

# **PUDO INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED**

**FEBRUARY 28, 2026**

**(EXPRESSED IN CANADIAN DOLLARS)**

**Prepared by:**

**PUDO Inc.**

**6600 Goreway Drive Unit D, Mississauga,  
Ontario, Canada L4V 1S6**

## **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, 2026. 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, 2026 ("FY 2026"), 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 9, 2026, 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](http://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.

<b>Forward-looking statements</b>	<b>Assumptions</b>	<b>Risk factors</b>
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, 2026**  
**Discussion dated: June 9, 2026**

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, 2026, 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, 2026 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 2026, noteworthy highlights included:

- 📍 The Company announced the appointment of PUDO's Chief Executive Officer, Elliott Etheredge, to the Company's Board of Directors, effective May 26, 2025.
- 📍 In August 2025 PUDO announced its partnership with Annex Brands, Inc., a leading franchisor for more than 800 retail and commercial shipping and business service centers in North America.
- 📍 The PUDOpoint network continued its steady growth, reaching approximately 1,950 locations across Canada and the United States available to accept packages.
- 📍 Following the PUDO and GoLocker announcement in October 2025, 89 locker locations were activated throughout the New York City area. This integration enables PUDO Label returns to be processed directly through the locker system, with additional locker activations planned for Fiscal Year 2027.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

- Management remained focused on strategic software development initiatives to strengthen PUDO's technology platform and database architecture. These efforts were aimed at enhancing API integration capabilities for both current and future service offerings with existing and prospective partners. A key investment area during the year was the continued enhancement of the PUDO Label returns service, which enables retail customers to generate return labels for previously purchased items and conveniently drop off packages at any PUDOpoint location. The service supports retailers through a cost-effective, consolidated pickup and reverse logistics process, helping to streamline operations and improve partner satisfaction. The Company also continued to enhance the API software integrated with GoLocker as locker deployments expanded across indoor and outdoor locations in New York City.
- Returns revenue increased by 67.6% compared to Fiscal Year 2025, driven primarily by increased utilization of strategic PUDOpoint locations by a retail partner. This partnership demonstrated the strength of the PUDOpoint network and the effectiveness of PUDO's returns and consolidation services, contributing significantly to parcel volumes and associated revenue growth within this service category.
- Revenue from PUDO's For Pick Up service increased by 38.7%, driven by continued growth in customer adoption and parcel volumes.

### **Capital Activities**

- 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 \$393,275. 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 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 February 28, 2026, 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. 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.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

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.

### **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 2026, overall parcel volume in FY 2026 increased by 89.6% compared to the year ended February 28, 2025 ("FY 2025") and overall parcel volumes during Q4 FY 2026 increased by 14% as compared to the quarter ended Q4 FY 2025.

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

- 📍 **Returns**: During FY 2026 total returns increased by 256.5% as compared to the prior year FY 2025. During Q4 FY 2026 returns increased 58.9% as compared to Q4 FY 2024. In sequential quarters, returns parcel volume decreased by 13.8% in Q4 FY 2026 over Q3 FY 2026 due to a decrease in partner returns directed to the PUDOpoint network following the holiday season. In FY 2026 PUDO continued to expand the return service in the cities of New York, Maimi, and Boston. The FY 2026 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 2026 FPU increased by 43.6% as compared to the prior year FY 2025. During Q4 FY 2026 FPU decreased 4.7% as compared to Q4 FY 2025. In sequential quarters, FPU parcel volume increased by 2.3% in Q4 FY 2026 over Q3 FY 2026. The FY 2026 increase in package volume is partially attributed to the uncertainty of a Canada Post strike during the 2025 holiday season. The uncertainty in postal services led to an increased utilization of courier services that are also PUDO partners.
- 📍 **Failed First Attempt ("FFA")**: During FY 2026 total FFA parcel volume increased by 12.8% relative to FY 2025, while during Q4 FY 2026 FFA parcel volume decreased by 24.4% as compared to FFA parcel volume in Q4 FY 2025. In sequential quarters, parcel volumes in Q4 FY 2026 compared to Q3 FY 2026 decreased by 15.9%. The decrease may reflect softer package volumes among certain PUDO partners, potentially driven by broader economic uncertainty, evolving consumer spending patterns, and fluctuations in e-commerce and shipping activity.
- 📍 **Border Member**: During FY 2026 total member parcel volume decreased by 38.9% relative to FY 2025, while during Q4 FY 2026 the member parcel volume decreased by 1.1% as compared to volume in Q4 FY 2025. In sequential quarters, parcel volumes in Q4 FY 2026 compared to Q3 FY 2026 decreased by 1.1%. The decreases may be a direct result of uncertainty of tariffs, crossing the border into the United States, and the longer wait times to clear customs at either border crossing.
- 📍 **Pickup Counters**: During FY 2026 Pickup Counter parcel volume decreased by 16.4% as compared to FY 2025. During Q4 FY 2026 Pickup Counter volume decreased by 15.3% relative to Q4 FY 2025. In

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

sequential quarters, Pickup Counter volume in Q4 FY 2026 increased by 14.6% compared to Q3 FY 2026. 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 2026 the D2P parcel volume decreased by 50.8% as compared to FY 2025, while during Q4 FY 2026 D2P volume decreased by 29.9% relative to Q4 FY 2025. In sequential quarters, D2P volume in Q4 FY 2026 decreased by 7.6% compared to Q3 FY 2026. 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, 2026, February 28, 2025, and February 29, 2024:

	As at / Year Ended February 29, 2026	As at / Year Ended February 28, 2025	As at / Year Ended February 29, 2024
Total assets	\$ 1,357,716	\$ 1,457,666	\$ 696,219
Cash	242,575	649,997	155,725
Total liabilities	675,792	1,185,924	796,271
Deficit	(10,586,214)	(10,253,457)	(10,170,649)
Shareholders' equity (deficit)	681,924	271,742	(100,052)
Revenue	5,612,736	4,150,465	3,257,696
Gross profit	1,876,731	1,429,868	1,295,840
Comprehensive loss	(301,558)	(106,078)	(499,676)
Loss per share basic and diluted	(0.01)	(0.00)	(0.02)
Working capital surplus (deficiency)	614,998	218,532	(146,580)
Cash (used for) provided by operating activities	(504,900)	259,630	18,810
Cash (used in) provided by investing activities	(35,185)	(33,900)	39,219
Cash provided by financing activities	\$ 101,464	\$ 291,811	\$ -

In FY 2026, the Company's revenues increased by 35.2% relative to the prior fiscal year and incurred a comprehensive loss of \$301,558. Of the \$195,480 increase in the comprehensive loss relative to the previous year, \$689,495 was administrative expenses primarily driven by strategic new hires supporting U.S. expansion and management of the logistics operations as well as the normalization of CEO compensation, along with a \$7,317 decrease in non-cash share-based compensation expense, offset by \$446,863 increase in gross profit. Gross profit increased by 31.3% to \$1,876,731 in FY 2026 relative to the previous year.

In Fiscal Year 2026, the Company used \$504,900 in cash from operating activities, compared to generating \$259,630 from operating activities in Fiscal Year 2025. The decrease was primarily attributable to the addition of two new hires during Fiscal Year 2026 and adjustments to normalize CEO compensation. The Company used \$35,185 in cash for investing activities during Fiscal Year 2026, compared to \$33,900 in Fiscal Year 2025,

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

and received \$101,464 from financing activities related to common shares issued in March 2025. In addition, the Company recorded an increase of \$31,199 related to foreign currency translation. As a result, cash decreased by \$407,422 during Fiscal Year 2026.

## Trends

Throughout FY 2026, PUDO continued to prioritize the development and expansion of its direct returns solutions for e-commerce retailers seeking to reduce logistics and consolidation costs, which remain a significant expense across the industry. By providing cost-effective, streamlined returns processing, PUDO helps retailers improve operational efficiency while enhancing the overall customer experience.

The Company continued to work closely with its partners to activate new PUDOpoint locations in response to growing demand for its expanding portfolio of services, with a particular focus on returns processing capabilities.

Looking ahead, the returns market is expected to remain a key strategic growth area for PUDO as online retailers increasingly seek scalable, efficient, and affordable solutions to manage customer returns while protecting operating margins in a highly competitive e-commerce environment.

## 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, 2026, February 28, 2025, and February 29, 2024:

	<b>As at / Year Ended February 28, 2026</b>	<b>As at / Year Ended February 28, 2025</b>	<b>As at / Year Ended February 29, 2024</b>
Total assets	\$ 1,357,716	\$ 1,457,666	\$ 696,219
Cash	242,575	649,997	155,725
Total liabilities	675,792	1,185,924	796,271
Deficit	(10,586,214)	(10,253,457)	(10,170,648)
Shareholders' equity (deficit)	681,924	271,742	(100,052)
Revenue	5,612,736	4,150,465	3,257,696
Gross profit	1,876,731	1,429,868	1,295,840
Comprehensive loss	(301,558)	(106,078)	(499,676)
Loss per share basic and diluted	(0.01)	(0.00)	(0.02)

### Year ended February 28, 2026, compared with the year ended February 28, 2025:

The Company's comprehensive loss was \$301,558 for the year ended February 28, 2026, with basic and diluted loss of \$0.01 per share. This compares with a comprehensive loss of \$106,078 with basic and diluted loss of \$0.00 per share for the year ended February 28, 2025.

The increase of \$195,480 in the comprehensive loss for the year ended February 28, 2026, relative to the prior year was principally because:

- 📍 Revenues increased by \$1,462,271 in FY 2026 representing a 35.2% increase, owing primarily to increases in PUDO returns and FPU revenue offset by decreases in some other PUDO services.
- 📍 Gross profit of \$1,876,731 increased by \$446,863, or 31.3%, relative to the prior year. As a percentage of revenue, the gross profit in FY 2026 decreased to 33.4%, down from 34.5% in the prior year. This is primarily

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

related to the shift of revenue from returns shipments and the associated expenses with the consolidation and processing of the returns volume.

- Administrative expenses increased by \$689,495, or 52%, relative to the prior year. The increase was primarily attributable to the addition of two new executive hires during Fiscal Year 2026 and an adjustment to CEO compensation to better align with market rates.
- Non-cash share-based compensation increased by \$7,317.

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:

- 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.

The consolidated statements of financial position of the Company as at February 28, 2026, February 28, 2025, and February 29, 2024 were as follows:

	As at February 28, 2026	As at February 28, 2025	As at February 29, 2024
Current assets	\$ 1,290,790	\$ 1,404,456	\$ 649,691
Non-current assets	66,926	53,210	46,528
<b>Total assets</b>	<b>1,357,716</b>	<b>1,457,666</b>	<b>696,219</b>
Current liabilities	675,792	1,185,924	796,271
Long-term liabilities	-	-	-
<b>Total liabilities</b>	<b>675,792</b>	<b>1,185,924</b>	<b>796,271</b>
Share capital	9,987,210	9,177,037	9,177,037
Shares to be issued	-	291,811	-
Stock option reserve	1,274,788	1,081,410	895,348
Accumulated other comprehensive income (loss)	6,140	(25,059)	(1,789)
Deficit	(10,586,214)	(10,253,457)	(10,170,648)
Shareholders' equity (deficiency)	681,924	271,742	(100,052)

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

	As at February 28, 2026	As at February 28, 2025	As at February 29, 2024
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>\$ 1,357,716</b>	<b>\$ 1,457,666</b>	<b>\$ 696,218</b>

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) (\$)				
2026-Feb. 28	1,382,660	(85,147)	(0.00)	491,095	(553,025)	(44,179)	-
2025-Nov. 30	1,400,178	(139,600)	(0.00)	335,874	(301,060)	(43,126)	-
2025-Aug. 31	1,425,505	(41,833)	(0.00)	498,699	(492,030)	(48,913)	-
2025-May 31	1,404,393	(34,977)	(0.00)	437,996	(442,982)	(51,374)	-
2025-Feb. 29	1,464,838	167,522	(0.00)	571,027	(338,771)	(52,989)	-
2024-Nov. 30	948,554	(4,452)	(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)	-

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 2026. 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 FY 2027. This service enables retailers to utilize the PUDOpoint network as convenient drop-off locations for return parcels, which are subsequently collected, consolidated, and distributed according to each retailer's specific logistics requirements.

PUDO intends to continue expanding into additional strategic U.S. markets during FY 2027 through both existing and new partnerships.

The Company also expects to benefit from increased utilization of its services by existing customers. During FY 2026, several of PUDO's largest customers increased the percentage of package volume allocated to PUDO, while also expanding the geographic footprint serviced by the Company. Management anticipates that this trend will continue, contributing to further revenue growth in FY 2027.

In addition, PUDO continues to pursue new customer opportunities to further diversify and strengthen its business mix. The Company sees opportunities across multiple service lines to add new customers in both 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 2026 the Company had a working capital surplus of \$614,998 (2025 – \$218,532), had not yet achieved profitable operations, had used cash from operating activities of \$504,900 for the year ended February 28, 2026 (2025 – received \$259,630), had a deficit of \$10,586,214 as at February 28, 2026 (2025 - \$10,253,457) and had shareholders' equity of \$681,924 at February 28, 2026 (2025 – \$271,742). The Company believes it is well positioned to move forward in FY 2027.

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.

## **Share Capital**

As of the date of this MD&A, June 9, 2026, the Company has (i) 33,272,286 common shares outstanding; (ii) no warrants available for exercise; and (iii) 3,611,795 stock options exercisable for the purchase of 3,611,795 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

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

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, 2026, and February 28, 2025, are outlined below.

<b>Details</b>	<b>As at / year ended Feb. 28, 2026</b>	<b>As at / year ended Feb 28, 2025</b>	<b>Comments</b>
Total assets	\$ 1,357,716	\$ 1,457,666	
Cash & cash equivalents	269,469	676,299	<i>Includes restricted cash of \$26,894 (2025 - \$26,302)</i>
Working capital surplus	614,998	218,532	<i>Includes non-cash working capital</i>
Cash flows provided by (used in) operating activities (including non-cash)	(504,900)	259,630	<i>Attributable to an increase in the operating and in trade and other receivables offset by an increase in trade and other payables as at Feb. 28, 2026.</i>
Cash flows used in investing activities	(35,185)	(33,900)	<i>Increase FY 2026 cash outflows was a result of a investment in the investment of proprietary PUDO software.</i>
Cash flows provided by financing activities	\$ 101,464	\$ 291,811	<i>Proceeds from shares issued in March 2025</i>

## **Material accounting policies**

### (a) Accounting standards issued but not yet applied

#### *IFRS 18, Presentation and Disclosure in Financial Statements*

The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements ( that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss". IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. Management is currently assessing the impact of this standard.

In May 2024, the International Accounting Standards Board (IASB) issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

There are no other standards, interpretations or amendments to existing standards that are not yet effective that are expected to have a material impact on the consolidated financial statements of the Company.

(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

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

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*

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 note 11.

Fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the 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.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

(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.

(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, 2026 and February 28, 2025 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, 2026 and February 28, 2025, 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.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

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, 2026, 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 \$138,100 (2025 – \$113,879). Bookkeeping fee and office rental are included in accounting and office expense \$12,480 (2025 - \$12,216).

During the years ended February 28, 2026 and February 28, 2025, the Company had the following transactions with shareholders, management and directors:

	<b>2026</b>	<b>2025</b>
Share-based compensation	\$ 193,379	\$ 186,062
Salaries and benefits	357,742	99,856
Consulting fees	41,589	59,538
	<b>\$ 592,710</b>	<b>\$ 345,456</b>

As at February 28, 2026, balances payable to the related parties noted above amounted to \$45,206 (2025 - \$364,333) and are included in trade and other payables. \$4,280 is due to a company with a common officer and director and \$40,926 is due to a related party contractor. These balances are unsecured, non-interest bearing and due on demand.

In March 2025, the Company settled debt in the amount of \$416,898 owed by the Company to number of creditors of the Company in exchange for an aggregate of 3,088,132 common shares at a price of \$0.135 per common share. All common shares were subjected to a statutory hold period of four months and one day from

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

the date of issuance. An officer of the Company was issued 743,214 Debt Settlement Shares to settle debt in the amount of \$100,334 and a common director of the Company was issued 1,877,511 Debt Settlement Shares to settle debt in the amount of \$253,464 for incurred bookkeeping fees, office rental, and warehouse sorting costs.

## **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

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.

	<b>2026</b>	<b>2025</b>
Revenue from customer #1	\$ 1,613,568	\$ 1,381,738
% of total revenue	<b>29%</b>	33%
Revenue from customer #2	\$ 1,121,768	\$ 847,113
% of total revenue	<b>20%</b>	20%
Revenue from customer #3	\$ 923,894	\$ 603,025
% of total revenue	<b>17%</b>	15%
Account receivable from customer #1	\$ 375,221	\$ 146,129
% of total accounts receivable	<b>41%</b>	25%
Account receivable from customer #2	\$ 177,635	\$ 80,252
% of total accounts receivable	<b>20%</b>	14%
Account receivable from customer #3	\$ 86,410	\$ 79,106
% of total accounts receivable	<b>10%</b>	13%

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

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

	<b>2026</b>	<b>2025</b>
Cash	\$ 242,575	\$ 649,997
Restricted short-term investment	26,894	26,302
Trade and other receivables	905,921	633,737
	<b>\$ 1,175,390</b>	<b>\$ 1,310,036</b>

(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:

<b>As at February 28, 2026</b>	<b>1 Year or Less</b>	<b>Greater than 1 year</b>	<b>Total</b>
Trade and other payables	\$ 675,792	\$ -	\$ 675,792

<b>As at February 29, 2025</b>	<b>1 Year or Less</b>	<b>Greater than 1 year</b>	<b>Total</b>
Trade and other payables	\$ 1,185,924	\$ -	\$ 1,185,924

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:

	<b>FY 2026</b>	<b>FY 2026</b>
Canada	\$ 5,481,567	\$ 3,993,754
United States of America	131,169	156,711
	<b>\$ 5,612,736</b>	<b>\$ 4,150,465</b>

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

Revenue by service is as follows:

	<b>FY 2026</b>	<b>FY 2025</b>
Returns	\$ 3,625,618	\$ 2,162,877
For Pick Up	1,035,648	746,631
Failed First Attempts	486,702	434,557
Third Party Logistics	179,313	403,216
Direct to PUDO	186,990	233,765
KinekPoints and other	98,465	169,419
	<b>\$ 5,612,736</b>	<b>\$ 4,150,465</b>

(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, 2026 and February 28, 2025, the Company had cash, trade and other receivables and trade and other payables denominated in US dollars as follows:

<b>As at February 28, 2026</b>	<b>USD</b>	<b>CAD</b>
Cash	\$ 18,716	\$ 25,532
Trade and other receivables	104,898	143,101
Trade and other payables	(163,701)	(223,321)
	<b>\$ 40,087</b>	<b>\$ 54,688</b>
<b>As at February 28, 2025</b>	<b>USD</b>	<b>CAD</b>
Cash	\$ 57,799	\$ 83,450
Trade and other receivables	141,813	204,750
Trade and other payables	(56,073)	(80,958)
	<b>\$ 143,539</b>	<b>\$ 207,242</b>

(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.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

---

The Company defines capital as shareholders' equity and loans and borrowings. As at February 28, 2026, the Company had a shareholders' equity of \$681,924 (2025 –\$271,742).

The Company's capital management objectives, policies and processes have remained materially unchanged during the years ended February 28, 2026 and February 28, 2025.

(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, 2026, would affect the net loss by approximately \$4,000 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.

**PUDO Inc.**  
**Management's Discussion & Analysis**  
**For the year ended February 28, 2026**  
**Discussion dated: June 9, 2026**

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, 2026 and February 28, 2025 are as follows:

<b>Cost of sales</b>	<b>Year Ended February 28, 2026</b>	<b>Year Ended February 28, 2025</b>
External processing charges	\$ 3,730,999	\$ 2,713,809
Computer and web access charges	5,006	6,788
<b>Total cost of sales</b>	<b>\$ 3,736,005</b>	<b>\$ 2,720,597</b>
<b>Administrative expenses</b>	<b>February 28, 2026</b>	<b>February 28, 2025</b>
Salaries and benefits	\$ 1,238,165	\$ 724,314
General and administrative expenses	357,356	274,557
Professional fees	118,942	123,817
Agent and filing fees	55,994	52,269
Accounting and office	48,953	41,538
Travel, promotion and business development	48,142	29,028
Foreign exchange loss (gain)	46,540	(18,993)
Investor relations	42,497	42,143
Consulting fees	38,053	30,725
Amortization	21,468	27,218
<b>Total administrative expenses</b>	<b>\$ 2,016,110</b>	<b>\$ 1,326,615</b>