compared to the nine months ended November 30, 2024. These increases were primarily driven by PUDO's courier partners utilizing PUDOpoint locations as consolidated pickup points for customer shipments, enabling more cost efficient final-mile delivery.

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- 📍 ***Border Member:*** During Q3 FY 2026, total member parcel volumes decreased by 42.6% compared to Q3 FY 2025. On a sequential basis, parcel volumes in Q3 FY 2026 increased by 5.8% compared to Q2 FY 2026. For the nine months ended November 30, 2025, border member parcel volumes decreased by 43.1% compared to the nine months ended November 30, 2024. This decline was primarily due to Canadian customers' concerns regarding the customs clearance process at the U.S. border and the subsequent return of parcels to Canada.
- 📍 ***Pickup Counters:*** Over 700 PUDOpoint Counter locations are available as "Hub Counters" in the USA and Canada as alternative delivery options for online shopping customers of a large US and Canada e-commerce retailer. These Hub Counters provide a location for safe and secure storage for parcels for pickup by the customer. During Q3 FY 2026 total Pickup Counter parcel volumes decreased by 23.6% relative to Q3 FY 2025. In sequential quarters, Pickup Counter parcel volumes in Q3 FY 2025 as compared to Q2 FY 2025 decreased by 8.4%. During the nine months ended November 30, 2025, Hub Counter parcel volumes decreased by 16.8% relative to the nine months ended November 30, 2024.
- 📍 ***Direct to PUDO ("D2P"):*** During Q3 FY 2026 total D2P parcel volumes decreased by 42.8% relative to Q3 FY 2025. In sequential quarters, parcel volumes in Q3 FY 2026 compared to Q2 FY 2026 increased by 2.4%. During the nine months ended November 30, 2025, D2P parcel volumes decreased by 54.7% relative to the nine months ended November 30, 2024. This decrease is a result of a retailer partner having technical issues with their returns process.

As PUDO continues to expand and maintain its services, a greater number of stakeholder partners and consumer members will minimize parcel losses and reduce dependence on specific carriers as PUDO provides a courier agnostic network of locations.

## **Outlook**

PUDO continues to expand both the availability and volume of its PUDO Label returns services. By increasing the number of retailers adopting the solution and forming partnerships with additional SaaS and third-party logistics providers, the PUDO network is becoming an increasingly integral component of the e-commerce returns ecosystem.

Building on the success of the PUDO Label returns service in Canada, the Company is collaborating with an existing partner to expand the service into the United States. This expansion will leverage the established U.S. PUDOpoint Network, which is currently used by customers who choose to ship directly to a PUDOpoint at checkout, providing a safe and secure delivery location for online purchases.

The Company expects that the onboarding of new returns customers, together with the continued expansion of the PUDOpoint Network in the United States, will be further supported by potential new Direct-to-PUDO (D2P) volume opportunities in the U.S.

## **Financial Condition and Performance**

### ***Financial Performance***

A summary of selected financial information for the three and nine month periods ended November 30, 2025 and 2024 is included below:

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**PUDO Inc.**  
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2025	2024	2025	2024
Revenue	\$ 1,400,178	\$ 948,554	\$ 4,230,076	\$ 2,685,627
Cost of sales	(951,237)	(612,680)	(2,844,440)	(1,826,786)
<b>Gross profit</b>	<b>448,941</b>	335,874	<b>1,385,636</b>	838,841
Administrative expenses	(528,072)	(301,060)	(1,463,086)	(993,629)
Share-based compensation*	(48,913)	(43,126)	(226,649)	(133,073)
<b>Net loss</b>	<b>(128,044)</b>	(8,312)	<b>(226,649)</b>	(267,861)
<b>Other comprehensive loss</b>				
Translation loss on foreign subsidiary	11,556)	3,860	10,238	(11,525)
<b>Comprehensive loss for the period</b>	<b>\$ (139,600)</b>	\$ (4,452)	<b>\$ (216,411)</b>	\$ (279,386)
<b>Loss per share - basic and diluted</b>	<b>\$ (0.00)</b>	\$ (0.00)	<b>\$ (0.01)</b>	\$ (0.01)

\*non-cash expense related to the amortization of performance options for directors, management, and employees.

During the three month period ended November 30, 2025, revenue was \$1,400,178 (November 30, 2024 - \$948,554), representing an increase of 47.6% over the same period last year. For the nine month period ended November 30, 2025, revenue increased by \$1,544,449 to \$4,230,076 representing a 57.5% increase over the same period in the prior year as a result of the increase in PUDO Return labels offset by the decline of Third Party Logistics, Border Member, and For Pickup services utilized by PUDO partners.

Gross profit for the three month period ended November 30, 2025, was \$448,941 (November 30, 2024 - \$335,874) representing an increase of \$113,067 or 33.7% over the same period last year. Gross profit for the nine month period ended November 30, 2025, was \$1,385,636 (November 30, 2024 - \$858,841) representing an increase of \$526,795 or by 61.3% over the same period in the prior year. These increases are a result of increased use of PUDO's returns service by PUDO partners.

During the three month period ended November 30, 2025, the Company reported a net loss of \$128,044 (\$0.00 basic and diluted loss per share), an increase of \$119,732 compared with a net loss of \$8,312 (\$0.00 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year. Most of this increased loss was attributable to the increase in gross profit being offset by increases in salary, investor relations, travel, and share based compensation expenses.

The net loss for the nine months ended November 30, 2025 was \$226,649 (\$0.01 basic and diluted loss per share), a decrease of \$41,212 from a net loss of 267,861 (\$0.01 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year, primarily due to increased gross profit offset by an increase in administrative expenses and share based compensation.

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Administrative expenses for the three and nine month periods ended November 30, 2025, were \$528,072 and \$1,463,086 (November 30, 2024 - \$301,060 and \$883,629) respectively, representing an increase relative to the corresponding periods in the prior fiscal year. These cost increases relate primarily to the impact of the increased salary and benefits costs for new employees and general and administrative expenses during the three and nine month periods as compared to the prior year.

Non-cash share-based compensation for the three and nine month periods ended November 30, 2025, was recorded as \$48,913 and \$149,199 (November 30, 2024 - \$43,126 and \$133,073).

### ***Financial Condition***

As at November, 2025, the Company had total assets of \$1,571,519 (February 29, 2025 - \$1,457,666). This increase was primarily attributed to the increase in revenue and subsequently accounts receivable increased.

As at November 30, 2025, the Company had a working capital surplus of \$657,998 (February 28, 2025 – \$218,532), had not yet achieved profitable operations, had used cash from operating activities of \$498,593 for the nine-month period ended November 30, 2025 (cash used from nine month period ended November 30, 2024 - \$10,260), had a deficit of \$10,480,106 as at November 30, 2025 (February 28, 2025 - \$10,253,457) and had shareholders' equity of \$722,893 (February 28, 2025 – \$271,742). Certain of these conditions reflect material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. 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. These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### ***Cash Flows***

During the nine month period ended November 30, 2025, cash decreased by \$424,591 to \$635,645 (February 28, 2025 – \$649,997) due to \$498,593 cash used by operating activities, \$27,462 cash used in investing, and \$101,464 cash received from financing activities, and \$10,238 provided as a result of foreign exchange translation.

### ***Liquidity and Capital Resources***

The Company's primary source of cash during Q3 FY 2026 was through operations. As noted in the Annual MD&A and previous Quarterly Highlights, the Company has a secondary source of funding option through convertible debentures, promissory notes, and equity financing. The Company's outstanding loans and borrowings as at November 30, 2025, are fully repaid.

### ***Related Party Transactions***

During the three and nine month period ended November 30, 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 \$31,139 for three month and \$96,642 for nine month period ended November 30, 2025 (\$29,549 for three month and \$76,299 for the nine month period ended November 30, 2024). Bookkeeping fee and office rental are included in accounting and office expense in the amount of \$3,054 for the three month and \$9,426 for the nine month period ended November 30, 2025 (\$3,054 for three month and \$9,162 for the nine month period ended November 30, 2024).

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During the three and nine month periods ended November 30, 2025 and 2024, the Company had the following transactions with shareholders, management and directors:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>November 30,</b>		<b>November 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Share based compensation	\$ 48,913	\$ 43,126	\$ 148,299	\$ 133,073
Salaries and benefits	90,199	24,855	269,142	74,098
Consulting fees	10,487	10,325	31,248	48,804
	\$ 149,599	\$ 78,306	\$ 449,589	\$ 255,975

As at November 30, 2025, balances payable to the related parties noted above amounted to \$47,136 (February 28, 2025 - \$364,333) and are included in trade and other payables. These balances are unsecured, non-interest bearing and are due on demand.

### **Subsequent events**

The Company evaluated subsequent events through January 22, 2026, the date these Interim Management's Discussion & Analysis - Quarterly Highlights were approved and authorized for issue. There were no material subsequent events that required recognition or additional disclosure in the Interim Management's Discussion & Analysis - Quarterly Highlights.

### **Risk Factors**

The Annual MD&A for the year ended February 28, 2025, dated June 2, 2025, and filed on SEDAR ([www.sedar+.com](http://www.sedar+.com)), sets out a brief summary of certain risk factors for which adverse occurrences may have a material impact on the Company's future financial performance. We draw our readers' attention to that disclosure of risk factors. No significant changes to those risk factors have occurred in the 2025 fiscal year and to the date of this report.