Tracksuit Movers Inc.

Consolidated Financial Statements

(EXPRESSED IN CANADIAN DOLLARS)

For the years ended December 31, 2024 and 2023

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To the Shareholders of Tracksuit Movers Inc.

Opinion

We have audited the consolidated financial statements of Tracksuit Movers Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

June 27, 2025

TRACKSUIT MOVERS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash		$ 746,783	$ 194,870
Restricted cash		77,501	73,594
Accounts and other receivables	4	598,451	1,107,587
Deposits and prepaid expenses		5,226	66,027
Total current assets		1,427,961	1,442,078
Non-Current Assets			
Fixed assets	5	366,347	417,403
Deferred tax asset	18	-	58,500
Right-of-use asset	7	44,475	62,878
Intangible assets	6	37,470	57,897
Investment in associate	8	-	1,339
TOTAL ASSETS		$ 1,876,253	$ 2,040,095
LIABILITIES			
Current Liabilities			
Trade and other payables	9	$ 1,555,020	$ 1,421,739
Deferred income		11,000	11,000
Customer deposits		21,697	1,771
Current portion of related party loans	10	142,339	118,409
Current portion of financing liability	11	94,914	66,259
Current portion of lease liability	7	18,020	15,670
Income taxes payable		104,437	38,416
Total current liabilities		1,947,427	1,673,264
Non-Current Liabilities			
Deferred income		29,333	40,333
Related party loans	10	2,241,320	2,000,590
Financing liability	11	215,310	238,597
Lease liability	7	30,250	48,270
TOTAL LIABILITIES		4,463,640	4,001,054
EQUITY (DEFICIENCY)			
Share capital	12	1,797,268	1,797,268
Merger reserve		(1,000)	(1,000)
Contributed surplus		385,280	245,812
Accumulated other comprehensive (loss) income		(36,987)	11,541
Deficit		(4,739,453)	(3,989,585)
Deficit attributable to the shareholders of the Company		(2,594,892)	(1,935,964)
Non-controlling interest	14	7,505	(24,995)
TOTAL DEFICIENCY		(2,587,387)	(1,960,959)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		$ 1,876,253	$ 2,040,095
Nature of operations and going concern	1		
Subsequent events	19		

Approved on behalf of the board

"Laurie Baggio" — Laurie Baggio, Director

"Lance Tracey" — Lance Tracey, Director

See accompanying notes to the consolidated financial statements.

TRACKSUIT MOVERS INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Notes	Year ended December 31, 2024	2023
REVENUE			
Long distance moving		$ 5,113,093	$ 1,853,644
Royalty fees		4,111,273	3,918,182
Moving revenue		1,914,374	2,079,470
Third party commission		47,644	25,947
Miscellaneous		19,731	10,358
Total revenue		**11,206,115**	**7,887,601**
COST OF REVENUE			
Cost of long distance moving		3,989,089	1,491,952
Movers' wages		671,645	551,754
Gas expense		101,566	91,010
Merchant fees		167,729	80,349
Boxes and supplies		55,451	28,447
Total cost of revenue		**4,985,480**	**2,243,512**
GROSS PROFIT		**6,220,635**	**5,644,089**
EXPENSES			
Wages		2,590,575	2,481,842
Office and general		1,064,627	1,215,991
Marketing and promotion		1,248,104	848,080
Management and consulting	13	285,532	276,442
Professional fees		277,962	335,287
Telephone		201,691	209,475
Depreciation	5, 6, 7	170,319	243,228
Truck & auto		168,092	227,082
Travel, meals and entertainment		166,226	76,092
Bad debt expense	4	134,900	63,098
Conference		95,577	70,321
Share based payment expense	12	59,196	86,144
Franchise development		30,041	6,481
Total expenses		6,492,842	6,139,563
OTHER ITEMS			
Other (expense) income		(87,993)	27,453
Interest expense	7, 10, 11, 13	(316,873)	(264,318)
Foreign exchange gain (loss)		39,844	(68,535)
Share of loss from associate	8	(1,339)	(65,720)
Preferred share dividend	12	-	(1,640,663)
Total other items		(366,361)	(2,011,783)
Net loss for the year before tax		(638,568)	(2,507,257)
Income tax expense - current		75,312	54,729
Income tax recovery - deferred		-	(6,600)
Net loss for the year		**$ (713,880)**	**$ (2,555,386)**
Net income (loss) attributable to:			
Shareholders of the parent company		(749,868)	(2,547,334)
Non-controlling interest	14	35,988	(8,052)
Net loss for the year		**$ (713,880)**	**$ (2,555,386)**
Other comprehensive income (loss):			
Foreign currency translation (loss) gain attributed to equity shareholders of the parent company		$ (48,528)	$ 41,548
Foreign currency translation loss attributed to non-controlling interest	14	(3,488)	(602)
Comprehensive loss for the year		**$ (765,896)**	**$ (2,514,440)**
Loss per share			
Basic		**$ (0.08)**	**$ (0.26)**
Diluted		**$ (0.08)**	**$ (0.26)**
Weighted average number of common shares outstanding			
Basic		**9,500,000**	**9,500,000**
Diluted		**9,830,163**	**9,830,225**

See accompanying notes to the consolidated financial statements.

TRACKSUIT MOVERS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars)

		Share capital							
	Note	Number of shares	Amount	Merger reserve	Contributed surplus	Accumulated other comprehensive (loss) income	Non-controlling interest	Deficit	Total
Balance at December 31, 2022		**9,500,000**	**$ 230,940**	**$ (1,000)**	**$ 163,358**	**$ (30,007)**	**$ (16,341)**	**$ (1,440,267)**	**$ (1,093,317)**
MCSB Moving Services LLC unit subscription		-	-	-	82,010	-	-	-	82,010
YMM Phoenix LLC unit subscription		-	-	-	4,134	-	-	-	4,134
Capital contribution		-	1,566,328	-	-	-	-	-	1,566,328
Distribution to equity holder		-	-	-	-	-	-	(1,984)	(1,984)
Foreign currency translation		-	-	-	(3,690)	41,548	(602)	-	37,256
Loss for the year		-	-	-	-	-	(8,052)	(2,547,334)	(2,555,386)
Balance at December 31, 2023		**9,500,000**	**$ 1,797,268**	**$ (1,000)**	**$ 245,812**	**$ 11,541**	**$ (24,995)**	**$ (3,989,585)**	**$ (1,960,959)**
MCSB Moving Services LLC unit subscription	12	-	-	-	65,238	-	-	-	65,238
YMM Phoenix LLC unit subscription	12	-	-	-	(6,042)	-	-	-	(6,042)
Equity portion of debt	10	-	-	-	4,678	-	-	-	4,678
Stock options granted to franchisees	12	-	-	-	58,015	-	-	-	58,015
Foreign currency translation		-	-	-	17,579	(48,528)	(3,488)	-	(34,437)
Loss for the year		-	-	-	-	-	35,988	(749,868)	(713,880)
Balance at December 31, 2024		**9,500,000**	**$ 1,797,268**	**$ (1,000)**	**$ 385,280**	**$ (36,987)**	**$ 7,505**	**$ (4,739,453)**	**$ (2,587,387)**

See accompanying notes to the consolidated financial statements.

TRACKSUIT MOVERS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
OPERATING ACTIVITIES		
Net loss for the year	$ (713,880)	$ (2,555,386)
Items not affecting cash		
Interest expense	316,321	262,007
Depreciation & amortization	170,319	243,229
Share of loss from associate	1,339	65,720
Share based payment expense	59,196	86,144
Share based payment to franchisees	58,015	-
Bad debt expense	134,900	63,098
Foreign exchange loss	3,146	1,557
Net changes in non-cash working capital		
Accounts and other receivables	414,274	(82,797)
Deposits and prepaid expenses	76,080	256,201
Trade and other payables	73,416	180,837
Customer deposits	19,770	56
Deferred income	(11,000)	51,333
Income taxes payable	124,521	(1,024)
Net cash provided by (used) in operating activities	726,417	(1,429,025)
INVESTING ACTIVITIES		
Acquisition of fixed assets	(50,362)	-
Acquisition of intangible assets	-	(859)
Advances to shareholder	-	(197,435)
Net cash used in investing activities	(50,362)	(198,294)
FINANCING ACTIVITIES		
Capital contribution	-	1,566,328
Repayment of financing liability	(94,384)	(86,755)
Proceeds from financing liability	50,362	-
Proceeds from loans	407,100	-
Repayment of loans	(436,930)	-
Distribution to equity holder	-	(1,984)
Repayment of lease liability	(23,400)	(45,900)
Net cash (used) provided by financing activities	(97,252)	1,431,689
NET CHANGE IN CASH	578,803	(195,630)
FOREIGN EXCHANGE TRANSLATION	(22,983)	31,619
CASH & RESTRICTED CASH, BEGINNING OF THE YEAR	268,464	432,475
RESTRICTED CASH	(77,501)	(73,594)
CASH, END OF THE YEAR	$ 746,783	$ 194,870

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

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.

These consolidated financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liab+ilities in the normal course of business. During the year ended December 31, 2024, the Company generated a net loss of $713,880.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and successfully access additional capital, if necessary. The Company has generated operating losses since 2021. As of December 31, 2024, the Company's accumulated deficit is $4,739,453. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the carrying values of assets and liabilities and the reported revenues and expenses that might be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue on June 27, 2025, by the Board of Directors of the Company.

Statement of compliance

These consolidated financial statements have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries.

2. BASIS OF PRESENTATION (CONT'D)

Details of controlled subsidiaries are as follows:

		Percentage owned	
	Country of incorporation	December 31, 2024	December 31, 2023
You Move Me LLC	USA	100%	100%
MCSB Moving Services LLC	USA	80%	80%
YMM Phoenix LLC	USA	94%	94%
YMM Reno LLC	USA	100%	N/A
YMM Interstate LLC	USA	100%	100%

You Move Me LLC ("YMM LLC") is a wholly owned subsidiary of the Company that sells franchise rights throughout the United States for the operation of businesses that provide residential and commercial moving services. MCSB Moving Services LLC ("MCSB") is a corporately owned franchise location that performs moving services in Cincinnati Ohio. YMM Phoenix LLC ("YMM Phoenix") is a corporately owned franchise location that performs moving services in Phoenix, Arizona. History of changes in the percentage of ownership of MCSB and YMM Phoenix are discussed further in Note 12 and Note 14. YMM Interstate LLC ("YMM Interstate") is a wholly owned subsidiary of YMM LLC that administers long distance moves throughout the United States with franchise partners acting as agents. YMM Reno LLC ("YMM Reno") is a wholly owned subsidiary of YMM LLC that was incorporated to begin operating as a franchise location in Reno Nevada in 2025.

Entities over which the Company has control are consolidated from the date that control commences until the date that control ceases. Entities over which the Company has significant influence (investments in associates) are accounted for under the equity method. Significant influence is assumed when the Company's interests are 20% or more, unless qualitative factors overcome this assumption (Note 8).

Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of YMM LLC, YMM Interstate, MCSB, YMM Phoenix and YMM Reno is the US dollar.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. This also includes judgement on whether certain assets should be presented as current which is predicated on management's best estimate at the time of when they'll be settled. Actual results could differ from those estimates.

2. BASIS OF PRESENTATION (CONT'D)

New Accounting Standards and Recent Pronouncements

The following amendment to the standards issued by the IASB is applicable to the Company's financial statements:

Classification of liabilities as current or non-current (amendments to IAS 1):

The IASB published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning January 1, 2024. The amendment had no impact on the Company's financial statements upon its adoption.

Presentation and Disclosure in Financial Statements (IFRS 18):

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company is assessing the impacts to the consolidated financial statements.

<u>Critical Accounting Judgements</u>

i. Common control between entities: Judgement is required to assess whether common control exists based on all of the facts and circumstances surrounding the relationships between parties, both direct and indirect.

ii. Market rate of interest for related party receivables and loans: Management has applied judgement in assessing whether the interest rate on related party receivables and loans reflects market rate by reviewing publicly available interest rates for comparable companies and other 3rd party evidence.

iii. Assessing functional currency: Management has applied judgement in the assessment of an entity's functional currency in situations where primary and secondary indicators are mixed. Primary indicators such as the currency that mainly influence sales prices are given priority before considering secondary indicators.

iv. Provisions: Judgement is required to determine whether contingent liabilities are present, probable and require disclosure in each financial reporting period.

v. Carrying value of investment in associate: The Company has an investment in a start-up company, Karve IT Ltd, whose products and services are under development. The successful

2. BASIS OF PRESENTATION (CONT'D)

development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of the fair value of the investment at each reporting period. The Company has assessed that it exerts significant influence over Karve IT Ltd. and accounts for it as an 'Investment in Associate' (Note 8). Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies. The assessment of the existence of significant influence was based on the Company's ownership interest in the investment in associate and the representation on the Board of Directors.

vi. Classification of expenses between cost of revenue and expense: The Company has applied judgement in the classification of its expenses between cost of revenue and expense based on how management views and evaluates the operating performance of the business.

vii. Operating segments: Operating segments require the amount of each operating segment item to be disclosed using the measures reported to the chief operating decision maker. Management has determined that there are currently two operating segments and will reevaluate at each reporting period.

Critical Accounting Estimates

i. Collectability of accounts receivable: Management assesses the collectability of accounts receivable at each period and determines whether an allowance needs to be recorded.

ii. Deferred tax assets: The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets. During the year ended December 31, 2024, management determined that the deferred tax asset should not be recognized as a long-term asset due to a change in estimate for when that deferred tax asset would be realized.

iii. Depreciation rate for fixed assets: Management estimates the useful life of its fixed assets based upon its current condition and whether there are any indicators of impairment.

iv. Impairment of long-lived assets: Long-lived assets are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. Judgments and estimates are required in determining the indicators of impairment and the estimates required to measure an impairment, if any.

v. Fair value of shares, options, and warrants: Fair values attributable to shares, options and warrants are determined using valuation techniques. The Company uses judgement to select the methods used and to make certain assumptions in performing fair value calculations. These valuation estimates could be significantly different because of the use of judgement and the inherent uncertainty in estimating the fair value of these equity components that are not quoted in an active market.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of Consolidation

The consolidated financial statements at December 31, 2024 include the assets, liabilities, revenues and expenses of the Company's controlled subsidiaries. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Functional Currency and Presentation

The Company's functional currency and reporting currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at reporting period rate of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates.

Revenue and expenses denominated in foreign currencies are translated at the average exchange rates prevailing during the periods. Foreign currency gains or losses resulting from the translation of transactions are recorded in net loss for the year.

The functional currency of YMM LLC, YMM Interstate, MSCB, YMM Reno and YMM Phoenix is the US dollar. The assets and liabilities of these entities included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rates at period end. Income, expenses, and cash flow items included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rate that approximates the exchange rates at the date of the transactions (i.e., the average rate for the year). The differences arising upon translation from the functional currency to the reporting currency are recorded as a foreign currency translation adjustment in other comprehensive income and remain in other comprehensive income until a subsidiary is partially or fully disposed of, or until the Company determines that it is abandoning all of the non-financial assets which are held by that subsidiary. If the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest where applicable.

Revenue Recognition

In accordance with IFRS Accounting Standard 15 – Revenue from Contracts with Customers, the Company follows a 5-step process to determine whether to recognize revenue:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied

Royalty fees revenue is based on a fixed percentage of sales earned by the franchise locations.

Moving revenues are based on amounts invoiced to customers after a move has been completed. Any deposits paid by customers to book their moving services are deferred as a contract liability and recognized as revenue once the moving service has been completed.

Long-distance moving services are provided with the use of franchise partners that contract with

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

YMM Interstate. IFRS Accounting Standard 15 requires the Company to evaluate whether our businesses themselves promise to transfer services to the customer (as the principal) or to arrange for services to be provided by another party (as the agent) using a control model. Based on the evaluation of the control model, management has determined that YMM Interstate is the principal to the transaction for most of these services and revenue is recognized on a gross basis based on the transfer of control to the customer. YMM Interstate also engages in certain referral transactions wherein they act as agents. Revenue from these transactions is recorded on a net basis.

Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. Repairs and maintenance are charged to the consolidated statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated statement of loss and comprehensive loss.

The depreciation methods and rates applicable to each category of fixed assets are as follows:

Class of fixed assets	Depreciation rate
Moving trucks	Declining balance of 30%

Intangible Assets

Intangible assets with a finite life currently consist of software. It is amortized on a straight-line basis over its estimated useful life of 3 to 5 years and is measured at cost less accumulated amortization and accumulated impairment losses. Amortization commences once the underlying asset is complete and put into use.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the estimated future cash flows required to settle the present obligation, based on the most reliable evidence available at the reporting date. The estimated cash flows are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, where the time value of money is material. The amortization of the discount is recognized as part of finance costs. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset; however, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets and liabilities at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following summarizes the Company's classification of financial assets and liabilities:

Financial Assets/Liabilities	**IFRS 9 Classification**
Cash & Restricted Cash	FVTPL
Accounts and other receivables	Amortized cost
Trade and other payables	Amortized cost
Customer deposits	Amortized cost
Related party loans	Amortized cost
Financing liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment. This includes cash, restricted cash, accounts and other receivables, trade and other payables, related party loans and financing liability.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Company does not hold instruments in this category.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. The Company does not hold instruments in this category.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

Comprehensive Loss
Comprehensive loss is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive loss refers to items recognized in comprehensive loss that are excluded from net loss. Comprehensive loss for the years ended December 31, 2024 and 2023 includes the foreign exchange gain (loss) for the translation of YMM LLC, YMM Interstate, MSCB, YMM Reno and YMM Phoenix's financial statements, which are denominated in US dollars, to Canadian dollars being the reporting currency.

Loss per Share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of warrants and similar instruments. The method requires computation as if the proceeds from the exercisable warrants would be used to purchase common shares at the average market price during the period. When a loss is incurred during the reporting period, basic and diluted loss per share is the same as the exercise of share purchase warrants is considered to be anti-dilutive.

Impairment of Non-Financial Assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Leases
IFRS Accounting Standard 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both the lessee and the lessor. It follows a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

At inception of the lease term, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated over the earlier of the end of useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of the consumption of the future economic benefits. The Company also assesses the right-of-

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

use asset for impairment when such indicators exist.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at the amortized cost using the effective interest method.

For low value leases or leases with a term of less than twelve months, lease payments are recognized as an expense on a straight-line basis over the lease term.

Income Taxes
Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that asset.

4. ACCOUNTS AND OTHER RECEIVABLES

For the year ended December 31, 2024, the Company recognized $134,900 (December 31, 2023 - $63,098) of bad debt expense, mainly related to moving service operations of YMM Interstate, MSCB and YMM Phoenix's, and an allowance for doubtful accounts of $Nil (December 31, 2023 - $3,597).

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.

5. FIXED ASSETS

		Moving Trucks
Cost		
Balance December 31, 2022	**$**	**800,342**
Effect of foreign exchange		(18,791)
Balance December 31, 2023		**781,551**
Additions		50,362
Effect of foreign exchange		68,724
Balance December 31, 2024	**$**	**900,637**
Accumulated depreciation		
Balance December 31, 2022	**$**	**189,715**
Depreciation for the year		182,552
Effect of foreign exchange		(8,119)
Balance December 31, 2023		**364,148**
Depreciation for the year		131,489
Effect of foreign exchange		38,653
Balance December 31, 2024	**$**	**534,290**
Net book value		
Balance December 31, 2023	$	417,403
Balance December 31, 2024	$	366,347

6. INTANGIBLE ASSETS

		Software
Balance December 31, 2022	**$**	**82,203**
Additions		859
Amortization		(25,165)
Balance December 31, 2023		**57,897**
Amortization		(20,427)
Balance December 31, 2024	**$**	**37,470**

7. LEASE

On October 1, 2022, the Company entered into an office lease agreement for a term of three years and four months with the option to extend it for a further 16 months until May 31, 2027. In accordance with IFRS Accounting Standard 16 *Leases*, the Company recorded a right-of-use asset and a lease liability with a fair value of $298,270. The fair value was determined by discounting future lease payments at a discount rate of 15% per annum. On July 1, 2023, the Company amended the office lease agreement to reduce the monthly payments, which resulted in a lease modification. The fair value of the amended lease was determined by discounting future lease payments at a discount rate of 15% per annum.

7. LEASE (CONT'D)

The Company's right-of-use asset as at December 31, 2024:

Balance December 31, 2022	$	282,291
Lease modification		(183,901)
Amortization		(35,512)
Balance December 31, 2023	$	62,878
Amortization		(18,403)
Balance December 31, 2024	**$**	**44,475**

The Company's lease liability as at December 31, 2024:

Balance December 31, 2022	$	283,326
Lease modification		(183,901)
Payments made		(45,900)
Interest accrued		10,415
Balance December 31, 2023	$	63,940
Payments made		(23,400)
Interest accrued		7,730
Balance December 31, 2024	**$**	**48,270**
Current portion	$	18,020
Long term portion		30,250
	$	**48,270**

The Company's minimum lease payments over the next 3 years are as follows:

	Within 1 year	1 - 2 years	2 - 3 years	Total
Lease payments	$ 23,400	$ 23,400	$ 9,750	$ 56,550
Finance charges	(5,380)	(2,677)	(223)	(8,280)
Net present values	**$ 18,020**	**$ 20,723**	**$ 9,527**	**$ 48,270**

8. INVESTMENT IN ASSOCIATE

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, for an aggregate subscription price of $200,000.

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%). Management have determined that the Company has significant influence over Karve and recorded this investment using the equity method. The Company made an adjustment for the equity pick-up required each month given its percentage of ownership for that particular month.

During the year ended December 31, 2024, the Company recognized a $1,339 (December 31, 2023 – $65,720) share of loss from the investment in Karve on its consolidated statement of loss and comprehensive loss.

8. INVESTMENT IN ASSOCIATE (CONT'D)

Summary of changes to the Company's investments in associates is as follows:

		Karve IT Ltd.
Balance December 31, 2022	**$**	**67,059**
Share of loss from associate		(65,720)
Balance December 31, 2023		**1,339**
Share of loss from associate		(1,339)
Balance December 31, 2024	**$**	**-**

9. TRADE AND OTHER PAYABLES

		December 31, 2024		December 31, 2023
Accounts payable	$	908,064	$	517,595
Accrued liabilities		216,151		725,083
Due to related party		430,805		179,061
	$	**1,555,020**	**$**	**1,421,739**

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.

10. RELATED PARTY LOANS

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 unsecured and bears an annual interest rate at 10%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was initially recorded at face value of $1,189,160 less an amount of $63,140, representing the discount based on the market rate of interest. The lender has waived the installment payments for the next 12 months. On August 24, 2020, $200,922 of the loan plus interest accrued thereon was assigned to another director of the Company. As of December 31, 2024, the Company has not made any repayment installments. During the year ended December 31, 2024, the Company recorded interest of $183,262 (December 31, 2023 - $163,177) on the loan (Note 13). 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 unsecured and bears an annual interest rate at 10%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was initially recorded at face value of $200,922 less an amount of $8,997, representing the discount based on the market rate of interest. The lender has waived the installment payments for the next 12 months. As of December 31, 2024, 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 (Note 13). The balance of the loan at December 31, 2024 is $315,835 (December

10. RELATED PARTY LOANS (CONT'D)

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%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was initially recorded at face value of $128,797 less an amount of $7,744, representing the discount based on the market rate of interest. The lender has waived the installment payments for the next 12 months. As of December 31, 2024, 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 (Note 13). 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, 2024, 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 (Note 13). 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 (CAD$407,100) 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. Upon initial recognition the Company recognized an equity component of $4,678 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 14%. During the year ended December 31, 2024, the Company recorded interest and accretion of $33,366 (December 31, 2023 - $Nil) on the loan (Note 13). The loan was repaid in full on October 4, 2024.

A summary of the related party loans is as follows:

Balance December 31, 2022	**$**	**1,895,946**
Interest		225,861
Effect of foreign exchange		(2,808)
Balance December 31, 2023		**2,118,999**
Additions		407,100
Interest		287,092
Repayment		(436,930)
Equity portion of debt		(4,678)
Effect of foreign exchange		12,076
Balance December 31, 2024	**$**	**2,383,659**

Current portion	$	142,339
Non-current portion		2,241,320
	$	**2,383,659**

11. FINANCING LIABILITY

On August 23, 2022, MCSB entered into a financing arrangement for the purchase of a truck. The total value of the loan was $121,155 ($93,397 USD) to be repaid in 60 consecutive monthly installments at an annual interest rate of 7.25%. The loan will be fully repaid on August 25, 2027. YMM LLC and the Company are acting as guarantors on the loan. During the year ended December 31, 2024, MCSB recorded interest of $6,340 (December 31, 2023 – $7,919). The balance of the loan at December 31, 2024 is $77,534 (December 31, 2023 – $94,747).

On September 8, 2022, YMM Phoenix entered into a financing arrangement for the purchase of a truck. The total value of the loan was $135,865 ($103,587 USD) to be repaid in 72 consecutive monthly installments at an annual interest rate of 7.70%. The loan will be fully repaid on September 13, 2028. YMM LLC and the Company are acting as guarantors on the loan. During the year ended December 31, 2024, YMM Phoenix recorded interest of $8,329 (December 31, 2023 – $9,762). The balance of the loan at December 31, 2024 is $100,866 (December 31, 2023 - $113,345).

On November 3, 2022, MCSB entered into a financing arrangement for the purchase of a truck. The total value of the loan was $123,712 ($89,979 USD) to be repaid in 60 consecutive monthly installments at an annual interest rate of 7.30%. The loan will be fully repaid on November 3, 2027. YMM LLC and the Company are acting as guarantors on the loan. During the year ended December 31, 2024, MCSB recorded interest of $6,559 (December 31, 2023 – $8,050). The balance of the loan at December 31, 2024 is $81,177 (December 31, 2023 – $96,764).

On November 15, 2024, YMM Reno entered into a financing arrangement for the purchase of a truck. The total value of the loan was $50,362 ($35,000 USD) to be repaid in 36 consecutive monthly installments at an annual interest rate of 7%. The loan will be fully repaid on November 15, 2027. The loan is unsecured. During the year ended December 31, 2024, YMM Reno recorded interest of $271 (December 31, 2023 – $Nil). The balance of the loan at December 31, 2024 is $50,647 (December 31, 2023 – $Nil).

A summary of the financing liability is as follows:

Balance December 31, 2022	**$**	**375,207**
Interest		25,731
Repayment		(86,755)
Effect of foreign exchange		(9,327)
Balance December 31, 2023		**304,856**
Additions		50,362
Interest		21,499
Repayment		(94,384)
Effect of foreign exchange		27,891
Balance December 31, 2024	**$**	**310,224**

Current portion	$	94,914
Non-current portion		215,310
	$	**310,224**

12. SHARE CAPITAL

Authorized:
The shares which the Company is authorized to issue are:

- Class A Common Voting Shares (the "Class A Shares");
- Class B Common Voting Shares (the "Class B Shares");
- Class C Common Non-Voting Shares (the "Class C Shares");
- Class D Preferred Shares (the "Class D Shares"); and
- Class E Preferred Shares (the "Class E Shares").

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

Pioneer stock options

During the year ended December 31, 2020, the Company established a pioneer stock option plan (the "Plan"). The purpose of the Plan is to enhance the value of the franchise system and to align the interests of the franchisor and franchisees in the system by having the Company offer opportunities to early franchisees and other contributors to the system to participate in the Company's growth and success by acquiring and maintaining stock ownership in the Company.

The aggregate number of shares that may be issued pursuant to the exercise of options awarded under the pioneer stock option plan is 500,000 Class A shares. As of December 31, 2024 the Company had issued 333,330 pioneer stock options (December 31, 2023 – 333,330) to early franchisees of the system. The pioneer options are exercisable at a price of $0.01 per share. An additional 166,670 pioneer stock options have been committed at the same exercise price and were issued in 2025.

The options granted under the Plan will vest and become exercisable on January 1, 2025 (the "Vesting Date"), subject to the condition that prior to the Vesting Date, each of the franchisees have renewed the franchise agreement for a term of at least five years. The options will expire 1 year after they become exercisable.

If any of the options granted under the Plan are cancelled and returned to the Plan, then these options shall be granted to each of the franchisees remaining in the Plan in proportion to the number of franchisees remaining in the Plan at that time, and upon the same terms as set out in the original stock option agreement.

On the grant date of August 6, 2021, the value of the options was measured at $143,286 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 23.81%, expected life of 4.41 years, risk-free interest rate of 0.27% and expected dividends of Nil. The Company considers pioneer stock options granted to be consideration payable to its customers, in this case franchisees, in exchange for their continuous participation within franchise system. Value of the options granted is being recognized over period of time as it is related to the revenue generated by the Company and is recorded as a reduction in royalty fees generated.

During the year ended December 31, 2024, the Company recognized $58,015 in reduction to its royalty fees (December 31, 2023 – $Nil) related to pioneer stock options.

Subsequent to year ended December 31, 2024, the Company issued an additional 166,670 pioneer stock options under the plan at which point all of its 500,000 outstanding options were exercised into the Class A Shares of the Company.

12. SHARE CAPITAL (CONT'D)

Pioneer stock option transactions are as follows:

	Number of options	Weighted average exercise price
Balance December 31, 2022	**433,329**	**$ -**
True-up of franchise partner balances	(99,999)	0.01
Balance December 31, 2023 and December 31, 2024	**333,330**	**$ 0.01**

Pioneer stock options outstanding at December 31, 2024 are as follows:

Outstanding (#)	Exercisable (#)	Exercise price ($)	Remaining life (Years)	Expiry date
333,330	-	0.01	1.0	December 31, 2025

Unit subscriptions in MCSB Moving Services LLC and YMM Phoenix LLC

On March 1, 2022 the Company received a $150,000 USD ($191,880 CAD) promissory note from a related party in exchange for 15,000 non-voting Class C units of MCSB. The promissory note is due on demand, has interest at the rate of 5% per year compounded annually, accruing only after demand.

On April 1, 2022 the Company received $10,000 USD ($12,513 CAD) in promissory notes from related parties in exchange for 5,000 non-voting Class B units and 15,000 non-voting Class C units of YMM Phoenix. The promissory notes are due on demand, have interest at the rate of 5% per year compounded annually, accruing only after demand.

On June 15, 2022 the Company received $50,000 USD ($64,740 CAD) in promissory notes from related parties in exchange for 5,000 non-voting Class B units of MCSB. The promissory notes are due on demand, have interest at the rate of 5% per year compounded annually, accruing only after demand.

On each anniversary of the promissory notes described above, the Company will forgive 20% of the original amount of the promissory note, such that the entire principal amount of the promissory notes will be forgiven on the fifth (5th) anniversary of them being received.

As the promissory notes have no recourse, the Company considers the issuance of these units to meet the criteria of a share-based payment and have recorded them in accordance with IFRS Accounting Standard 2 *Share-based payment*. The units were valued as the number of units issued times the per unit price as determined by the most recent valuation. The expense is being recognized using a graded vesting schedule of 5 years which is the period over which the loans are forgiven. During the year ended December 31, 2024, the Company recognized $59,196 in share based payment expense (December 31, 2023 – $86,144) related to unit subscriptions in MCSB Moving Services LLC and YMM Phoenix LLC.

Redeemable preferred shares

On December 29, 2023, the Company declared a dividend to the shareholders of Class D Special Preferred shares of $1,640,663, of which $852,275 was paid in cash and $788,388 was a reduction in the amounts due from shareholder. On the same day, the Company redeemed 1,000 of Class D Special Preferred shares for the redemption price of $1 per share.

12. SHARE CAPITAL (CONT'D)

Capital contribution

During the year ended December 31, 2023, the shareholders of the Company contributed $1,566,328 to meet the working capital needs of the business. The contribution has been recognized as an increase to share capital as there are no terms for repayment. No additional shares were issued to the shareholders as a result of the contribution.

13. RELATED PARTY TRANSACTIONS

Interest recorded on related party loans was as follows:

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 recorded within management and consulting expenses; and

b) monthly office rent and storage fees of $1,950 recognized as a capital lease.

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

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.

14. NON-CONTROLLING INTEREST

Balance December 31, 2022	**$ (16,341)**
Share of net income of a subsidiary	(8,052)
Effect of foreign exchange	(602)
Balance December 31, 2023	**(24,995)**
Share of net income of a subsidiary	35,988
Effect of foreign exchange	(3,488)
Balance December 31, 2024	**$ 7,505**

MCSB Moving Services LLC

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 of MCSB subscribed for 15,000 non-voting Class C units resulting in the Company having a 63%

14. NON-CONTROLLING INTEREST (CONT'D)

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. On the same day, Easy Moves LLC transferred its non-voting Class B units back to the Company resulting in the Company having an 80% ownership percentage. As a result, the Company recognized an amount for non-controlling interest on its consolidated financial statements.

The following is a summarized statements of financial position of MCSB at December 31, 2024 and December 31, 2023:

		December 31, 2024		December 31, 2023
Current:				
Assets	$	99,015	$	126,119
Liabilities		(117,790)		(114,714)
Total current net assets		(18,775)		11,405
Non current:				
Assets		266,706		446,391
Liabilities		(105,336)		(145,883)
Total non-current net assets		161,370		300,508
Total net assets	$	142,595	$	311,913

The following is a summarized statements of (loss) income and comprehensive (loss) income of MCSB for the years ending December 31, 2024 and December 31, 2023:

		December 31, 2024		December 31, 2023
Revenue	$	1,364,382	$	1,652,875
Net (loss) income and comprehensive (loss) income	$	(252,536)	$	161,627

YMM Phoenix LLC

On April 1, 2022 the General Manager of YMM Phoenix subscribed for 15,000 non-voting Class C units in YMM Phoenix. On the same day, 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 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. As a result, the Company recognized an amount for non-controlling interest on its consolidated financial statements.

14. NON-CONTROLLING INTEREST (CONT'D)

The following is a summarized statements of financial position of YMM Phoenix at December 31, 2024 and December 31, 2023:

		December 31, 2024		December 31, 2023
Current:				
Assets	$	55,851	$	72,320
Liabilities		(71,948)		(84,285)
Total current net liabilities		(16,097)		(11,965)
Non current:				
Assets		101,333		133,060
Liabilities		(1,003,899)		(736,021)
Total non-current net liabilities		(902,566)		(602,961)
Total net liabilities	$	(918,663)	$	(614,926)

The following is a summarized statements of loss and comprehensive loss of YMM Phoenix for the years ending December 31, 2024 and December 31, 2023:

		December 31, 2024		December 31, 2023
Revenue	$	569,723	$	436,953
Net loss and comprehensive loss	$	(231,632)	$	(230,245)

15. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company defines capital as an aggregate of its financing liability and equity. The Company manages its capital structure to ensure it has sufficient capital to meet its obligations as they come due and makes adjustments in light of changes in economic conditions. In order to facilitate the management of capital, the Company prepares yearly budgets which are updated as necessary and are reviewed and approved by the Company's management. The Company is not subject to any externally imposed capital requirements.

16. 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

16. FINANCIAL INSTRUMENTS (CONT'D)

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

16. FINANCIAL INSTRUMENTS (CONT'D)

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).

17. SEGMENT INFORMATION

During the year ended December 31, 2024 and the year ended December 31, 2023, the Company had two types of segments: geographical (Canada and United States of America) and operational (franchisor and corporate locations). Revenue and assets by geography and operational type are presented below:

As at and for the year ended December 31, 2024:

		Canada		USA		Total
Revenue	$	709,198	$	10,496,917	$	11,206,115
Cost of revenue	$	-	$	4,985,480	$	4,985,480
Operating expenses	$	1,038,439	$	5,454,403	$	6,492,842
Interest expense	$	261,921	$	54,952	$	316,873
Depreciation	$	38,831	$	131,488	$	170,319
Net income (loss)	$	(775,886)	$	62,006	$	(713,880)
Current assets	$	212,821	$	1,215,140	$	1,427,961
Non-current assets	$	81,945	$	366,347	$	448,292
Current liabilities	$	449,660	$	1,497,767	$	1,947,427
Non-current liabilities	$	2,300,903	$	215,310	$	2,516,213
Non-controlling interest	$	-	$	7,505	$	7,505

		Franchisor		Corporate locations		Total
Revenue	$	9,272,010	$	1,934,105	$	11,206,115
Cost of revenue	$	4,098,809	$	886,671	$	4,985,480
Operating expenses	$	4,968,781	$	1,524,061	$	6,492,842
Interest expense	$	295,287	$	21,586	$	316,873
Depreciation	$	38,831	$	131,488	$	170,319
Net income (loss)	$	(217,225)	$	(496,655)	$	(713,880)
Current assets	$	1,258,706	$	169,255	$	1,427,961
Non-current assets	$	81,945	$	366,347	$	448,292
Current liabilities	$	1,740,385	$	207,042	$	1,947,427
Non-current liabilities	$	1,348,305	$	1,167,908	$	2,516,213
Non-controlling interest	$	-	$	7,505	$	7,505

17. SEGMENT INFORMATION (CONT'D)

As at and for the year ended December 31, 2023:

		Canada		USA		Total
Revenue	$	697,084	$	7,190,517	$	7,887,601
Cost of revenue	$	-	$	2,243,512	$	2,243,512
Operating expenses	$	1,700,719	$	4,438,844	$	6,139,563
Interest expense	$	238,582	$	25,736	$	264,318
Depreciation	$	60,676	$	182,552	$	243,228
Net income (loss)	$	(3,035,761)	$	480,375	$	(2,555,386)
Current assets	$	636,808	$	805,270	$	1,442,078
Non-current assets	$	180,614	$	417,403	$	598,017
Current liabilities	$	942,321	$	730,943	$	1,673,264
Non-current liabilities	$	2,089,193	$	238,597	$	2,327,790
Non-controlling interest	$	(602)	$	(24,393)	$	(24,995)

		Franchisor		Corporate locations		Total
Revenue	$	5,797,773	$	2,089,828	$	7,887,601
Cost of revenue	$	1,519,478	$	724,034	$	2,243,512
Operating expenses	$	4,731,562	$	1,408,001	$	6,139,563
Interest expense	$	238,582	$	25,736	$	264,318
Depreciation	$	60,676	$	182,552	$	243,228
Net loss	$	(2,486,768)	$	(68,618)	$	(2,555,386)
Current assets	$	1,243,639	$	198,439	$	1,442,078
Non-current assets	$	180,614	$	417,403	$	598,017
Current liabilities	$	1,474,265	$	198,999	$	1,673,264
Non-current liabilities	$	2,089,193	$	238,597	$	2,327,790
Non-controlling interest	$	(602)	$	(24,393)	$	(24,995)

18. INCOME TAXES

A reconciliation of the calculated income taxes for the fiscal years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Anticipated income tax expense (recovery)	$ (61,885)	$ (704,989)
Statutory income tax rate	27.0%	27.0%
Permanent differences	21,526	4,157
State Taxes	(34,540)	(192,433)
Change in unrecognized deferred tax asset	(783,370)	838,746
Withholding taxes on foreign non-business income	50,755	47,221
Current year non-capital loss applied	(10,938)	(28,554)
Temporary differences	904,115	133,698
Other	(10,351)	(43,117)
Income tax expense	$ 75,312	$ 54,729

The Company recognized the following deferred tax asset in 2024 and 2023 for the following deductible temporary differences:

	December 31, 2024	December 31, 2023
Future income tax asset:		
Non-capital losses available for carry forwards	$ 592,582	$ 1,376,306
Other temporary differences	(68,129)	(79,717)
Right of use asset	(12,008)	(17,000)
Lease liability	13,033	17,300
Capital assets	7,933	4,300
Total before valuation allowance	533,411	1,301,189
Unrecognized deferred tax asset	(533,411)	(1,242,689)
Net deferred income tax assets	$ -	$ 58,500

As at December 31, 2024, the Company has $5,576,954 (2023 - $5,370,239) in tax loss carry-forwards that it can apply against income in future years.

19. 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 (Note 12).

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 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.

On February 27, 2025, the Company received a loan in the amount of US$130,696 (CAD$188,489) from a company jointly controlled by a director. The loan is on demand, unsecured and bears an annual interest rate of 12%. The loan was repaid in full on May 9, 2025.