



# DR. PHONE FIX CANADA CORPORATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2025 and 2024

November 24, 2025

# Dr. Phone Fix Canada Corporation

## Management's Discussion & Analysis September 30, 2025 and 2024

### FOREWORD

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Dr. Phone Fix Canada Corporation (the "Company" or "DPF" or "Dr. Phone Fix") (formerly Auka Capital Corp. ("Auka")) for the three months ended September 30, 2025 ("Q3 2025") and 2024 ("Q3 2024") and the nine months ended September 30, 2025 ("Q3 2025 YTD") and 2024 ("Q3 2024 YTD"). This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company and accompanying notes for the three and nine months ended September 30, 2025 and 2024 (the "Financial Statements") and the audited consolidated financial statements and accompanying notes of the Company and its RTO Acquirer (as such term is hereinafter defined) as at and for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"). The Financial Statements have been prepared using International Financial Reporting Standards ("IFRS") and all amounts are reported in Canadian dollars ("CAD") unless otherwise noted. Additional information about the Company can be found on the Company's website at [www.docphonefix.com](http://www.docphonefix.com). Readers should also read the section "CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS" contained at the end of this document.

Unless otherwise stated, in preparing this MD&A the Company has taken into account information available to it up to the date of this MD&A, November 24, 2025, being the date the Company's board of directors (the "Board") approved this MD&A.

**NON-GAAP MEASURES:** The Company refers to EBITDA and Adjusted EBITDA. These measures are not defined under IFRS and are considered non-GAAP measures. These measures do not have a standardized meaning and may not be comparable to similar measures presented by other issuers and should not be viewed as a substitute for measures reported under IFRS. These financial measures are reconciled to IFRS in the section titled "NON-GAAP DISCLOSURE" towards the end of this document.

### BACKGROUND AND CORE BUSINESS

The Company was incorporated in Canada under the Business Corporations Act of Alberta, and its registered office is 10123 99 St NW #2500, Edmonton, Alberta T5J 3H1, Canada. The Company changed its name from "Auka Capital Corp." to "Dr. Phone Fix Canada Corporation" in connection with the closing of a reverse takeover transaction as described in Note 3 to the Financial Statements.

The Company operates a rapidly-growing network of 35 corporately-owned stores that provide repair services for cell phone, tablets, laptops and other electronic devices and sell pre-owned cell phones in Alberta, British Columbia, Saskatchewan, and Ontario, and has been operating since 2020.

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**CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS**

The Company completed its previously announced qualifying transaction in accordance with the TSX Venture Exchange (the "Exchange") Policy 2.4 – Capital Pool Companies (the "Transaction"). The Transaction was completed pursuant to the terms of an amended and restated business combination agreement dated November 7, 2024 between the Company and Dr. Phone Fix Canada Limited ("RTO Acquirer").

**The Transaction**

The Transaction was completed by way of three-cornered amalgamation whereby RTO Acquirer and 2629911 Alberta Inc. ("RTO Subco"), a wholly-owned subsidiary of Auka, amalgamated under the laws of the Province of Alberta (the "Amalgamation"). Immediately following the completion of the Amalgamation, Auka changed its name from "Auka Capital Corp." to "Dr. Phone Fix Canada Corporation" ("Resulting Issuer"). Pursuant to the terms of an amalgamation agreement between RTO Acquirer, Auka and RTO Subco dated March 5, 2025, among other things, each outstanding common share of RTO Acquirer was exchanged for approximately 11.44 common shares (the "Exchange Ratio") of the Resulting Issuer. Further details regarding the Transaction can be found in the filing statement dated November 14, 2024 and filed under the Resulting Issuer's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) (the "Filing Statement").

The Resulting Issuer is classified as a Tier 2 Issuer pursuant to Exchange policies. Common shares of the Resulting Issuer (the "Resulting Issuer Shares") commenced trading on the Exchange under the symbol "DPF.V" on March 14, 2025.

**Private Placement of Subscription Receipts**

As previously announced on February 21, 2025, RTO Acquirer completed a brokered private placement and a non-brokered private placement of subscription receipts (the "Subscription Receipts"), of the RTO Acquirer at a price per Subscription Receipt of \$1.37 (the "RTO Acquirer Financing") resulting in the issuance of an aggregate of 2,216,063 Subscription Receipts for aggregate gross proceeds of approximately \$3,036,000. In connection with the completion of the Transaction, each Subscription Receipt was automatically exchanged for one unit ("Unit") comprised of one common share of RTO Acquirer ("RTO Acquirer Common Share") and one-half of one RTO Acquirer Common Share purchase warrant (each whole warrant, a "RTO Acquirer Warrant"), each RTO Acquirer Warrant entitling the holder to acquire, after closing of the Transaction, approximately 11.44 Resulting Issuer Shares, subject to adjustments in certain events, at a price of \$0.20 per Resulting Issuer Share for a period of 24 months following the date of issuance thereof. On a post-Exchange Ratio basis, a total of 25,352,261 Resulting Issuer Shares were issued to holders of Subscription Receipts upon closing of the Transaction at a deemed price per Resulting Issuer Share of \$0.12. The net proceeds of the RTO Acquirer Financing relating to the Subscription Receipts were released from escrow on March 5, 2025.

Following the completion of the Transaction, the former shareholders of RTO Acquirer (including those investors under the RTO Acquirer Financing) collectively hold a significant majority of the outstanding Resulting Issuer Shares.

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Management plans to employ the proceeds from the Private Placement as follows:

<b>Planned use of proceeds:</b>	
Gross proceeds	3,036,006
Transaction fees and other costs	(605,655)
<b>Net proceeds</b>	<b>2,430,351</b>
Planned use of funds:	
Increased purchases of inventory	1,000,000
Investment in industry partnerships	520,000
Working capital	910,351
	<b>2,430,351</b>

Actual use of proceeds remained broadly aligned with the Company's disclosed plan. Certain reallocations were based on operational timing, with a portion directed to working capital to support store performance and growth initiatives. These variances reflect normal timing differences in inventory purchasing and partnership rollout, and management believes the application of funds remained consistent with the Company's overall strategy and the changes reflect the practical realities of operating in a fast-moving retail and repair environment.

The Resulting Issuer is now positioned to be a market leader of cell phone, tablet, laptop and other electronic device repair services and reseller of certified pre-owned ("CPO") cell phones and accessory products and continues the business previously carried on by RTO Acquirer.

As Auka operated as a capital pool company under Policy 2.4 of the Exchange, it did not carry on a business, other than the identification and evaluation of businesses or assets with a view to completing a proposed qualifying transaction. As such, the Transaction did not have a material impact to RTO Acquirer regarding its financial performance and cash flows.

### Management team updates

Certain directors and officers of the Company resigned from their positions upon completion of the Transaction. The following individuals now comprise the directors and officers of the Company:

- Piyush Sawhney – Chief Executive Officer and Director
- Sunil Goel – President and Director
- Anil Verma – Vice President, Store Development and Director
- Jason Vandenberg – Chief Financial Officer
- Frank Sur – Corporate Secretary and Director
- Graham Barr – Director
- Jay Baraniecki – Director
- Robert Cole – Director
- Jeff Lloyd – Director

### Private placement financing

Subsequent to the end of the reporting period, the Company completed a non-brokered private placement of units in two tranches. The Offering was oversubscribed, and the Company exercised its right to increase the size of the Offering in response to strong investor demand. The first tranche closed on October 7, 2025, raising gross proceeds of \$1,238,750 through the issuance of 8,258,336 units, each comprising one common share and one-half of one common share purchase

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warrant. Each whole warrant entitles the holder to acquire one common share at \$0.25 for a period of two years from issuance.

The second and final tranche closed on November 13, 2025, raising gross proceeds of \$1,333,853 through the issuance of 8,892,352 units. In connection with the Offering, the Company paid customary finders' fees and issued broker warrants equal to 7% of subscriptions sourced by eligible finders. A director of the Company subscribed for 990,000 units, constituting a related-party transaction. In total, the Offering raised gross proceeds of \$2,572,603, with planned uses as follows:

<b>Planned use of proceeds:</b>	
Gross proceeds	<b>2,572,603</b>
Transaction fees and other costs	<b>(178,354)</b>
<b>Net proceeds</b>	<b>2,394,249</b>
Planned use of funds:	
Store growth and acquisition	<b>1,400,000</b>
Investment in industry partnerships	<b>450,000</b>
Working capital	<b>544,249</b>
	<b>2,394,249</b>

#### Strategic acquisition

On October 21, 2025, the Company entered into a definitive asset purchase agreement to acquire substantially all of the business assets of Geebo Device Repair Inc. ("Geebo"), a six-store mobile device repair chain operating in Nova Scotia. The base purchase price is \$1.35 million, subject to customary adjustments, to be satisfied through a combination of cash, a vendor take-back promissory note, and common shares issued at closing, plus additional shares representing the value of acquired inventory. The transaction remains subject to customary conditions, including regulatory approval and finalization of closing deliverables.

As the acquisition had not closed as at the date of this MD&A, the Company has not recognized any related assets, liabilities, or goodwill, and the transaction is considered a non-adjusting subsequent event. Accordingly, the Company has not presented pro forma financial information, as such disclosure is only required once the acquisition has been completed and measurable financial effects exist.

#### New store leases

After September 30, 2025, the Company executed two additional lease agreements in preparation for the opening of two additional stores. One of the locations is in Alberta, and the other is in Ontario. The Company will proceed with leasehold improvements and other preparations to open the stores over the next few months.

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### 2025 YTD HIGHLIGHTS

In Q1 2025, RTO Acquirer and the Company successfully completed the RTO Acquirer Financing and the Transaction, respectively, as previously described, which have had and are expected to continue having a significant impact on the Company's future operations. As of September 30, 2025, the Company's cash balance increased by \$0.4 million and working capital improved by \$6.4 million compared to December 31, 2024. These enhancements are primarily attributable to the Private Placement and the settlement of related party balances and short-term debt through the issuance of common shares.

The Financial Times recently named DPF to its list of The Americas' Fastest Growing Companies 2025.

In June 2025, DPF entered into a national repair agreement with Likewise, a global device protection and insurance provider operating in over 30 countries. This agreement allows Canadians insured by Likewise to have their broken or damaged mobile phones repaired at any Dr. Phone Fix location nationwide. This strategic alliance significantly improves repair accessibility for Likewise-insured customers, offering fast and reliable in-store repairs across Dr. Phone Fix's growing retail footprint.

In July 2025, DPF expanded a strategic partnership with Assurant, Inc., aimed at accelerating certified pre-owned phone sales across Canada. This expanded collaboration builds on their existing relationship and represents a key milestone in their shared commitment to the growing pre-owned device market. DPF was also recognized as Canada's "Sustainable Business of the Year", highlighting their strong circular/sustainability leadership and ability to divert thousands of pre-owned devices from landfills.

In November 2025, the Company was selected by the Alberta Motor Association as the exclusive cell-phone repair partner for one million AMA members in Alberta (members eligible for discounts at Dr. Phone Fix locations).

Revenue demonstrated consistent growth in Q3 2025, rising by \$0.4 million (14%) from the previous quarter and marking an identical increase compared to Q3 2024. Year-to-date revenue for Q3 2025 increased by \$0.7 million (10%) relative to Q3 2024 YTD, with 9% of the growth stemming from existing stores and an additional 1% attributed to a newly opened store in Q3 2025 YTD. Continued revenue expansion is anticipated as new locations mature and current stores further develop and achieve higher sales volumes.

Gross margin for Q3 2025 YTD was 54%, consistent with the gross margin reported for Q3 2024 YTD. Operating expenses, excluding share-based compensation, were \$0.2 million lower than in Q3 2024 YTD, despite the Company operating one additional store during the period. The reduction was driven primarily by a \$0.3 million decrease in employee salaries and benefits, partially offset by net increases in other operating costs.

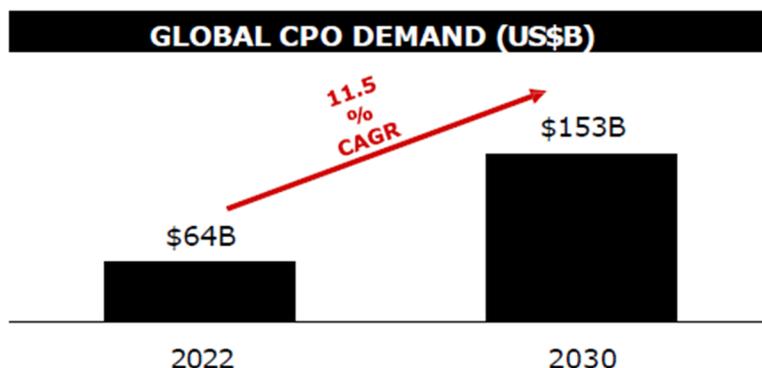
Adjusted EBITDA improved by \$0.8 million to \$0.7 million in Q3 2025 YTD compared to the prior-year period. Operating cash flow before changes in non-cash working capital also increased by \$0.6 million. The Company's results in Q3 2025 YTD reflect ongoing progress toward the Company's longer-term objectives of sustained profitability and a strengthened financial position.

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## OUTLOOK

The market in which DPF operates is poised for significant growth. The digital revolution and rising cell phone prices have significantly increased the demand for professional cell phone repair and CPO cell phones. The global CPO market was valued at US\$64B in 2022 and is forecasted to more than double by 2030<sup>1</sup>.



By implementing its growth strategies discussed below, management will work to claim the largest portion of this future market growth that is possible for the Company.

The Company continues to move forward with its national expansion strategy and build on the strong foundation established since 2020 and has since grown to 35 corporately owned stores across 23 cities in four provinces. Supported by a well-recognized brand, over 30,000 online customer reviews, and an average Google rating of 4.9 stars, DPF operates in a highly fragmented and growing market where management believes there is meaningful opportunity for scale.

**As part of this plan, management intends to approximately double the Company's current store count over the next 12 to 18 months**, targeting a network of roughly 70 locations through a combination of new store development and strategic acquisitions. Near-term growth is expected to be driven by eight new locations, including six stores associated with the pending acquisition and two additional sites for which leases have already been executed. With these additions underway, and with continued access to acquisition opportunities in underserved markets, the Company believes it is well positioned to pursue the next phase of its growth plan in a disciplined and scalable manner.

Looking ahead, our growth playbook combines measured new store openings with a disciplined M&A strategy to accelerate scale. Our strategy is to target high-quality operators in markets where we lack coverage today, prioritizing cultural fit and strong unit economics. Post-acquisition, we plan to drive additional value through centralized procurement, inventory and refurbishment capabilities, insurance and OEM program access, shared marketing, and our proven operating playbook. Taken together, we believe this approach will expand our footprint efficiently, deepen our national coverage, and enhance cash generation at the unit level over time.

### Growth Strategies

The Company plans to maximize its growth in sustainable ways by focusing on:

- watching for opportunities to acquire smaller cell phone repair chains
- revenue growth at existing stores, and

<sup>1</sup> Source: [FNF Research](#)

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- opening new stores in strategic locations.

#### **Watching for opportunities to acquire smaller cell phone repair chains, which will expedite total store count growth.**

The cell phone repair and resale market is highly fragmented with over 1,500 independent repair shops operating across Canada with many lacking the scale and capabilities of DPF. DPF will pursue potential acquisitions where it can leverage its strong brand presence and reputation, leverage its purchasing power and leverage its insurance and OEM warranty repair partnerships. DPF will evaluate these opportunities as they become available and pursue acquisitions that are accretive and can be completed with a combination of cash and share issuances. Completion of the Transaction has put the Company in a much better position to make strategic acquisitions, as evidenced by the Geebo acquisition in progress.

**Revenue growth at existing stores has been strong in the past, and this growth is expected to continue.** The stores have seen revenue growth in both device repair services and in sales of CPO devices and accessories. DPF will continue to focus on both sales and service, with a particular focus on the sale of CPO devices given the expected increase in demand. As part of that focus, DPF has used a portion of the proceeds from the Q1 Private Placement to make bulk purchases of CPO devices to buy at the lowest cost possible and increase its inventory to prepare for sales growth. New industry partnerships, including insurance and OEM warranty repair agreements, are also expected to contribute significantly to future revenue growth.

**As part of this growth playbook, opening new stores in strategic locations remains an important driver to expand our reach into new markets and strengthen our presence in existing ones.** New stores typically take about six months to ramp up, with an investment of roughly \$300,000 per location. While the upfront cost is significant, much of it provides long-term benefits such as leasehold improvements with 10-year terms. After ramp-up, most new stores are generating in excess of \$20,000 in monthly revenue. DPF plans to proceed toward selective new store openings, complementing our acquisition strategy and accelerating growth in overall store count.

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### SELECTED FINANCIAL INFORMATION

A summary of selected financial information for the three and nine months ended September 30, 2025 and 2024, as expressed in Canadian dollars, and in accordance with IFRS:

	Q3 2025	Q3 2024	Change	Q3 2025 YTD	Q3 2024 YTD	Change
Revenue	3,265,418	2,866,393	14%	8,319,225	7,578,618	10%
Gross profit	1,746,913	1,596,316	9%	4,527,733	4,073,887	11%
Gross profit as a percentage of revenue ("Gross margin")	53.5%	55.7%		54.4%	53.8%	
Adjusted EBITDA <sup>1</sup>	418,276	149,075	181%	700,214	(72,456)	1,066%
Net and comprehensive loss	(497,245)	(843,290)	41%	(3,994,274)	(2,744,410)	(46%)
Loss per share, basic and diluted	(\$0.00)	(\$0.01)	72%	(\$0.03)	(\$0.04)	25%
Weighted average number of common shares – basic and diluted	158,501,036	74,429,352	113%	141,197,082	72,317,520	95%

	In \$, As at		
	Sep 30, 2025	Dec 31, 2024	Change
Total assets	15,058,234	15,701,962	(4%)
Total non-current financial liabilities	12,009,840	13,389,501	(10%)

(1) See NON-GAAP DISCLOSURE towards the end of this document

### OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Revenue in Q3 2025 was strong, increasing by \$0.4 million (14%) compared to Q3 2024. Year-to-date (YTD) revenue rose \$0.7 million (10%) over the prior year, driven by 9% growth from existing stores and 1% from a new store added in Q3 2024. Growth in existing stores reflected ongoing store maturation and enhanced marketing initiatives.

Gross margin dipped slightly in Q3 2025, coming in at 53.5% compared to Q3 2024 gross margin of 55.7% and Q2 2025 gross margin of 55.0%. The modest decline in gross margin is primarily a result of product mix and strategic growth activity. The quarter included a greater proportion of premium device sales; while these models generate strong revenue and faster turnover, they carry naturally lower percentage margins due to higher acquisition costs—a normal dynamic in the CPO industry that reflects healthy demand for top-tier devices. Despite reduced margin in Q3 2025, Q3 2025 YTD gross profit growth slightly outpaced revenue growth due to an improved gross margin of 54.4%, up from 53.8% in Q3 2024 YTD. This margin expansion for the YTD period was primarily the result of lower product costs from stronger purchasing power and strategic supplier partnerships, partially offset by the factors described above relating to Q3 2025.

Adjusted EBITDA improved significantly, increasing by \$0.3 million (181%) in Q3 2025 over Q3 2024, largely due to higher gross profit and lower employee salaries and benefits expense. On a YTD basis, Adjusted EBITDA rose by \$0.8 million (1,066%), reflecting gross profit gains of \$0.5 million and a \$0.2 million reduction in operating expenses (excluding share-based compensation).

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Net and comprehensive loss in Q3 2025 improved by \$0.3 million (41%) versus Q3 2024, mainly due to higher gross profit of \$0.2 million and \$nil in loss on extinguishment of debt as compared to \$0.2 million in Q3 2024. Operating expenses were largely consistent between the periods with the exception of a reduction of \$0.1 million in employee salaries and benefits expense. YTD, net and comprehensive loss of \$4.0 million was \$1.2 million higher than Q3 2024 YTD, reflecting \$1.6 million of Listing and Transaction Expenses associated with the Transaction, partially offset by other variances as shown below. Excluding these one-time costs and share-based compensation, Q3 2025 YTD net and comprehensive loss would have been \$1.8 million, an improvement of \$0.9 million compared to the prior year.

Key variances from Q3 2024 YTD to Q3 2025 YTD included:

- \$0.5 million increase in gross profit;
- \$0.3 million reduction in employee salaries and benefits due to management rationalization;
- \$0.5 million increase in share-based compensation due to issuance of options to directors and a consultant
- \$0.1 million net increase in other operating costs from an additional store and expanded operations;
- \$1.6 million increase in listing and transaction expenses;
- \$0.1 million net decrease in other losses and expenses; and
- \$0.1 million decrease in interest expense from lower debt balances and reduced Canadian Prime Rate levels.

Loss per share improved to \$0.03 in Q3 2025 YTD, as compared to \$0.04 in Q3 2024 YTD, despite a larger net loss. This was due to a 95% increase in the weighted average shares outstanding following the Private Placement and the Transaction.

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### SELECTED QUARTERLY FINANCIAL INFORMATION

In 2023, the Company was not a reporting issuer. Accordingly, it did not prepare IFRS compliant interim financial statements for all of the eight previous quarters and, pursuant to the accommodations of National Instrument 51-102 Continuous Disclosure Obligations, is not presenting quarterly information prior to January 1, 2024.

	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	3,265,418	2,857,394	2,196,413	2,601,122	2,866,393	2,525,482	2,186,744
Gross profit	1,746,913	1,570,423	1,210,397	1,322,351	1,596,316	1,309,924	1,167,648
Net loss	(497,245)	(1,085,999)	(2,411,030)	(908,484)	(843,290)	(937,153)	(963,967)
Loss per share	(\$0.00)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)

#### Revenue and gross profit

Q3 2025 revenue increased by about \$408,000 from Q2 2025. This was partially attributed to seasonality, as Q3 tends to be the strongest sales quarter of the year for the Company. Revenue growth compared to Q3 2024 was about \$399,000, so there was significant growth in Q3 2025 in addition to normal seasonality. Most of this growth was from improved performance at existing stores due to increased marketing and other efforts. Gross margin for Q3 2025 of 53.5% was lower than Q2 2025 margin of 55.0%, and lower than Q3 2024 (55.7%). The modest decline in gross margin is primarily a result of product mix and strategic growth activity. The quarter included a greater proportion of premium device sales; while these models generate strong revenue and faster turnover, they carry naturally lower percentage margins due to higher acquisition costs—a normal dynamic in the CPO industry that reflects healthy demand for top-tier devices.

Q2 2025 revenue increased by about \$661,000 from Q1 2025. This was partially attributed to seasonality, as Q1 tends to be the weakest sales quarter of the year for the Company. Revenue growth compared to Q2 2024 was about \$332,000, showing that there was significant growth in Q2 2025 in addition to normal seasonality. Most of this growth was from improved performance at existing stores due to increased marketing and other efforts. Gross margin for Q2 2025 was consistent with Q1 2025 at 55% and improved over Q2 2024 (52%).

Q1 2025 revenue declined by about \$405,000 from Q4 2024. This was primarily attributed to seasonality, as Q1 tends to be the weakest sales quarter of the year for the Company, as shown by comparing to Q1 2024 which is much more similar. Another factor is the compounding effect of cutting marketing costs substantially for mature stores in 2024 to conserve capital. Gross margin for Q1 2025 was strong at 55%, exceeding the previous quarter (51%) and Q1 2024 (53%).

Q4 2024 revenue declined by about \$265,000 from Q3. The new stores opened in 2023 and 2024 continued to grow significantly, while many of the mature stores saw reduced revenue, which was attributed to cutting marketing costs substantially for mature stores to conserve capital. Gross margin for Q4 was the lowest of the year at 51%, but still contributed to a solid annual margin of 53%. Margin can fluctuate based on the mix of sales and services being provided from period to period.

Q3 2024 saw the first revenue of the new store opened in 2024, contributing about \$44,000 of revenue for the quarter. The rest of the sales growth was attributed to continued increases in sales for the stores opened in 2023 as they continued to ramp up to normal capacity. Gross margin more than recovered in Q3 from the slight decrease in Q2, up to 56% for the quarter.

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The Q2 2024 revenue growth of \$0.3 million (15.5%) quarter over quarter is attributed partially to seasonality, as Q1 has historically been the weakest quarter for the business, and partially to continued growth in existing stores. The number of operating stores remained the same from Q1 to Q2, as the 2024 new store was not yet producing revenue. The increase in gross profit of \$0.1 million (12.2%) was largely in line with the revenue growth, but at a slightly reduced margin.

### Net loss and loss per share

The improvement in net loss of \$0.6 million in Q3 2025 from Q2 2025 was largely due to a decrease of \$0.5 million in share-based compensation. The remaining \$0.1 million improvement was as follows: increased gross profit of \$0.2 million, partially offset by a net increase in operating and other expenses of \$0.1 million due to continued growth of the entity.

The improvement in net loss of \$1.3 million in Q2 2025 from Q1 2025 was largely due to the \$1.6 million of Listing and Transaction Expenses recognized in Q1 2025 and not in Q2 2025, partially offset by \$0.5 million in share-based compensation recognized in Q2 2025. The remaining \$0.3 million improvement was as follows: increased gross profit of \$0.4 million, partially offset by a net increase in other operating expenses of \$0.1 million due to continued growth of the entity.

The additional net loss of \$1.5 million in Q1 2025 as compared to Q4 2024 is primarily due to the Listing and transaction expenses in Q1 2025 of \$1.6 million as a result of the Transaction. That one-time, mostly non-cash expense is not related to operations and was partially offset by an improvement of the net loss by \$0.1 million over Q4 2024 (ignoring the Listing and transaction expenses in Q1 2025) despite the significant drop in revenue in Q1 2025 from Q4 2024. Due to a higher gross margin in Q1 2025, the \$0.4 million reduction in revenue translated to a decrease in gross profit of only \$0.1 million quarter over quarter. This decrease in gross profit was slightly more than offset by reductions in employee salaries and benefits of \$76,000 due to rationalization of management positions, and other net reductions of operating expenses totaling \$57,000. Interest expense was also \$86,000 lower in Q1 2025 than in Q4 2024, with various other minor fluctuations in other expenses and income taxes. The number of weighted average shares outstanding increased significantly; as such, the loss per share changed less than the change in net loss.

The additional net loss of \$65,000 in Q4 as compared to Q3 was caused by a drop in sales and slip in gross margin, resulting in a decrease in gross profit of \$274,000 quarter over quarter. This decrease in gross profit was partially offset by reductions in employee salaries and benefits of \$84,000 due to rationalization of management positions, absence of the \$168,000 of one-time costs discussed below, along with various other minor fluctuations. The number of weighted average shares outstanding remained similar; as such, the loss per share changed in line with the change in net loss.

The improvement in net loss of \$94,000 in Q3 as compared to Q2 was attributable to increased gross profit by \$286,000, partially offset by increases in other expenses relating to conversion of the debenture (mostly bonus shares issued in exchange for professional fees) of \$168,000, along with various other minor fluctuations. The number of weighted average shares outstanding remained similar; as such, the loss per share changed in line with the change in net loss.

The slight improvement in net loss of \$0.03 million for Q2 as compared to Q1 was primarily due to the increase in gross profit quarter over quarter, partially offset by an increase in professional fees as described previously, a decrease in government assistance income of \$40,000 and an increase in income tax expense of about \$11,000. The number of weighted average shares outstanding remained constant; as such, the loss per share was unchanged in line with the similar net loss.

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### FINANCIAL CONDITION

*Readers should refer to Note 1 to the Financial Statements regarding the going concern assumption in conjunction with the discussion below.*

The following chart highlights significant changes in the Consolidated Statements of Financial Position from December 31, 2024 to September 30, 2025.

Line item	Increase (decrease) in \$	Primary factors explaining change for Q3 2025 YTD
Current assets	\$0.9 million	Increase in cash of \$0.4 million from remaining proceeds of private placement, increase of \$0.2 million in accounts receivable due to routine operational fluctuations, and buildup of inventory using proceeds of the private placement which caused an increase of \$0.3 million to the ending inventory balance.
Property and equipment	(\$0.9 million)	Decrease is primarily the result of depreciation.
Right-of-use assets	(\$0.7 million)	Decrease is the result of depreciation.
Other assets	\$0.0 million	Minimal increase due to increase in deferred tax assets based on management's analysis of recognizable future tax benefits, partially offset by a minor decrease in security deposit assets.
Current liabilities	(\$5.5 million)	Decrease consists primarily of repayments of amounts due to related parties and short-term debt of \$5.5 million through share issuances and \$0.8 million in cash repayments of short-term debt, plus other net repayments, partially offset by issuance of short-term debt of \$0.4 million and routine fluctuations of \$0.4 million in accounts payable and bank indebtedness.
Lease liabilities	(\$0.7 million)	Decrease due to payments on lease liabilities.
Long-term debt	(\$0.7 million)	Decrease due to repayments of long-term debt and reclassifications between current and long-term debt.
Equity	\$6.3 million	Increase of \$8.1 million due to issuances of shares and warrants in connection with debt repayments and private placements, plus deemed issuance of \$1.6 million on reverse takeover transaction, plus share-based compensation of \$0.5 million, partially offset by net loss of \$4.0 million.

# Dr. Phone Fix Canada Corporation

## Management's Discussion & Analysis September 30, 2025 and 2024

### LIQUIDITY AND CAPITAL RESOURCES

#### Going Concern

Readers should refer to Note 1 to the Financial Statements.

For the nine months ended September 30, 2025, the Company had a net loss of \$4.0 million (including Listing and Transaction expenses of \$1.6 million and share-based compensation of \$0.5 million). For the year ended December 31, 2024, the Company had a net loss of \$3.7 million. As at September 30, 2025 the working capital deficit was \$3.5 million.

The Company has in the past routinely issued additional debt to finance the opening of new store locations, using the assets of the new store as collateral. The Company leases its store facilities as a method of financing the building. These have been the main sources of funding for growth, combined with funds borrowed from related parties. The Company may raise additional equity funding in the future now that it has access to the public markets. While the Company has been successful in raising capital in the past, there can be no assurance that it will be able to do so in the future. The ability to raise capital may be adversely impacted by uncertain market conditions. The outcome of these matters cannot be predicted at this time.

Historically the Company has had operating losses, negative cash flows, and working capital deficiencies. While the Company has established and dedicated itself to robust plans to achieve profitability and positive cash flow in the future, whether, and when, the Company will attain profitability and positive cash flows is uncertain. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. Management is continuing to address the need to increase revenue. Management remains focused on controlling operational costs and investing efficiently for continued growth. Management believes these activities, in conjunction with prudent management of working capital, will enable the Company to support operations over the next year and beyond.

Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due. The Financial Statements do not reflect adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operation. These adjustments could be material.

# Dr. Phone Fix Canada Corporation

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### Analysis of Cash Flows

In \$	Nine months ended September 30,		
Summary of Cash Flows from:	2025	2024	Increase (decrease)
Net loss	(3,994,274)	(2,744,410)	(1,249,864)
Non-cash and non-operational items	4,563,126	2,746,155	1,816,971
<b>Cash operating income (loss)</b>	<b>568,852</b>	1,745	567,107
Non-cash working capital changes	(355,037)	790,334	(1,145,371)
Operating activities	213,815	792,079	(578,264)
Investing activities	(40,179)	(455,800)	415,621
Financing activities	105,440	(477,133)	582,573
Change in cash	279,076	(140,854)	419,930
Cash (bank indebtedness), beginning of period	(267,844)	32,702	(300,546)
Cash (bank indebtedness), end of period	11,232	(108,152)	119,384

As shown in the table above, cash flows from operating activities before changes in non-cash working capital improved by \$0.6 million in Q3 2025 YTD over Q3 2024 YTD. The increase mostly reflects the \$0.6 million improvement in net loss before other income and expenses (excluding share-based compensation) in Q3 2025 YTD over Q3 2024 YTD.

Management is focused on improving cash flow from operations through increased revenue-generating activities and operating efficiencies resulting from spreading operating costs over increased operations as the Company continues to grow.

The net decrease in cash flows from non-cash working capital changes of \$1.1 million mostly reflects the following:

- \$0.6 million decrease based on increased inventory on hand in Q3 2025 YTD of \$0.3 million as compared to a reduction of inventory on hand of \$0.3 million in Q3 2024 YTD, which is attributed to timing of purchases and sales of inventory, and increased bulk purchases with the completion of the Transaction and availability of the proceeds of the Private Placement.
- \$0.6 million decrease due to a \$0.1 million increase in payables in Q3 2025 YTD as compared to an increase in payables of \$0.7 million in Q3 2024 YTD

The decrease in cash used in investing activities reflects minor asset purchases in Q3 2025 YTD as compared to \$0.4 million paid for asset purchases and deposits in Q3 2024 YTD relating to the opening of a new store. No new stores have been opened to date in 2025.

The increase in cash generated by (used in) financing activities of \$0.6 million primarily reflects the following:

- Net cash raised from the Private Placement of \$2.4 million in Q3 YTD 2025 (none in Q3 2024 YTD).
- Cash from the Transaction of \$0.1 million in Q3 2025 YTD (none in Q3 2024 YTD).
- Cash received from issuance of debt of \$0.7 million more in Q3 2024 YTD than in Q3 2025 YTD, primarily due to the opening of a new store in 2024, with no store opening in 2025 to date, as well as bridge financing received in Q3 2024 YTD in anticipation of the Transaction.
- Repayment of short-term debts of \$0.8 million in Q3 2025 YTD (none in Q3 2024 YTD).
- Reduced amount of advances received (repaid) from (to) related parties by \$0.4 million based on cash flow needs and availability of funding.

# Dr. Phone Fix Canada Corporation

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### FINANCIAL INSTRUMENTS

The Company's current financial instruments are listed in Note 11 to the Financial Statements.

The Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, liquidity risk, and price risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by financial management in conjunction with overall corporate governance.

The Company is exposed to the following risks in respect of certain of the financial instruments held:

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to interest rate cash flow risk on its bank indebtedness and long-term debt as they are at variable rates of Prime plus 1.85% to Prime plus 5.00%. During the period, the Company's exposure to interest rate risk decreased slightly because of decreases in outstanding debt. The Prime rate decreased during the period by 75 basis points to 4.70%, which will result in additional interest savings in the future. For every 1% change in the Prime rate, interest expense would change by about \$83,000 per year.

#### **Credit risk**

As the Company's business operations carry relatively minimal trade accounts receivable, credit risk is limited. No bad debt expense was recorded in Q3 2025 YTD. The risk is limited, as the customer must pay their balance in order to pick up their device.

#### **Liquidity risk**

The Company actively maintains its credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements at a reasonable cost. Management believes that cash flows from operations, along with available credit under existing banking facilities, will be adequate to support the payment of the Company's financial liabilities. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 21 to the Annual Financial Statements. It also manages liquidity risk by continuously monitoring actual cash flows.

#### **Other price risk**

The Company's exposure to other price risk is limited since there are no significant financial instruments which fluctuate as a result of changes in market prices.

#### **Market risk**

The Company is exposed to market risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices, as well as general market prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company. In the opinion of management, the market risk exposure to the Company is minimal.

# Dr. Phone Fix Canada Corporation

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### Off-balance sheet arrangements

The Company does not have any special purpose entities nor is it party to any arrangement that would be excluded from the balance sheet.

## SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

All related party transactions are reviewed by the board of directors of the Company. Note 7 to the Financial Statements sets out the amounts of related party transactions, the nature of which are further outlined below.

### a) Amounts included in purchases (inventory or cost of sales)

#### Purchases from an entity owned by a shareholder of the Company

One of the shareholders of the Company owns a company that sources and sells products used and sold by the Company. Management has determined that an ongoing relationship with this supplier is a strategic benefit to the business. The scope of purchasing through this supplier has decreased significantly because the Company has added another supplier to support further growth.

### b) Amounts included in Selling, general and administrative expenses

#### Compensation of Key Management Personnel ("KMP")

The three members of key operational management are compensated in cash for their services as well as with options. The Chief Financial Officer provides services to the Company through an advisory firm which he jointly controls. Accordingly, the advisory firm is a related party of the Company. Amounts paid to the advisory firm represent compensation for KMP and are included in the KMP compensation disclosure in the appropriate categories.

Directors of the Company are granted options as compensation for their services.

### c) Due to related parties and other transactions

From time to time, the Company is and has been financed by related parties, often to bridge cash flow needs until the Company is able to raise capital. This support is not unusual for companies which are in the initial growth stage of the business life cycle, where often traditional sources of financing are unavailable or insufficient.

As it can be difficult for new businesses to obtain credit cards, the shareholders have opened credit cards in their own names which have been used in part for the business. Balances due to the shareholders with respect to the business transactions charged on these credit cards have been included in the balance due to related parties.

#### Other amounts due to related parties

Refer to Note 7 to the Financial Statements for further related party transaction detail and amounts owed to and from these related parties in respect of the above-mentioned transactions and other advances.

These related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## Dr. Phone Fix Canada Corporation

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### CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

These Financial Statements follow the same accounting policies and methods of application as the most recent Annual Financial Statements.

### VOTING SECURITIES AND SECURITIES CONVERTIBLE INTO VOTING SECURITIES OUTSTANDING

As of the date of the MD&A, the Company had the following voting shares and potential shares outstanding:

Designation of Securities	Number of instruments outstanding as of date of MD&A	Number of common shares issuable upon conversion or exercise
Common shares	175,651,724	175,651,724
Common share purchase warrants	21,875,627	21,875,627
Broker warrants to purchase Units	784,467	1,176,700
Broker warrants to purchase common shares	843,406	843,406
Options	5,272,125	5,272,125
<b>Total Fully Diluted Capital</b>		<b>204,819,582</b>

### RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of DPF. These risks and uncertainties are not the only ones facing DPF. Additional risks and uncertainties not presently known to DPF or currently deemed immaterial by DPF, may also impair the operations of DPF. If any such risks actually occur, shareholders of DPF could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of DPF could be materially adversely affected and the ability of DPF to implement its growth plans could be adversely affected.

#### Business Structure Risk

DPF is a holding company and effectively all its assets are the capital stock of its subsidiaries. It has no material assets other than ownership of its subsidiaries. As a result, investors in DPF are subject to the risks attributable to its subsidiaries. As a holding company, DPF conducts substantially all its business through its subsidiaries, which generate all its revenues. Consequently, DPF's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to DPF. To the extent that DPF requires funds, and its subsidiaries and such other entities are restricted from making such distributions by applicable law, regulation or contract, or are otherwise unable to provide such funds, it could materially adversely affect DPF's liquidity and financial condition, as well as its ability to make distributions to its shareholders.

DPF has no earnings or dividend record, and the ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. Dividends paid by DPF would be subject to tax and, potentially, withholdings. DPF does not anticipate paying any dividends on its common shares in the near future.

# Dr. Phone Fix Canada Corporation

## Management's Discussion & Analysis

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### Operating Risks

#### Competition

DPF competes with numerous competitors, some of which have greater financial resources than those of DPF. These factors may result in higher trade marketing costs, discounts and/or promotional rebates used to promote DPF's products and may affect DPF's revenues. DPF may also be affected by new entrants into the marketplace from the expansion or renovation of existing competitors. Failure by DPF to sustain its competitive position could adversely impact DPF's financial performance.

#### Economic Conditions and Retail Trends

DPF's revenue and profitability are impacted by consumer discretionary spending, which is influenced by general economic conditions. These economic conditions could include high levels of unemployment, political uncertainty, energy costs, natural disasters, acts of terrorism, inflation, interest rate changes, and access to consumer credit. As a result of evolving retail customer trends, DPF must anticipate and meet these trends in a competitive environment on a timely basis. DPF's failure to anticipate and react to shifting consumer trends and preferences through successful innovation could result in decreased demands for its products, which could in turn affect the financial performance of DPF.

#### Cash Flow

DPF's cash flow may not be sufficient to fund its ongoing activities at all times and from time to time, DPF may require additional financing to conduct its business. There is risk that if the economy and banking industry experienced unexpected and/or prolonged deterioration, DPF's access to additional financing may be affected. Failure to obtain such financing on a timely basis could have a material adverse effect on DPF.

#### Cybersecurity

DPF depends on the uninterrupted operation of information technology ("IT") systems to process, transmit and store information for the operation of its business. Some of this information concerns the business, its customers or partners and may be sensitive or confidential in nature. DPF has implemented security measures to protect and prevent unauthorized access to its IT systems. However, these IT systems may still be vulnerable to an increasing number of sophisticated cyber threats and other failures such as interruptions, natural disasters, human error and other security issues.

If DPF does not allocate and effectively manage the resources necessary to build and sustain reliable IT infrastructure, fails to identify or respond to cybersecurity threats in a timely manner, or the Company's IT systems are damaged, destroyed, shut down or cease to function properly, DPF's business could be disrupted, which could adversely affect the Company's reputation, operations or financial performance.

#### Trademark and Brand Protection

DPF believes its brands and other intellectual property are important to its success. DPF relies on a number of trademarks, copyrights, trade secrets and other intellectual property rights to protect its brands and products. The Company depends on its continued ability to use its intellectual property to increase brand awareness and further develop brands and products. The Company has taken steps to protect certain of its intellectual property in Canada. However, the Company's proprietary rights could be challenged, circumvented, infringed or invalidated by third parties. There can be no assurance that the processes and resources invested by the Company to protect its intellectual property from third party infringement will be sufficient. Third parties may also assert or prosecute infringement claims against the Company for its use of intellectual property allegedly owned by third parties. The materialization of any of these risks could result in substantial costs, diversion of resources, the invalidation of the Company's intellectual property, or otherwise adversely affect the reputation, operations or financial performance of the Company.

# Dr. Phone Fix Canada Corporation

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### **Insurance**

DPF has insurance to protect its assets, operations and employees. While DPF believes its insurance coverage addresses the material risks to which it is exposed and is adequate for its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all the risks and hazards to which DPF is exposed. If DPF were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, DPF could experience adverse impacts to its operations or financial performance.

### **Inventory Management**

DPF is subject to risks associated with managing its inventory. Failure to successfully manage such risks could result in shortages of inventory, or excess or obsolete inventory which cannot be sold profitably or at all. Any of these outcomes could adversely affect the financial performance of DPF.

### **Employee Attraction and Development**

DPF's continued growth is dependent on its ability to hire, retain and develop its leaders and other key personnel. Any failure to effectively attract talented and experienced employees and to establish adequate succession planning and retention strategies could result in a lack of requisite knowledge, skill and experience. This could negatively affect DPF's ability to operate its business, which in turn, could adversely affect DPF's reputation, operations or financial performance.

### **Reliance on Key Personnel**

DPF's success depends in part on certain key personnel and effective leadership. The loss of the services of such key personnel may have a material adverse effect on the operations or financial performance of DPF or affect its ability to implement its long-term strategic objectives.

### **Management of Growth**

DPF may be subject to growth-related risks including capacity constraints and pressures on its internal systems and controls. The ability of DPF to manage growth effectively will require it to continue to implement and improve its operational and financial systems and expand, train and manage its employee base. The inability of DPF to deal with such growth-related challenges may have a material adverse effect on DPF, its operations or financial performance.

### **Internal Controls**

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and have a materially adverse effect on the trading price of the Company's shares.

### **Need for Additional Financing and Possible Effects of Dilution**

The Company may issue equity securities to finance its activities, including future acquisitions. If the Company were to issue additional shares, existing holders of the Company's shares may experience dilution in their holdings. Moreover, when DPF's intention to issue additional equity securities becomes publicly known, the Company's share price may be adversely affected.

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### **Litigation**

DPF may become subject to legal proceedings, which may involve suppliers, customers, regulators, tax authorities or other persons. The potential outcome of legal proceedings and claims could result in a material adverse affect on DPF's reputation, operations or financial performance.

### **Third Party Risk**

DPF has a variety of key business relationships with third parties including vendors, suppliers, and contractors. DPF has no direct influence on the operation or management of such third parties. Negative events affecting such third parties could adversely impact DPF's reputation, operations or financial performance. Additionally, the loss or disruption of any of DPF's supply or distribution network could interrupt product supply. If not effectively managed or remedied, this could negatively impact DPF's ability to attract and retain customers, and could adversely affect DPF's reputation, operations or financial performance.

### **Supply of Inventories**

DPF's costs are directly impacted by fluctuations in the prices of CPO devices and electronic device parts and accessories. Fluctuations in inventory prices can therefore drive DPF's financial results upward or downward and may materially impact DPF's financial performance.

### **Financial Risks**

DPF is subject to various financial risks, including interest rate risk, credit risk, liquidity risk, price risk, and market risk. READERS SHOULD REFER TO "FINANCIAL INSTRUMENTS" SECTION ABOVE AND THE GOING CONCERN ASSUMPTION IN NOTE 1 TO THE FINANCIAL STATEMENTS.

## Dr. Phone Fix Canada Corporation

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#### NON-GAAP DISCLOSURE

EBITDA is used by management and investors to analyze the Company's profitability based on the Company's principal business activities regardless of how these activities are financed, assets are depreciated and amortized, and results are taxed in various jurisdictions or subject to entity specific tax planning.

Below is a reconciliation of the non-GAAP measures of EBITDA and Adjusted EBITDA:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net loss:	(497,245)	(843,290)	(3,994,274)	(2,744,410)
Add (subtract):				
Interest expense	327,380	301,470	895,004	1,014,369
Income taxes recovery	(3,626)	(10,033)	(5,700)	(18,619)
Depreciation	524,022	515,179	1,569,562	1,531,147
<b>EBITDA</b>	<b>350,531</b>	<b>(36,674)</b>	<b>(1,535,408)</b>	<b>(217,513)</b>
Add (subtract):				
Share-based compensation	33,138	-	543,894	-
Listing and Transaction expenses	7,459	-	1,602,098	-
Fair value adjustments	-	168,231	-	161,004
Government assistance income	-	-	-	(40,000)
Interest included in operating income	27,148	17,518	89,630	24,053
<b>Adjusted EBITDA</b>	<b>418,276</b>	<b>149,075</b>	<b>700,214</b>	<b>(72,456)</b>

EBITDA is defined by the Company as a financial measure equal to net income (loss) before finance costs, depreciation and amortization, and income tax provisions. EBITDA is compared to net income (loss), the closest comparable IFRS measure. To arrive at EBITDA, the following items are excluded from net loss as follows:

- 1) Interest expense is added back as it is related to financing decisions
- 2) Income tax expense (recovery) is added back as it is reflective of taxation jurisdiction or entity-specific tax planning, not related to core operational performance.
- 3) Depreciation and amortization, as they are non-cash charges and not indicative of operational performance.

Adjusted EBITDA further adjusts the non-GAAP measure of EBITDA by the following items:

- 1) Share-based compensation, as it is a non-cash expense
- 2) Extraordinary, unusual or infrequent items (including Listing and Transaction expenses)
- 3) Items related to investing decisions, such as gain (loss) on disposal of assets
- 4) Items that are not related to core operations and are not indicative of operational performance, including fair value adjustments, interest income, impairment losses and government assistance.
- 5) Interest on lines of credit and other interest included in operating income.

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### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws (“forward-looking statements”). Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management’s current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, objectives, operational results and other future conditions of the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words and includes, among others, information regarding: expectations for the effects of any transactions; expectations for the potential completion of or benefits of any transactions; statements relating to the business and future activities of, and developments related to, the Company after the date of this MD&A, including, but not limited to, such things as future business strategy, future financings, the use of the net proceeds from private placements, competitive strengths, goals, expansion and growth of the Company’s business, operations and plans; expectations that acquisitions will be pursued and successfully completed; expectations of market size and growth; expectations for other economic, business, regulatory and/or competitive factors related to the Company; and other events or conditions that may occur in the future.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of and at the date they are made and are based on information currently available and on the then current expectations. Holders of securities of the Company are cautioned that forward-looking statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Company at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the available funds of the Company and the anticipated use of such funds; the availability of financing opportunities; risks associated with economic conditions, dependence on management; other governmental and environmental regulation; risks related to contracts with third-party service providers; risks related to the enforceability of contracts; reliance on the expertise and judgment of senior management of the Company, and ability to retain such senior management; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to the management of growth; increasing competition in the industry; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax- and insurance-related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks related to future acquisitions or dispositions; sales by existing shareholders; as well as those risk factors discussed under “Risks and Uncertainties” in this MD&A.

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The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this MD&A as well as statements regarding the Company's objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. You should not place undue reliance on forward-looking statements contained in this MD&A. Such forward-looking statements are made as of the date of this MD&A. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.