URBAN INFRASTRUCTURE GROUP INC.
(FORMERLY, DEAL PRO CAPITAL CORPORATION)

MANAGEMENT DISCUSSION & ANALYSIS
for the nine-month period ended June 30, 2024

The following interim Management Discussion & Analysis ("**Interim MD&A**") of Urban Infrastructure Group Inc. (formerly, Deal Pro Capital Corporation) (the "**Company**" or "**Urban**") is dated August 27, 2024, unless otherwise indicated, and should be read in conjunction with the unaudited condensed interim financial statements (the "**Financial Statements**") for the nine months ended June 30, 2024 and the related notes. This Interim MD&A has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last management discussion & analysis, being the Management Discussion & Analysis ("**Annual MD&A**") for the fiscal year ended September 30, 2023.

The information contained in this report has been approved by the Company's Board.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of 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 was made. The Company's officers certify that the Financial Statements and Interim MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR+ at www.sedarplus.ca.

The unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the nine months ended June 30, 2024. The referenced audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

COMPANY OVERVIEW AND DESCRIPTION OF BUSINESS

Urban Utilities Contractors Inc. was incorporated under the *Business Corporations Act* (Ontario) on September 30, 2015.

On March 18, 2024, Urban Utilities Contractors Inc. ("UUCI") completed an RTO Transaction with Deal Pro Capital Corporation ("DP") and the resulting company changed its name to Urban Infrastructure Group ("Urban", or the "Company").

Under the terms of the RTO Transaction, DP issued 83,000,000 Class A common shares and 17,000,000 Class B common shares, to acquire all of the issued and outstanding common shares of UUCI. The 17,000,000 Class B common shares can be exchanged for 17,000,000 Class A common shares under certain conditions. DP issued 4,357,920 Class A common shares and 269,866 Finder's Warrants as Finder's Fees, which were converted into Urban common shares and warrants on a one-to one basis.

The Company completed a Concurrent Financing on March 18, 2024, of 8,947,995 Units at $0.15 per Unit, for gross proceeds of $1,342,200. Each Unit comprised one Class A common share and one half of one Class A warrant. Each whole warrant can be exercised at a price of $0.25, per Class A common share, at any time until March 18, 2026. Warrants issued as Finder Fees can be exercised at a price of $0.15 per Class A common shares, at any time until March 18, 2026, with each warrant to be comprised of one Class A common share and one-half of one Class A common share warrant. Each whole warrant can be exercised at a price of $0.25, per Class A common share, at any time until March 18, 2026.

The Company commenced trading on the TSXV under the symbol UIG on March 26, 2024. This RTO Transaction was a Qualifying Transaction (QT) under the Exchange Rules.

Urban is focused on the concrete and drain sector for new low-rise construction in the Southern Ontario region. The services that Urban provides includes the installation of drainage systems and laying strong, seamless foundations for homes across and beyond the Greater Toronto Area. Urban has worked with some of the largest home builders in Canada, specializing in:

- Concrete and drain work for the residential housing sector.
- Construction of underground services for residential subdivisions.

The services that Urban provides includes the installation of drainage systems and laying strong, seamless foundations for homes across and beyond the Greater Toronto Area. These services primarily involve the concrete and drain segment of new home construction which occurs during the earliest stage of the construction process. The concrete and drain sector is comprised of the following aspects:

(i) the installation and connection of the basement drain to the sewer line;

(ii) pouring of the basement floor;

(iii) pouring of the garage floor; and

(iv) pouring of the porch and stairs.

Urban has serviced areas with burgeoning communities, including:

Brampton	Caledon	Oshawa
Ayr	Barrie	Bracebridge
Kitchener	Whitby	Pickering

COMPANY HIGHLIGHTS

During the nine-month period ended June 30, 2024, and to the date of this Interim MDA, the Company:

- Completed its RTO transaction with DP.
- Listed its shares for trading on the TSXV Exchange under the symbol UIG.
- Raised equity capital of approximately $1.3M CAD
- Market Open for Canada's capital markets at the TSX Broadcast centre in Toronto
- Attended and presented at a small cap conference in Las Vegas, Nevada
- Delivered an online webinar presentation and interview with Radius Research
- Generated a pipeline (defined as projects where we have been invited and have submitted bid proposals) of $17.6M and if that bid pipeline we have been awarded and $6.0M in contract value.

SUMMARY OF ANNUAL RESULTS

The following table sets forth selected financial information from the Company's audited financial statements for each of the two most recently completed year ends.

	YEARS ENDED	
	Sept 30, 2023	**Sept 30, 2022**
Revenues	$12,276,877	$7,648,330
Net income	$1,674,887	$251,260
Earnings per share (basic and diluted)	$8,239	$1,256

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected financial information from the Company's quarterly financial statements.

Quarter Ended	Revenue	Gross Margin	Expenses	Net Income	Earnings Per Share	Average Shares
2024-06-30	$ 661,984	$ (342,826)	$ 546,642	$ (910,034)	$(0.01)	104,512,916
2024-03-31	1,536,307	323,284	2,178,924	(1,855,640)	(0.32)	5,742,646
2023-12-31	1,966,465	982,408	419,709	559,707	2,799	200
2023-06-30	2,867,211	632,238	409,755	219,541	1,098	200
2023-03-31	2,922,648	901,155	341,291	559,864	2,785	200
2022-12-31	3,783,793	898,104	303,063	586,869	2,934	200

The March 2024 quarter loss was mostly created by the one-time listing fee expense of $1,552,153 and increased professional fees. These costs related to the go-public transaction. The June 2024 loss was mostly created by low revenue.

RESULTS OF OPERATIONS

Three months ended June 30, 2024
The Company recorded a net loss of $910,034 ($0.01 per share) for the three-month period ended June 30, 2024 as compared to net income of $219,541 ($1,098 per share) for the three-month period ended June 30, 2023. The decrease in net income is mostly the result of decreased revenue in the June 2024 quarter.

Revenues for the three-month period ended June 30, 2024 slowed to $661,984 as compared to revenue of $2,867,211 for the three-month period ended June 30, 2023. The cost of sales for the three-month period ended June 30, 2024, were $1,004,810 compared to $2,234,973 for the three-month period ended June 30, 2023. The decrease in revenues was a result of an industry-wide, well-documented slowdown in the residential building market. Many in the industry, media and elsewhere believe this has been caused primarily by developers delaying project launches as they assess the interest rate environment and economic conditions. As a result of these delays, our sales for the quarter were down significantly from the prior year comparative period. That said, we continue to have a strong pipeline of contracted jobs but without the near-term certainty on when these industry delays will fully moderate.

The Company granted 8,778,767 stock options to directors, officers and other employees and contractors during the June 2024 quarter. The options vest as 50% after 18 months and 50% after 36 months. The Company recognized a non-cash expense of $49,661 in the June 2024 quarter related to these option grants.

The difference in operating expenses on a quarter over quarter basis is explained below:

Professional fees $144,558 (Q3 2023 – $64,473). Professional fees in 2024 increased significantly versus 2023, reflecting public company costs and the cost of the RTO Transaction with DP, which provided the Company with its TSX-V listing in March 2024.

Remuneration and benefits $184,501 (Q2 2023 – $166,615). The increase reflects a long-time junior staff member who moved from part time to full time in May of 2023.

Depreciation $28,486 (Q2 2023 – $33,807). Depreciation in 2024 versus 2023 was steady as mid-late 2022 additions of a new truck purchases and leasehold improvements with respect to renovations at a new head office rental space in Brampton, Ontario continue to be depreciated.

Equipment and Other $44,983 (Q2 2023 – $68,952). Quarter over quarter decrease is due to the reduced revenue, as crew size along with the decrease in houses completed driving the need for fewer tools and equipment such as power trowels, power tools, hand tools, safety equipment.

Insurance $39,371 (Q2 2023 – $8,904). Insurance expense increased in 2024 over 2023 in support of Urban's increased office staff and to facilitate its go public transaction in 2024.

Share-based payments $49,661 (Q2 2023 – $Nil). The Company granted 8,778,767 stock options to directors, management, employees and consultants in Q2 2024. The options are being expensed over their respective vesting periods, which in Q2 2024 resulted in an expense of $49,661.

Nine months ended June 30, 2024

The Company recorded net loss of $2,213,949 ($0.06 per share) for the nine-month period ended June 30, 2024 as compared to net income of $1,353,606 ($6,768 per share) for the nine-month period ended June 30, 2023. The decrease in net income is the result of decreased revenue in the three quarters of 2024. The cost of sales for the nine-month period ended June 30, 2024, were $3,201,889 compared to $7,142,155 for the nine-month period ended June 30, 2023. The decrease in revenues was a result of an industry-wide, well-documented slowdown in the residential building market. Many in the industry, media and elsewhere believe this has been caused primarily by developers delaying project launches as they assess the interest rate environment and economic conditions. As a result of these delays, our sales for the period were down significantly from the prior year comparative period. That said, we continue to have a strong pipeline of contracted jobs but without the near-term certainty on when these industry delays will fully moderate. We note that there are some early signs of projects starting back up and our labour crews getting busier, but it remains to be seen if this will take on some permanence. Our $17M plus pipeline and our $4M plus in awarded contracts delivers a optimistic indicator that there is a thawing-out of the deep freeze that saw our low rise residential developer clients struggle mightily to get shovels in the ground this year. Additional support is anticipated via additional rate cuts through the remainder of 2024 and into 2025.

Other expense variances in the nine-month period ended June 30, 2024 include:

Listing fees $1,552,153 (nine months 2023 – $Nil). This expense item reflects the non-cash cost of the RTO Transaction with DP, which provided the Company with its TSX-V listing in March 2024.

Professional fees $489,870 (nine months 2023 – $131,475). Professional fees in 2024 increased significantly versus 2023, also reflecting the cost of the RTO Transaction with DP, which provided the Company with its TSX-V listing in March 2024.

Remuneration and benefits $545,172 (nine months 2023 – $468,645). The increase reflects a long-time junior staff member who moved from part time to full time in May of 2023. Additionally, the Company's founder and President had a salary increase from $150,000 per year to $185,000 per year in March of 2023.

General and Administrative $159,703 (nine months 2023 – $99,407). General and Administrative expense increased in 2024 over 2023 in support of Urban's increased office staff and to facilitate its go public transaction in 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. Key management includes directors and executive officers of the Company. Other than the amounts disclosed below, there was no other compensation paid or payable to key management

for employee services for the reported periods. The other related parties are those with whom the Company has had transaction during the nine months ended June 30, 2024 and 2023 are as follows:

Name of the Personnel	Relationship with the Company
Mr. Gary - Director	KMP and a Major Shareholder of 87.98% of Class A and 100% of Class B Common Shares.
Mrs. Krisztina Alves	KMP
Ungad Chadda	CEO of the Company
John C. Ross Consulting Inc.	Company owned by the CFO of the Company
1000679050 Ontario Inc.	Company owned by a Director which holds shares in the Company

During the nine months ended June 30, 2024 and 2023, the Company reported the following expenses to related parties:

Transactions with KMP	Nine Months ended	
	June 30, 2024	June 30, 2023
Salary paid to KMP	$ 251,250	$ 165,458
CEO	138,750	-
CFO	30,000	-
Share-based payments	38,994	-
	$ 458,994	$ 165,458

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue operations. In the management of capital, the Company includes its components of shareholders' equity. The Company operates with a positive working capital balance based on beneficial credit terms from its suppliers and 15-day payment terms on the majority of contracts with developers. This results in positive working capital including cash on hand and a bank operating line that has not been drawn on.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling its expenses. The Company is not subject to externally imposed capital requirements. Additionally, the Company is capital expenditure light and requires pick-up trucks and hand tools to deliver its products and services to customers.

The Company is not subject to any capital requirements imposed by a regulator, other than, when listed, the continued listing requirements of the TSX Venture Exchange.

As at June 30, 2024 the Company held cash of $552,409 (September 30, 2023 – $951,197) and had a working capital surplus of $2,006,013 (September 30, 2023 – working capital surplus of $1,758,118).

During the nine-month period ended June 30, 2024, net cash used by operating activities was $1,172,149 (nine months 2023 – cash of $656,076). Net cash provided from investing activities was $77,119 (nine months 2023 – cash used of $383,302), as assets acquired in the RTO transaction more than offset right of use lease outlays. Net cash provided by financing activities was $696,242 (nine months 2023 – use of $57,915), as $1,291,860 received on the issuance of shares was partly offset by a $500,000 dividend and $95,618 of borrowing repayments.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Company classifies the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at June 30, 2024 and December 31, 2023, cash under the fair value hierarchy were recorded based on level 1 inputs.

Classification of financial instruments

The Company's financial instruments consist of cash and bank overdraft, trade and other receivables, holdback receivables, trade and other payables, other liabilities, due to related party, borrowings and lease liabilities. Cash and bank overdraft were classified as fair value through profit or loss and the other financial instruments were classified as amortized cost.

Financial and capital risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy 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 systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

SECURITIES OUTSTANDING

Subdivision of Common Shares

On January 22, 2024, the Company filed articles of amendment subdividing the issued and existing common shares on the basis of one existing common share being subdivided into 500,000 post-subdivision common shares. As of the date hereof, there are an aggregate of 104,512,916 common shares issued and outstanding.

Creation of Class A and Class B shares

On February 7, 2024, UUIC filed articles of amendments creating an unlimited number of Class A and Class B Shares.

The holders of the Class A Shares are entitled to dividends if, as and when declared by the board of directors, to receive notice of and one vote per Class A Share at meetings of shareholders and, upon liquidation, dissolution or winding up of UUIC, to share rateably in such assets of UUIC as are distributable to the holders of common, Class A and Class B shares. These Class A and B common shares were exchanged for Urban Class A and B common shares in the RTO Transaction.

The holders of Class B Shares are not entitled to receive any dividends nor are they entitled to or to receive notice at any meeting of shareholders of the Company (other than meetings of the holders of Class B Shares). Upon liquidation, dissolution or winding up of the Company, to share rateably in such assets of the Company as are distributable to the holders of common, Class A and Class B shares. The Class B Shares are non-transferable except as required pursuant to the RTO Transaction.

As at the date of this MD&A, June 30, 2024 and September 30, 2023, the Company's outstanding share information is as follows:

	August 27, 2024	June 30, 2024	September 30, 2023
Common shares	-	-	200
Class A common shares issued and outstanding	104,512,916	104,512,916	-
Class B common shares issued and outstanding	17,000,000	17,000,000	-
Stock options issued and outstanding	9,599,467	9,599,467	-
Warrants issued and outstanding	4,743,864	4,743,864	-
Fully diluted common shares issued and outstanding	135,856,247	135,856,247	200

RECENT ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Classification of liabilities as current or non-current: Amendments to IAS 1.

On January 23, 2020, the IASB issued a narrow-scope amendment to IAS 1 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. They: clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting date and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier application is permitted.

The amendment could affect the classification of liabilities, particularly for previously considered management's intention to determine classification and for some liabilities that can be converted into equity. The Company classifies based on the contractual arrangement in place at the reporting date for the classification, thus, the Company does not expect the amendment to have an impact on its financial statements.

Definition of accounting estimate – Amendments to IAS 8

On February 12, 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of accounting estimate: clarify that they are monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current periods, while changes in accounting estimates are applied prospectively to future transactions and other future events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start that period. Earlier application is permitted as long as this fact is disclosed.

The Company does not expect the amendments to have an impact to its financial statements.

Disclosure of accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

On February 15, 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and example to help entities apply materiality judgements to accounting policy disclosure. The amendments help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. Since the amendment to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments by re-visiting its accounting policy disclosures to ensure consistency with the amended standard.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

On May 7, 2021, the IASB issued the amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognized as part of the cost of the related assets. The cumulative effect of recognizing these adjustments is recognized in retained earnings, or other component of equity, as appropriate. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.

The Company has already accounted for such transactions consistent with the new requirements. The Company will not be affected by the amendments.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the Company's financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial

statements, and income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

(i) ***Material estimates***

Allowance for credit losses

The Company must make an assessment of whether trade receivables and holdback receivables are collectible from customers. Accordingly, management establishes an allowance for estimated credit losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

Useful lives or property, plant and equipment

The Company estimates the useful lives of property, plant and equipment by analyzing the internal life of the asset which takes into account actual and expected future usage, physical wear and tear, replacement history and assumptions about the evolution of technology. Changes in these factors may cause the estimated useful lives of these assets to change. When factors indicate that the assets' useful lives are different from the prior assessment, the Company depreciates the remaining carrying value prospectively over the adjusted estimated useful lives. The Company reviews estimates of the useful lives of property, plant and equipment on an annual basis.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as profitability and operations. Extension options (or options after termination options) are only included in the lease term if the lease is reasonably certain to be included (or not terminated). The assessment of the lease term is reviewed if a significant event or significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used, if the interest rate implicit in the lease is not readily determinable, to measure its lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Valuation of contract assets

Contract assets consist of an estimate of the percentage of completion within each performance obligation applied to the contractual value of each component work stream reduced by the profit margin of each component to arrive at the value of the costs to date. On site evaluation as well as daily site reports containing details of raw material, labour, and other costs are used in the estimation process.

Current and deferred taxes

Estimations of current and deferred tax provisions and assets or obligations require assessments to be made based on the potential tax treatment of certain items that will only be resolved once finally agreed with the relevant tax authorities. Assumptions underlying the composition of deferred tax assets and liabilities include estimates of future financial performance and the timing of reversal of temporary differences as well as the tax rates and laws at the time of the expected reversal.

(ii) ***Material judgments***

Current and deferred taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position and what tax rate is expected to be applied in the year when the related temporary differences reverse, particularly in regard to the utilization of tax losses carry forward. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company considers the terms of the contracts, the nature of the transaction, estimated time required on the project, and the specific circumstances of each arrangement. The Company recognizes revenue as it fulfills its performance obligations by transferring control of the promised services to the customer. Judgement involves determining when revenue recognition criteria have been met including when all performance obligation have been fulfilled.

Pensions

The company has a defined benefit plan for employee pensions, and Liuna 183 Union manages the annual required contribution. Liuna is responsible for investing the funded contribution to generate returns that adequately cover employees' retirement benefits.

RISKS AND UNCERTAINTIES

The Company is currently subject to operational, financial, and regulatory risks.

The operational risks include the Company's ability to provide concrete and drain services economically, the Company ability to market its products and services and maintain a demand for them, the Company's ability to hire and retain skilled employees, and the Company's ability to remain competitive in the industry. The Company continuously monitors and responds to changes in these operational risks.

Financial risks include interest rate environment, housing starts and the ability for the Company to generate enough cash from operations.

Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements.

FORWARD-LOOKING INFORMATION

The Company's financial statements for the nine-month periods ended June 30, 2024 and 2023, and this accompanying MD&A, contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of the MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown

risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

OUTLOOK

The Company's business plan is focused on continued sales and profit growth within its current market, as well as the pursuit of a roll-up and diversification driven acquisition strategy to consolidate similar companies operating in the concrete and drain and Stage One construction industry in Ontario. Stage One residential infrastructure includes concrete and drain, low rise forming, water and sewer and other specialties is a multi-billion industry in Ontario that is very fragmented and characterized by numerous small and medium-sized owner-managed businesses.

Within its current operating model, the Company has established distinct and solid competitive advantages within the geographic areas it serves, including:

- strong market recognition;
- scalability and geographic mobility of operations;
- operational practices and methods that are replicable and deliver the highest quality product; and
- reliable, trustworthy and diversified services

Among its peers in the concrete and drain sector, the Company has become a benchmark for excellent operational and financial performance.

The market is highly fragmented and served by numerous small companies that are owner operated and managed. The owners of many of these companies will be seeking exits over the next several years. The Company's acquisition program has been designed to provide an exit strategy for these owner managers and integrate target companies in a manner that increases the Company's share of the concrete and drain and stage one infrastructure market through consolidation. Due to its ultra-light capital asset requirements the Company's core business line can traverse a large geographical span when delivering its concrete and drain services. Aggregate, pipe and concrete are delivered to the job site anywhere in Ontario where the Company's skilled manpower forms the basements, garages, porches and porch steps.

To achieve its goals, the Company will be acting on the following strategic priorities:

- expanding market share within the concrete and drain market in which the Company operates;
- continuing to focus on operational efficiency and improved profitability; and
- rapidly expanding top-line sales and core capabilities such as low-rise forming (basement walls), water-sewer, aggregates, etc.
- amassing and retaining skilled labour crews to support the Company's growth trajectory

Tactically, these strategic priorities will be achieved by pursuing:

- enhanced sales and relationship management
- risk-adjusted acquisition terms and performance earn-out agreements with owner-managers whose businesses are acquired by the Company
- enhanced labour retention programs including equity ownership opportunities.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.