

Tracksuit Movers Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED

DECEMBER 31, 2024 AND 2023

(Expressed in Canadian dollars)

TO OUR SHAREHOLDERS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis ("MD&A") of Tracksuit Movers Inc. ("TMI" or the "Company") operating and financial results for the years ended December 31, 2024 and 2023 as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated June 27, 2024.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including the Company's future plans. The use of any of the word's "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks and uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital, and other expenditures (including the amount, nature, and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to, the risk factors that are discussed in greater detail under "Risk Factors and Uncertainties".

Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

1. SUMMARY OF OPERATIONS AND EVENTS

Tracksuit Movers Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on September 6, 2012. The Company's registered and records office is located at 204 - 1080 Mainland Street, Vancouver, BC, V6B 2T4. The Company's primary line of business is to sell franchise rights in Canada and the United States for the operation of businesses that provide residential and commercial moving services. In 2021, the Company began operating its own corporate owned franchise locations in Cincinnati, Ohio, and Phoenix, Arizona. In 2023, the Company began offering its long-distance moving service. As at December 31, 2024, the Company had 19 (December 31, 2023 – 21) operating franchises in Canada and the USA.

Franchise rights in the United States are sold through the Company's wholly owned subsidiary, You Move Me LLC ("YMM LLC").

On February 19, 2021, YMM LLC acquired 100% of the outstanding membership units of MCSB Moving Services LLC ("MCSB"), a franchise location providing moving services in Cincinnati, Ohio. On March 1, 2021 Easy Moves LLC subscribed for 20,000 non-voting Class B units in MCSB resulting in the Company having a 75% ownership percentage. On March 1, 2022 the General Manager for MCSB subscribed for 15,000 non-voting Class C units in MCSB resulting in the Company having a 63% ownership percentage. On June 15, 2022, the Company's Managing Director and Southwind Capital Holdings LLC Series 5 subscribed for a total of 5,000 non-voting Class B units in MCSB and Easy Moves LLC transferred its non-voting Class B units back to the Company resulting in the Company having an 80% ownership percentage.

YMM Phoenix LLC ("YMM Phoenix") was incorporated on March 25, 2021 to be a corporately owned franchise location for residential and commercial moving services in Phoenix, Arizona. On April 1, 2022 the Company's Managing Director and Southwind Capital Holdings LLC Series 5 subscribed for a total of 5,000 non-voting Class B units and YMM Phoenix's General Manager subscribed for 15,000 non-voting Class C units in YMM Phoenix. On June 30, 2023, General Manager of YMM Phoenix transferred its non-voting Class C units back to the Company resulting in the Company having an 94% ownership percentage.

On April 30, 2021, the Company subscribed to 200,000 common shares of Karve IT Ltd. ("Karve") at the price of \$1 per common share. As at December 31, 2024, the Company owns 200,000 shares of Karve, representing 39.22% of the Company and one Board seat (December 31, 2023 – 22.22%). Karve IT Ltd. is a developer of customer relationship management software Move Right designed for moving companies to manage and scale their businesses.

YMM Interstate LLC ("YMM Interstate") was incorporated on September 9, 2022 and is a wholly owned subsidiary of YMM LLC that administers long distance moves throughout the United States with our Franchise Partners acting as agents locally and with the use of the third parties internationally.

YMM Reno LLC ("YMM Reno") was incorporated on November 5, 2024 to be a corporately owned franchise location for residential and commercial moving services out of Reno, Nevada.

2. EARNINGS AND EXPENSES

Following is a discussion of the Company's financial results for the three months and years ended December 31, 2024 and 2023.

Three months ended December 31, 2024 and 2023

Revenue

The Company's revenues are mainly from royalties charged on a fixed percentage of sales earned by the franchise locations, residential and commercial moves performed by the Company's corporately owned locations, and revenue from interstate and long distance moving services. Revenues for the three months ended December 31, 2024 were \$2,103,550 compared to \$2,034,837 for the three months ended December 31, 2023. The increase is due to the growth of long distance moving offering through its YMM Interstate. Long distance moving revenue was \$806,745 for the three months ended December 31, 2024 vs. \$628,808 for the three months ended December 31, 2023.

Cost of revenue

The Company's cost of revenue for the three months ended December 31, 2024 was \$833,879 compared to \$636,544 for the three-months ended December 31, 2023. The increase is mainly due to additional cost of long distance moving offering within YMM Interstate. For the three months ended December 31, 2024, cost of long distance moving was \$666,123 (three months ended December 31, 2023 – \$421,023). The Company's corporately owned locations incurred cost of revenue for the three months ended December 31, 2024 related to movers' wages of \$107,241 (three months ended December 31, 2023 – \$160,905), gas expense of \$15,685 (three months ended December 31, 2023 – \$23,997), merchant fees of \$40,157 (three months ended December 31, 2023 – \$25,810) and boxes and supplies of \$4,673 (three months ended December 31, 2023 – \$4,809).

Expenses

The Company's expenses for the three months ended December 31, 2024 were \$1,903,207 compared to \$1,556,617 for the three-months ended December 31, 2023. Major variances are as follows:

- Wages of \$675,863 for the three months ended December 31, 2024, compared to \$618,054 for the three months ended December 31, 2023. The increase is due to addition of managerial and administrative personnel for management of the Company's long distance moving offering.
- Marketing and Promotion of \$439,151 for the three months ended December 31, 2024, compared to \$206,465 for the three months ended December 31, 2023. The increase is due to a larger marketing spend to attract new clients for corporately owned locations and long distance moving services, and increased co-op marketing spend with franchise network.
- Conference expenses of \$55,096 for the three months ended December 31, 2024, compared to \$219 for the three months ended December 31, 2023. The increase is due to expenses related to franchise partner conference that was held in Phoenix, AZ in November 2023.

Other items for the three months ended December 31, 2024 came to a net expense of \$210,817, compared to a net expense of \$1,755,862 for the three months ended December 31, 2023. Major variances are as follows:

- Preferred share dividend of \$Nil for the three months ended December 31, 2024, compared to preferred share dividend of \$1,640,663 for the three months ended December 31, 2023. The difference is related to the dividend declared to the shareholders of Class D Special Preferred shares on December 29, 2023.
- Foreign exchange loss of \$19,032 for the three months ended December 31, 2024, compared to foreign exchange loss of \$45,096 for the three months ended December 31, 2023. The difference is related to unfavourable exchange rate movement during the comparative year.

Years ended December 31, 2024 and 2023

Revenue

The Company's revenues are mainly from royalties charged on a fixed percentage of sales earned by the franchise locations, residential and commercial moves performed by the Company's corporately owned locations, and revenue from interstate and long distance moving services. Revenues for the year ended December 31, 2024 were \$11,206,115 compared to \$7,887,601 for the year ended December 31, 2023. The increase is due to the growth of royalties charged on sales earned within its franchise network and growth of long distance moving offering through its YMM Interstate. Long distance moving revenue was \$5,113,093 for the year ended December 31, 2024 compared to \$1,853,644 for the year ended December 31, 2023. Royalty fees were \$4,111,273 for the year ended December 31, 2024 compared to \$3,918,182 for the year ended December 31, 2023.

Cost of revenue

The Company's cost of revenue for the year ended December 31, 2024 was \$4,985,480 compared to \$2,243,512 for the year ended December 31, 2023. The increase is mainly due to additional cost of long distance moving offering within YMM Interstate. For the year ended December 31, 2024, cost of long distance moving was \$3,989,089 (year ended December 31, 2023 – \$1,491,952). The corporately owned locations incurred cost of revenue for the year ended December 31, 2024 related to movers' wages of \$671,645 (year ended December 31, 2023 – \$551,754), gas expense of \$101,566 (year ended December 31, 2023 – \$91,010), merchant fees of \$167,729 (year ended December 31, 2023 – \$80,349) and boxes and supplies of \$55,451 (year ended December 31, 2023 – \$28,447).

Expenses

The Company's expenses for the year ended December 31, 2024 were \$6,492,842 compared to \$6,139,563 for the year ended December 31, 2023. Major variances are as follows:

- Office and general of \$1,064,627 for the year ended December 31, 2024, compared to \$1,215,991 for the year ended December 31, 2023. The decrease is mainly due to the budgeting decisions of discontinuation of use of various underutilized software subscriptions within the franchisor operations as well as reduction in corporate insurance and customer claims expenses within MCSB.
- Wages of \$2,590,575 for the year ended December 31, 2024, compared to \$2,481,842 for the year ended December 31, 2023. The increase is mainly due to additional staff and commissions within National Sales Center associated with long distance moving.
- Marketing and promotion of \$1,248,104 for the year ended December 31, 2024, compared to \$848,080 for the year ended December 31, 2023. The increase is due to a larger marketing spend to attract new clients for corporately owned locations and long distance moving services.
- Professional fees of \$277,962 for the year ended December 31, 2024, compared to \$335,287 for the year ended December 31, 2023. The decrease is mainly due to an adjustment of accrued legal fees associated within the normal course of operations.
- Truck and auto of \$168,092 for the year ended December 31, 2024, compared to \$227,082 for the year ended December 31, 2023. The decrease is due to reduced use of rental trucks within the corporately owned locations.
- Travel, meals and entertainment of \$166,226 for the year ended December 31, 2024, compared to \$76,092 for the year ended December 31, 2023. The increase is due to the travel expenses of Company's business coaches to various locations within the brand network and growth of the long distance moving services and their corresponding increase in travel-related expenses in the normal course of operations.

- Depreciation expense of \$170,319 for the year ended December 31, 2024, compared to \$243,228 for the year ended December 31, 2023. The decrease is due to lower depreciation on corporate leases as well as declining nature of depreciation on trucks within the corporate locations.
- Bad debt expense of \$134,900 for the year ended December 31, 2024, compared to \$63,098 for the year ended December 31, 2023. The increase is mainly due to increased business activity in its corporately owned locations as well as long distance moving activity.

Other items for the year ended December 31, 2024 came to a net expense of \$366,361 compared to a net expense of \$2,011,783 for the year ended December 31, 2023. Major variances are as follows:

- Preferred share dividend of \$Nil for the year ended December 31, 2024, compared to preferred share dividend of \$1,640,663 for the year ended December 31, 2023. The difference is related to the dividend declared to the shareholders of Class D Special Preferred shares on December 29, 2023.
- Foreign exchange gain of \$39,844 for the year ended December 31, 2024, compared to foreign exchange loss of \$68,535 for the year ended December 31, 2023. The difference is related to favorable exchange rate movement during the comparative year.
- Share of loss from associate of \$1,339 for the year ended December 31, 2024, compared to a share of loss from associate of \$65,720 for the year ended December 31, 2023. The difference is due to the Company picking up maximum allowable amount of losses from its investment in Karve.
- Interest expense of \$316,873 for the year ended December 31, 2024, compared to interest expense of \$264,318 for the year ended December 31, 2023. The difference is due to the additional interest on accumulated balances of loans outstanding and additional interest on a short-term note issued for \$407,100 during the most recent fiscal year.

A comparison of the Company's financial position at December 31, 2024 vs. December 31, 2023 is set out below:

| | | December 31, 2024 | | December 31, 2023 |
|-----------------------------------|----|-------------------|----|-------------------|
| Total assets | \$ | 1,876,253 | \$ | 2,040,095 |
| Total liabilities | \$ | 4,463,640 | \$ | 4,001,054 |
| Non-current financial liabilities | \$ | 2,516,213 | \$ | 2,327,790 |

3. LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2024, the Company had working capital deficit of \$519,466 compared to working capital deficit of \$231,186 at December 31, 2023. The Company's main sources of funding are cash generated from operations along with its ability to raise capital from debt financing and its shareholders.

On October 9, 2019, the Company signed a loan agreement with a company controlled by a director that would allow the Company to borrow up to \$1,189,160. The Company borrowed \$989,160 on October 9, 2019 and an additional \$200,000 on November 7, 2019. The loan is secured and bears an annual interest rate at 10%. On August 24, 2020, \$200,922 of the loan plus any interest accrued thereon was assigned to another director of the Company. During the year ended December 31, 2024, the Company recorded interest of \$183,262 (December 31, 2023 - \$163,177) on the loan. The balance of the loan at December 31, 2024 is \$1,706,263 (December 31, 2023 - \$1,523,002).

On August 24, 2020, due to the loan assignment described above, the Company was indebted to a director in the amount of \$200,922. The loan is secured and bears an annual interest rate at 10%. As of December 31,

2023, the Company has not made any repayment installments. During the year ended December 31, 2024, the Company recorded interest of \$33,922 (December 31, 2023 - \$30,205) on the loan. The balance of the loan at December 31, 2024 is \$315,835 (December 31, 2023 - \$281,912).

On October 9, 2019, the Company received a loan in the amount of \$128,797 from a company jointly controlled by a director. The loan is unsecured and bears an annual interest rate of 10%. As of December 31, 2023, the Company has not made any repayment installments. During the year ended December 31, 2024, the Company recorded interest of \$23,546 (December 31, 2023 - \$20,965) on the loan. The balance of the loan at December 31, 2024 is \$219,222 (December 31, 2023 - \$195,676).

On March 24, 2022, the Company received a loan in the amount of \$75,000 USD from a company jointly controlled by a director. The loan is unsecured, bears interest at 10%, and is due on demand. As of December 31, 2023, the Company has not made any repayment. During the year ended December 31, 2024, the Company recorded interest of \$12,996 (December 31, 2023 - \$11,514) on the loan. The balance of the loan at December 31, 2024 is \$142,339 (December 31, 2023 - \$118,409).

On February 29, 2024, the Company received a loan in the amount of US\$300,000 from a company jointly controlled by a director. The loan is unsecured and bears an annual interest rate of 12%. The Company agreed to repay principal and interest in two equal instalments on August 15, 2024 and September 30, 2024. During the year ended December 31, 2024, the Company recorded interest and accretion of \$33,366 (December 31, 2023 - \$Nil) on the loan. The loan was repaid in full on October 4, 2024.

Cash flows

Analysis of cash flows:

| | For the year ended December 31, | |
|---|---------------------------------|----------------|
| | 2024 | 2023 |
| Net cash provided by (used) in operating activities | \$ 726,417 | \$ (1,429,025) |
| Net cash used in investing activities | (50,362) | (198,294) |
| Net cash (used) provided by financing activities | (97,252) | 1,431,689 |
| Increase (decrease) in cash | \$ 578,803 | \$ (195,630) |

Operating activities

For the year ended December 31, 2024, cash flows provided by operating activities were \$726,417 compared to cash used of \$1,429,025 for the year ended December 31, 2023. The increase of \$2,155,442 is driven by decrease in net loss for the year of \$2,841,506 and decrease in balances of accounts receivable.

Investing activities

Cash flows used in investing activities were \$50,362 for the year ended December 31, 2024 compared to \$198,294 for the year ended December 31, 2023. The change of \$147,932 is mainly attributable to advancements made to shareholder in the last comparative period during the year ended December 31, 2023.

Financing activities

Cash flows used by financing activities for the year ended December 31, 2024 were \$97,252 compared to cash flows provided by financing activities of \$1,431,689 for the year ended December 31, 2023. The change of \$1,528,941 is mainly attributable to a \$1,566,328 cash injection from current shareholders made in 2023 and a new loan for the purchase of moving truck to facilitate operations in YMM Reno.

4. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters and has been prepared in accordance with IFRS Accounting Standards:

| SUMMARY OF QUARTERLY RESULTS | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Quarter ended | Dec. 31 2024 | Sep. 30 2024 | Jun. 30 2024 | Mar. 31 2024 | Dec. 31 2023 | Sep. 30 2023 | Jun. 30 2023 | Mar. 31 2023 |
| Revenue | \$ 2,103,550 | \$ 3,751,762 | \$ 3,310,010 | \$ 2,040,793 | \$ 2,034,837 | \$ 2,674,725 | \$ 2,053,182 | \$ 1,124,857 |
| Cost of revenue | 833,879 | 1,784,924 | 1,481,663 | 885,014 | 636,544 | 962,846 | 518,189 | 125,933 |
| Expenses and other items | 2,171,773 | 1,670,039 | 1,570,391 | 1,574,328 | 3,318,924 | 1,539,575 | 1,627,662 | 1,672,368 |
| Net comprehensive income (loss) | (902,102) | 296,799 | 257,956 | (418,549) | (1,920,631) | 172,304 | (92,669) | (673,444) |
| Gain (loss) per share, basic | (0.09) | 0.03 | 0.03 | (0.04) | (0.20) | 0.02 | (0.01) | (0.07) |
| Gain (loss) gain per share, diluted | (0.09) | 0.03 | 0.03 | (0.04) | (0.19) | 0.02 | (0.01) | (0.07) |

5. RELATED PARTY TRANSACTIONS

Interest recorded on related party loans were as follows:

| Three months ended | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| Interest on related party loans | \$ 68,619 | \$ 61,371 |

| Year ended | December 31, 2024 | December 31, 2023 |
|---------------------------------|-------------------|-------------------|
| Interest on related party loans | \$ 287,092 | \$ 225,861 |

Codix Management Ltd ("Codix") is a private Canadian (BC) company which performs financial reporting, consulting, and management services for the Company. Codix is jointly controlled by Mr. Laurie Baggio (CEO, director) and Mr. Lance Tracey (director). The Company pays Codix monthly fees as follows:

- a) a monthly retainer of \$19,000 for accounting, CFO, and related administrative services; and
- b) monthly office rent and storage fees of \$1,950.

Payments to companies controlled by key management and directors during the years ended December 31, 2024 and 2023 were as follows:

| Three months ended | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Fees to a company with common directors | 71,679 | 66,192 |
| Lease payments made to a company with common directors | 5,850 | 5,850 |
| Interest accrued to a company with common directors | 1,996 | 4,625 |
| Total | \$ 79,525 | \$ 76,667 |

| Year ended | December 31, 2024 | December 31, 2023 |
|--|-------------------|-------------------|
| Fees to a company with common directors | 285,532 | 276,442 |
| Lease payments made to a company with common directors | 23,400 | 45,900 |
| Interest accrued to a company with common directors | 8,002 | 10,416 |
| Total | \$ 316,933 | \$ 332,758 |

Payments made to companies controlled by key management and directors were included in management

and consulting on the consolidated statements of loss and comprehensive loss.

Included in accounts receivable and other receivables at December 31, 2024 is an amount of \$291,000 (December 31, 2023 - \$118,591) owing from companies controlled by directors of the Company. Amounts receivable from related parties are unsecured, non-interest bearing and have terms of repayment of net 30.

Included in accounts payable and accrued liabilities at December 31, 2024 is an amount of \$430,805 (December 31, 2023 - \$179,061) owing to companies controlled by directors of the Company. Amounts payable to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts and other receivables, customer deposits, trade and other payables, financing liability, and related party loans. The Company's financial instruments measured at fair value consist of cash and restricted cash. Accounts and other receivables, trade and other payables, customer deposits, related party loans and financing liabilities are measured at amortized cost. Upon recognition, the fair values of the related party loans are estimated by discounting cash flows using interest rates of debt instruments with similar terms, maturities, and risk profile. With the rise in interest rates in 2024 and 2023, the fair value of related party loans would result in a \$205,088 (December 31, 2023 - \$160,746) lower value than the current carrying value.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Currency risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's related party loans payable and financing liabilities have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company holds its cash balances in reputable financial institutions in both Canada and USA and considers their credit risk to be low. The Company's receivables consist of trade

receivables and receivables from a related party. Based on the evaluation of receivables at December 31, 2024 and December 31, 2023, the Company believes that its receivables are collectable, and has determined credit risk to be low. During the year ended December 31, 2024 the Company recognized bad debt expense of \$134,900 (2023 - \$63,098).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as it has cash, related party loans, financing liability, receivables and payables, denominated in currencies other than the functional currency of the Company.

The Company's functional and reporting currency is the Canadian dollar and as such the Company is exposed to foreign currency fluctuations on its US dollar denominated financial instruments. As at December 31, 2024, the Company had US dollar denominated cash of US\$145 (December 31, 2023 – US\$132), US dollar denominated trade payables of US\$6,821 (December 31, 2023 – US\$19,338), and loan payable US\$75,000 (December 31, 2023 – US\$75,000). As at December 31, 2024, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately \$15,207 (December 31, 2023 – \$12,460).

7. RISK FACTORS AND UNCERTAINTIES

Management is responsible for the evaluation and management of risk factors affecting the Company. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

Market risk

The Company relies on activity in the housing market as a means to drive franchise system revenue, particularly in single family homes. When there is demand in the housing market, the opportunity to perform moves increases. Interest rate changes made by central banks in Canada and the United States could negatively impact the demand for home sales. Any decline in home sales may have a material adverse effect on the Company's financial results.

Inflation

As inflation continues to rise, the Company will experience pressure on its costs including, but not limited to, wages, gas, supplies, marketing, office, truck, professional fees, travel, meals and entertainment. Any sustained increases without a corresponding increase in revenues may have a material adverse effect on the Company's financial results.

Interest rates

Central banks in Canada and the United States have been steadily increasing interest rates during the period. Should the Company require additional 3rd party financing in the future, the Company will incur higher interest expense.

Reliance on key personnel

The success of the Company depends on the abilities, experience, efforts and knowledge of respective senior management and other key employees, including its ability to retain and attract effective management and employees. The loss of services from key personnel could have a material adverse effect on the Company's business, financial condition, results of operations or future prospects, particularly since it does not enter into non-compete arrangements with senior management and other key employees in certain circumstances. Future growth plans may require hiring of additional employees, increase the demands on management, and produce risks in both productivity and retention levels. 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 its business, financial condition, results of operations and future prospects.

Truck availability risk

We currently have relationships with a small number of truck vendors over which we have no operational or financial control and no influence in how these vendors conduct their businesses. Suppliers to truck vendors could among other things, extend delivery times, raise prices and limit supply due to their own shortages and business requirements. Interruption in the supply of trucks from these vendors could delay our ability to maintain, grow and expand our corporate location footprint. If our relationships with any of these truck vendors were to terminate, there is no guarantee that our remaining truck vendors would be able to handle the increased equipment supply required to maintain and grow our network at our desired rates. There is also no guarantee that business relationships with other key truck vendors could be entered into on terms desirable or favorable to us, if at all. Such equipment supply issues could adversely affect our business, results of operations and financial condition.

Systems price risk

The Company relies on certain software programs to run its call center and operations that may have few alternatives or competitors in the market. The Company does try to enter into longer term arrangements to lock in a particular price, however it cannot anticipate whether on contract renewal the vendor will want to increase the price it would like to charge. There may be a material adverse effect on the Company's results of operations should it not have a viable alternative to migrate to or use as a negotiating point.

Competition risk

The market for residential and commercial moving services is highly competitive. One or more of the Company's competitors could offer services similar to those offered by the Company at significantly lower prices, which would cause downward pressure on the prices the Company would be able to charge for its services. If the Company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the Company's results of operations and financial condition.

Return on investment in associate is not guaranteed

The amount of return on Karve, if any, is highly variable and not guaranteed. Karve may be successful and generate significant returns, or may not be successful and only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

Litigation risk

From time to time, we may be subject to litigation or dispute resolution relating to any number or type of claims, including claims for damages related to undetected errors or malfunctions of our services and products, claims related to previously-completed acquisition transactions or claims relating to applicable securities, franchise and transportation laws. Litigation may seriously harm our business because of the

costs of defending the lawsuit, diversion of employees' time and attention and potential damage to our reputation. We may also have disputes with key suppliers for damages incurred which, depending on resolution of the disputes, could impact the ongoing quality, price or availability of the services or products we procure from the supplier. Limitation of liability provisions in certain third-party contracts may not be enforceable under the laws of some jurisdictions. As a result, we could be required to pay substantial amounts of damages in settlement or upon the determination of any of these types of claims and incur damage to our reputation and products. The likelihood of such claims and the amount of damages we may be required to pay may increase as our customers increasingly use our services. Our insurance may not cover potential claims or may not be adequate to cover all costs incurred in defense of potential claims or to indemnify us for all liability that may be imposed. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby harming our operating results and leading analysts or potential investors to lower their expectations of our performance, which could reduce the trading price of our common shares.

Cyber security risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

8. OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

9. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The most significant accounting judgements and estimates that we have made in the preparation of our financial statements are described in Note 2 with the associated significant accounting policies in Note 3 to our audited consolidated financial statements for the year ended December 31, 2024.

10. OUTSTANDING SHARE DATA

As at December 31, 2024, the Company had 9,500,000 Class A Shares (December 31, 2023 – 9,500,000).

As of December 31, 2023 and the date of this report, the Company had issued 333,330 pioneer stock options which will vest and become exercisable into an equivalent number of Class A Shares on January 1, 2025 (the "Vesting Date"), subject to the condition that prior to the vesting date each option holder has renewed their franchise agreement for a term of at least 5 years.

11. SUBSEQUENT EVENTS

On February 14, 2025, the Company issued an additional 166,670 pioneer stock options to its franchise partners under the pioneer stock option plan. In contemplation of a corporate transaction with Mobio Technologies Inc. ("Mobio") all of the 500,000 outstanding options were exercised and as a result 500,000 of the Class A Shares of the Company were issued in exchange for cash at an exercise price of \$0.01 per share.

On April 24, 2025, Mobio has completed a reverse takeover transaction by acquiring 100% of the Company via a five-to-one share exchange. Mobio exchanged 50,000,000 of its shares at a deemed value of \$0.20 per share for all of the outstanding shares of the Company (the "Transaction"). As part of the Transaction, Mobio completed a private placement of \$1,800,000 at a price of \$0.20 per share and settled related party loans with the balance of \$1,454,497 for 7,272,486 Mobio shares at a price of \$0.20 per share. The acquisition of the Company was subject to approval by disinterested shareholders of Mobio and acceptance of the transaction by the TSX Venture Exchange.