

---

# **PUDO INC.**

## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTH PERIODS ENDED**

**NOVEMBER 30, 2025 AND 2024**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

---

### **NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of PUDO Inc. have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

**PUDO Inc.****Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)**

| <b>As at</b>                                      | <b>Notes</b> | <b>November 30,<br/>2025</b> | <b>February 28,<br/>2025</b> |
|---------------------------------------------------|--------------|------------------------------|------------------------------|
| <b>Assets</b>                                     |              |                              |                              |
| Current assets                                    |              |                              |                              |
| Cash                                              |              | \$ 235,645                   | \$ 649,997                   |
| Restricted short-term investment                  |              | 26,894                       | 26,302                       |
| Trade and other receivables                       | 3, 5         | 1,085,453                    | 633,737                      |
| Prepaid expenses and deposits                     |              | 158,632                      | 94,420                       |
| <b>Total current assets</b>                       |              | <b>1,506,624</b>             | <b>1,404,456</b>             |
| Non-current assets                                |              |                              |                              |
| Equipment                                         | 6            | 8,016                        | 455                          |
| Intangible assets                                 | 7            | 56,879                       | 52,755                       |
| <b>Total assets</b>                               |              | <b>\$ 1,571,519</b>          | <b>\$ 1,457,666</b>          |
| <b>Liabilities</b>                                |              |                              |                              |
| Current liabilities                               |              |                              |                              |
| Trade and other payables                          | 8, 12        | \$ 848,626                   | \$ 1,185,924                 |
| <b>Total current liabilities</b>                  |              | <b>848,626</b>               | <b>1,185,924</b>             |
| <b>Total liabilities</b>                          |              | <b>848,626</b>               | <b>1,185,924</b>             |
| <b>Shareholders' equity</b>                       |              |                              |                              |
| Share capital                                     | 9            | 9,987,210                    | 9,177,037                    |
| Shares to be issued                               | 10           | -                            | 291,811                      |
| Stock option reserve                              | 10           | 1,230,609                    | 1,081,410                    |
| Accumulated other comprehensive loss              |              | (14,820)                     | (25,059)                     |
| Deficit                                           |              | (10,480,106)                 | (10,253,457)                 |
| <b>Shareholders' equity</b>                       |              | <b>722,893</b>               | <b>271,742</b>               |
| <b>Total liabilities and shareholders' equity</b> |              | <b>\$ 1,571,519</b>          | <b>\$ 1,457,666</b>          |

**Nature of operations and going concern (note 1)****Commitments and contingencies (note 13)**

Approved by the Board of Directors:

"Thomas Bijou"

Director

"Richard Cooper"

Director

**See accompanying notes to the unaudited condensed interim consolidated financial statements**

**PUDO Inc.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)**

|                                                                                  |        | Three Months Ended<br>November 30, |                   | Nine Months Ended<br>November 30, |                   |
|----------------------------------------------------------------------------------|--------|------------------------------------|-------------------|-----------------------------------|-------------------|
|                                                                                  | Notes  | 2025                               | 2024              | 2025                              | 2024              |
| Revenue                                                                          | 3      | \$ 1,400,178                       | \$ 948,554        | \$ 4,230,076                      | \$ 2,685,627      |
| Cost of sales                                                                    | 11, 12 | (951,237)                          | (612,680)         | (2,844,440)                       | (1,826,786)       |
| <b>Gross profit</b>                                                              |        | <b>448,941</b>                     | <b>335,874</b>    | <b>1,385,636</b>                  | <b>858,841</b>    |
| Administrative expenses                                                          | 11     | (528,072)                          | (301,060)         | (1,463,086)                       | (993,629)         |
| Share-based compensation                                                         | 12     | (48,913)                           | (43,126)          | (149,199)                         | (133,073)         |
| <b>Net loss</b>                                                                  |        | <b>(128,044)</b>                   | <b>(8,312)</b>    | <b>(226,649)</b>                  | <b>(267,861)</b>  |
| Other comprehensive loss -<br>translation of foreign<br>subsidiary               |        | (11,556)                           | 3,860             | 10,238                            | (11,525)          |
| <b>Comprehensive loss for the<br/>period</b>                                     |        | <b>(139,600)</b>                   | <b>(4,452)</b>    | <b>(216,411)</b>                  | <b>(279,386)</b>  |
| <b>Loss per share - basic and<br/>diluted</b>                                    |        | <b>\$ (0.00)</b>                   | <b>\$ (0.00)</b>  | <b>\$ (0.01)</b>                  | <b>\$ (0.01)</b>  |
| <b>Weighted average number of<br/>shares outstanding - basic<br/>and diluted</b> |        | <b>33,272,286</b>                  | <b>27,271,007</b> | <b>33,272,286</b>                 | <b>27,271,007</b> |

See accompanying notes to the unaudited condensed interim consolidated financial statements

**PUDO Inc.**

**Condensed Interim Consolidated Statements of Changes in  
Shareholders' (Deficit) Equity  
(Expressed in Canadian Dollars)**

(Unaudited)

|                                                                          | # of<br>Common<br>Shares | Share<br>Capital   | Shares to<br>be Issued | Stock<br>Option<br>Reserve | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Deficit                | Total              |
|--------------------------------------------------------------------------|--------------------------|--------------------|------------------------|----------------------------|--------------------------------------------------------|------------------------|--------------------|
| <b>Balance, February 29, 2024</b>                                        | <b>27,271,007</b>        | <b>\$9,177,037</b> | <b>\$ -</b>            | <b>\$ 895,348</b>          | <b>\$ (1,789)</b>                                      | <b>\$ (10,170,648)</b> | <b>\$(100,052)</b> |
| Share-based compensation                                                 | -                        | -                  | -                      | 133,073                    | -                                                      | -                      | 133,073            |
| Comprehensive loss for the nine month period ended<br>November 30, 2024  | -                        | -                  | -                      | -                          | (11,525)                                               | (267,861)              | (279,386)          |
| <b>Balance, November 30, 2024</b>                                        | <b>27,271,007</b>        | <b>\$9,177,037</b> | <b>\$ -</b>            | <b>\$ 1,028,421</b>        | <b>\$ (13,314)</b>                                     | <b>\$ (10,438,509)</b> | <b>\$(246,365)</b> |
| Share-based compensation                                                 | -                        | -                  | -                      | 52,989                     | -                                                      | -                      | 52,989             |
| Shares to be issued                                                      | -                        | -                  | 291,811                | -                          | -                                                      | -                      | 291,811            |
| Comprehensive loss for the three month period ended<br>February 28, 2025 | -                        | -                  | -                      | -                          | (11,745)                                               | 185,052                | 173,307            |
| <b>Balance, February 28, 2025</b>                                        | <b>27,271,007</b>        | <b>\$9,177,037</b> | <b>\$ 291,811</b>      | <b>\$1,081,410</b>         | <b>\$ (25,059)</b>                                     | <b>\$ (10,253,457)</b> | <b>\$ 271,742</b>  |
| Share-based compensation                                                 | -                        | -                  | -                      | 149,199                    | -                                                      | -                      | 149,199            |
| Issuance of common shares via private placement (Note 9<br>(i))          | 2,913,147                | 393,275            | (291,811)              | -                          | -                                                      | -                      | 101,464            |
| Issuance of common shares to settle payable to vendor<br>(Note 9 (ii))   | 3,088,132                | 416,898            | -                      | -                          | -                                                      | -                      | 416,898            |
| Comprehensive loss for the nine month period ended<br>November 30, 2025  | -                        | -                  | -                      | -                          | 10,239                                                 | (226,649)              | (216,410)          |
| <b>Balance, November 30, 2025</b>                                        | <b>33,272,286</b>        | <b>\$9,987,210</b> | <b>\$ -</b>            | <b>\$1,230,609</b>         | <b>\$ (14,820)</b>                                     | <b>\$ (10,480,106)</b> | <b>\$ 722,893</b>  |

See accompanying notes to the unaudited condensed interim consolidated financial statements

**PUDO Inc.****Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

|                                                             | Notes | Nine Months<br>Ended<br>November 30,<br>2025 | Nine Months<br>Ended<br>November 30,<br>2024 |
|-------------------------------------------------------------|-------|----------------------------------------------|----------------------------------------------|
| <b>Cash flows received (used) from operating activities</b> |       |                                              |                                              |
| Net loss for the period                                     |       | \$ (226,649)                                 | \$ (267,861)                                 |
| Adjustments for:                                            |       |                                              |                                              |
| Amortization                                                | 6, 7  | 15,777                                       | 22,818                                       |
| Share-based compensation                                    | 12    | 149,199                                      | 133,072                                      |
| Allowance for doubtful accounts                             | 5     | (24,414)                                     | (17,992)                                     |
| Net change in working capital:                              |       |                                              |                                              |
| Restricted short-term investment                            |       | (592)                                        | (452)                                        |
| Trade and other receivables                                 |       | (427,302)                                    | (124,026)                                    |
| Prepaid expenses and deposits                               |       | (64,212)                                     | 14,700                                       |
| Trade and other payables                                    |       | 79,600                                       | 229,481                                      |
| <b>Cash flows used from operating activities</b>            |       | <b>(498,593)</b>                             | <b>(10,260)</b>                              |
| <b>Cash flows used in investing activities</b>              |       |                                              |                                              |
| Purchase of equipment                                       | 6     | (8,912)                                      | -                                            |
| Purchase of intangible assets                               | 7     | (18,550)                                     | (23,400)                                     |
| <b>Cash flows used in investing activities</b>              |       | <b>(27,462)</b>                              | <b>(23,400)</b>                              |
| <b>Cash flows received from financing activities</b>        |       |                                              |                                              |
| Proceeds from issuance of common shares                     |       | 101,464                                      | -                                            |
| <b>Cash flows received from financing activities</b>        |       | <b>101,464</b>                               | <b>-</b>                                     |
| <b>Change in cash during the period</b>                     |       | <b>(424,591)</b>                             | <b>(33,660)</b>                              |
| <b>Cash, beginning of period</b>                            |       | <b>649,997</b>                               | <b>155,725</b>                               |
| Effect of translation of foreign currency                   |       | 10,239                                       | (11,524)                                     |
| <b>Cash, end of period</b>                                  |       | <b>\$ 235,645</b>                            | <b>\$ 110,541</b>                            |

See accompanying notes to the unaudited condensed interim consolidated financial statements

# **PUDO Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)**

---

### **1. Nature of operations and going concern**

The principal activity of PUDO Inc. (the "Company") is using technology to improve the connection between e-commerce and consumers. The Company deploys its' technology to provide consumers with convenient locations to pick-up or drop-off e-commerce parcels. Through collaboration with online retailers, third party logistics companies ("3PL"), Software as a Service ("SaaS") and courier companies, consumers can take secure delivery of their parcels or drop-off returns where it's convenient, when it's convenient for them.

Existing businesses, such as convenience stores or gas stations, provide services as a PUDOpoint™ ("PUDOpoint"). PUDOpoints are typically open extended hours, seven days a week to make it convenient for busy consumers to quickly and efficiently collect what they've ordered online or drop off what they need to return. The Company deploys its technology to provide consumers with convenient PUDOpoints (the "Network") to pick-up and drop-off ("PUDO") e-commerce parcels.

The Company's services provide courier companies and retailers with a presence in a broad variety of locations to better serve their customers. Not only convenient, these services can also save money. Couriers don't have to attempt delivery a second or third time or make other arrangements with customers who aren't home. Retailers can ship directly to PUDOpoints saving residential delivery costs and reducing the risk of theft or spoilage. PUDO also helps retailers reduce the cost and increase the convenience of their returns program. Consumers can drop off pre-labeled parcels at any PUDOpoint for processing back to the retailer. The Company's registered office is at 6600 Goreway Drive, Unit D, Mississauga, Ontario, L4V 1S6. The Company is listed on the Canadian Securities Exchange ("CSE"), trading under the symbol "PDO" and is currently a member of the CSE Composite Index.

### **Going Concern**

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at November 30, 2025, the Company had a working capital surplus of \$657,998 (February 28, 2025 – \$218,532), had not yet achieved profitable operations, had used cash from operating activities of \$498,593 for the nine-month period ended November 30, 2025 (cash used from nine month period ended November 30, 2024 - \$10,260), had a deficit of \$10,480,106 as at November 30, 2025 (February 28, 2025 - \$10,253,457) and had shareholders' equity of \$722,893 (February 28, 2025 – \$271,742). Certain of these conditions reflect material uncertainties which cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in raising the necessary funding to continue operations in the past, there is no assurance that it will be able to do so in the future. These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

### **2. Basis of preparation**

#### **(a) Statement of compliance**

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended February 28, 2025. Any subsequent changes to IFRS that are given effect in the Company's

# **PUDO Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)**

---

### **2. Basis of preparation (continued)**

annual consolidated financial statements for the year ending February 28, 2026, could result in restatement of these unaudited condensed interim consolidated financial statements.

The condensed interim consolidated financial statements of the Company for the three and nine month periods ended November 30, 2025 were approved and authorized for issue by the Board of Directors on January 22, 2026.

#### (b) Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

#### (c) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries PUDOpoint Inc., Grandview Gold (USA) Inc., and Recuperacion Realzada, S.A.C.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

### **3. Financial risk management**

#### (a) Fair values

The carrying amounts of, cash, restricted short-term investment, trade and other receivables, trade and other payables approximate their fair values, given their short-term nature.

#### (b) Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and capital risk management. This note discloses information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and their management of capital.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### (i) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered into with the Company. The financial assets that potentially expose the Company to credit risk consist principally of cash or other receivables. The extent of the Company's exposure to credit risk approximate their carrying values are recorded in the Company's consolidated statement of financial position. A significant portion of the Company's revenues are from one customer. This customer is comprised of three different businesses operated independently under common control.

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 3. Financial risk management (continued)

|                                      | Three Months Ended<br>November 30, |            | Nine Months Ended<br>November 30, |            |
|--------------------------------------|------------------------------------|------------|-----------------------------------|------------|
|                                      | 2025                               | 2024       | 2025                              | 2024       |
| Revenue from customer #1             | \$ 415,557                         | \$ 315,218 | \$ 1,238,347                      | \$ 987,426 |
| % of total revenue                   | 30%                                | 33%        | 29%                               | 37%        |
| Revenue from customer #2             | \$ 334,416                         | \$191,433  | \$896,992                         | \$528,123  |
| % of total revenue                   | 24%                                | 20%        | 21%                               | 20%        |
| Revenue from customer #3             | \$ 208,030                         | \$115,088  | \$821,234                         | \$373,619  |
| % of total revenue                   | 15%                                | 12%        | 19%                               | 14%        |
|                                      | As at November 30, 2025            |            | As at February 28, 2025           |            |
| Accounts Receivable from customer #1 | \$                                 | 415,557    | \$                                | 146,129    |
| % of total accounts receivable       |                                    | 38%        |                                   | 25%        |
| Accounts Receivable from customer #2 | \$                                 | 235,073    | \$                                | 80,252     |
| % of total accounts receivable       |                                    | 22%        |                                   | 14%        |
| Accounts Receivable from customer #3 | \$                                 | 122,085    | \$                                | 79,106     |
| % of total accounts receivable       |                                    | 11%        |                                   | 13%        |

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

|                                  | November 30, 2025 | February 28, 2025 |
|----------------------------------|-------------------|-------------------|
| Cash                             | \$ 235,645        | \$ 649,997        |
| Restricted short-term investment | 26,894            | 26,302            |
| Trade and other receivables      | 1,085,453         | 633,737           |
|                                  | \$ 1,347,992      | \$ 1,310,036      |

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to finance its operations and to mitigate the effects of fluctuations in cash flows. See going concern discussion in note 1.

The following are the contractual maturities of financial liabilities:

| November 30, 2025        | 1 Year or Less | Greater than 1<br>year | Total        |
|--------------------------|----------------|------------------------|--------------|
| Trade and other payables | \$ 848,626     | \$ -                   | \$ 848,626   |
| February 28, 2025        | 1 Year or Less | Greater than 1<br>year | Total        |
| Trade and other payables | \$ 1,185,924   | \$ -                   | \$ 1,185,924 |

In order to meet such cash commitments, the Company will be required to generate sufficient cash inflows from operating and financing activities.

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 3. Financial risk management (continued)

#### (iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. All of the Company's equipment and intangible assets are located in Canada.

Revenue by geographic region for the three and nine month periods is as follows:

|                          | Three Months Ended<br>November 30, |                   | Nine Months Ended<br>November 30, |                     |
|--------------------------|------------------------------------|-------------------|-----------------------------------|---------------------|
|                          | 2025                               | 2024              | 2025                              | 2024                |
| Canada                   | \$ 1,368,227                       | \$ 914,304        | \$ 4,134,443                      | \$ 2,566,291        |
| United States of America | 31,951                             | 34,250            | 95,633                            | 119,336             |
|                          | <b>\$ 1,400,178</b>                | <b>\$ 948,554</b> | <b>\$ 4,230,076</b>               | <b>\$ 2,685,627</b> |

Revenue by service for the three and nine month periods is as follows:

|                       | Three Months Ended<br>November 30, |                   | Nine Months Ended<br>November 30, |                     |
|-----------------------|------------------------------------|-------------------|-----------------------------------|---------------------|
|                       | 2025                               | 2024              | 2025                              | 2024                |
| Returns               | \$ 887,826                         | \$ 516,304        | \$ 2,699,493                      | \$ 1,430,641        |
| For Pick UP           | 312,866                            | 161,774           | 762,909                           | 410,630             |
| Failed First Attempts | 130,226                            | 97,598            | 377,037                           | 291,359             |
| Third Party Logistics | -                                  | 73,659            | 179,313                           | 252,686             |
| Direct to PUDO        | 44,512                             | 55,768            | 136,878                           | 172,062             |
| Other                 | 24,748                             | 43,451            | 74,446                            | 129,249             |
|                       | <b>\$ 1,400,178</b>                | <b>\$ 948,554</b> | <b>\$ 4,230,076</b>               | <b>\$ 2,686,627</b> |

#### (iv) Currency risk

Since the Company has a bank account denominated in US dollars, it is exposed to foreign currency risk due to fluctuations in the exchange rate. The Company purchases goods and services and generates revenues in Canadian dollars and US dollars. Since the Company reports its results in Canadian dollars, the functional currency of the Company, it is exposed to changes in the value of the US dollar relative to that of the Canadian dollar.

As at November 30, 2025 and February 28, 2025, the Company and its subsidiaries had cash, trade and other receivables and trade and other payables denominated in US dollars as follows:

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 3. Financial risk management (continued)

| <b>As at November 30, 2025</b> | <b>USD</b> | <b>CAD<br/>Equivalent</b> |
|--------------------------------|------------|---------------------------|
| Cash                           | \$ 10,821  | \$ 15,127                 |
| Trade and other receivables    | 60,591     | 84,700                    |
| Trade and other payables       | (65,328)   | (91,323)                  |
|                                | \$ 6,084   | \$ 8,504                  |

| <b>As at February 28, 2025</b> | <b>USD</b> | <b>CAD<br/>Equivalent</b> |
|--------------------------------|------------|---------------------------|
| Cash                           | \$ 57,799  | \$ 83,450                 |
| Trade and other receivables    | 141,813    | 204,750                   |
| Trade and other payables       | (56,073)   | (80,958)                  |
|                                | \$ 143,539 | \$ 207,242                |

#### (v) Interest rate risk

The Company's exposure to risks of changes in market interest rates relates primarily to its cash and short-term investment balances. The Company regularly analyzes its interest rate exposure, giving consideration to potential renewals of existing positions, alternative financial positions and the mix of fixed and variable interest rates.

#### (vi) Capital risk management

The Company reviews and manages its capital position from time to time to maintain a balance between its liability and equity levels. The Company uses the capital contributed by investors to finance its working capital requirements. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future developments of the business. The Company defines capital as shareholder's equity, loans and borrowings. As at November 30, 2025, the Company had shareholders' equity of \$722,893 (February 28, 2025 – \$271,742).

The Company's capital management objectives, policies and processes have remained materially unchanged during the nine-month period ended November 30, 2025, and the year ended February 28, 2025.

#### (vii) Sensitivity analysis

Based on management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over the year. Sensitivity to a plus or minus 10% change in the US–Canadian dollar foreign exchange rate, based on the current US dollar denominated balances as at November 30, 2025, would affect the net loss by approximately plus or minus \$1,000 during a year.

### 4. Critical accounting estimates and judgments

The Company makes estimates and judgments that affect the reported amounts of assets and liabilities within the next year. Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# **PUDO Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)**

---

### **4. Critical accounting estimates and judgments (continued)**

#### *Intangible assets and equipment*

The useful life of intangible assets and equipment is determined by management at the time the software and equipment is acquired and brought into use and is regularly reviewed for appropriateness. For unique software products controlled by the Company, the estimated life is based on management's historical experience with similar products as well as anticipation of future events which may impact their life such as changes in technology. In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell (in the case of non-financial assets) and at objective evidence, for a significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The Company reviews property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

#### *Impairment of financial assets*

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### *Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Judgment is required in determining the Company's provisions for taxes, including the recognition and measurement of any potential deferred tax assets. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### *Share-based compensation*

The Company measures the cost of equity-settled transactions with employees, consultants, officers and directors by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Assumptions are made and judgment is used in applying valuation techniques.

These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### *Functional and presentation currency*

In determining the functional currency of the parent and its subsidiaries, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

#### *Going concern*

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to increase revenues and working capital requirements.

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 4. Critical accounting estimates and judgments (continued)

#### *Valuation of shares issued for non-cash considerations*

The Company makes estimates and judgments in determining the value of shares issued for non-cash consideration.

#### *Valuation of trade receivables*

The Company estimates the collectability and timing of collection of its receivables, classifying them as current assets or long-term assets, and applies provisions for collectability when necessary.

### 5. Trade and other receivables

|                   | November 30,<br>2025 | February 28, 2025 |
|-------------------|----------------------|-------------------|
| Trade receivables | \$ 863,435           | \$ 456,795        |
| Other receivables | 222,018              | 176,942           |
|                   | \$ 1,085,453         | \$ 633,737        |

Allowance for doubtful accounts as at November 30, 2025 was \$ 69,187 (February 28, 2025 – \$44,773).

The following is an aging analysis of the Company's trade and other receivables:

|                   |                  | Aging in Days |           |            |           |
|-------------------|------------------|---------------|-----------|------------|-----------|
|                   | Total Receivable | Current       | 31 to 60  | 61 to 90   | 91+       |
| February 28, 2025 | \$ 633,737       | \$ 549,107    | \$ 41,062 | \$ 3,452   | \$ 40,115 |
| November 30, 2025 | \$ 1,085,452     | \$ 772,120    | \$117,340 | \$ 150,478 | \$ 45,514 |

### 6. Equipment

| Scanners and Tablets         | Cost       | Accumulated<br>Amortization | Net Book Value |
|------------------------------|------------|-----------------------------|----------------|
| Balance at February 29, 2024 | \$ 327,335 | \$ 325,809                  | \$ 1,526       |
| Additions / amortization     | -          | 1,071                       | (1,071)        |
| Balance at February 28, 2025 | \$ 327,335 | \$ 326,880                  | \$ 455         |
| Additions / amortization     | 8,912      | 1,351                       | 7,561          |
| Balance at November 30, 2025 | \$ 336,247 | \$ 328,231                  | \$ 8,016       |

### 7. Intangible assets

| Computer Software            | Cost       | Accumulated<br>Amortization | Net Book Value |
|------------------------------|------------|-----------------------------|----------------|
| Balance at February 29, 2024 | \$ 811,791 | \$ 766,789                  | \$ 45,002      |
| Additions / amortization     | 33,900     | 26,147                      | 7,753          |
| Balance at February 28, 2025 | \$ 845,691 | \$ 792,936                  | \$ 52,755      |
| Additions / amortization     | 18,550     | 14,426                      | 4,124          |
| Balance at November 30, 2025 | \$ 864,241 | \$ 807,362                  | \$ 56,879      |

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 8. Trade and other payables

|                     | November 30,<br>2025 | February 28,<br>2025 |
|---------------------|----------------------|----------------------|
| Trade payables      | \$ 664,556           | \$ 911,539           |
| QST payable         | -                    | 3,528                |
| Other payables      | 50,718               | 52,926               |
| Accrued liabilities | 133,352              | 217,931              |
|                     | <b>\$ 848,626</b>    | <b>\$ 1,185,924</b>  |

Trade payables are non-interest bearing and payable within thirty (30) days.

### 9. Share capital

#### (a) Authorized

Unlimited number of common shares with no par value.

Unlimited number of preference shares. The preference shares are without par value, redeemable, non-voting and non-participating (none currently issued and outstanding).

#### (b) Issued

| Common Shares                                  | Number            | Amount              |
|------------------------------------------------|-------------------|---------------------|
| <b>Balance, February 29, 2024</b>              | <b>27,271,007</b> | <b>\$ 9,177,036</b> |
| Common share activity                          | -                 | -                   |
| <b>Balance, February 28, 2025</b>              | <b>27,271,007</b> | <b>\$ 9,177,036</b> |
| Issuance of common shares in private placement | 2,913,147         | 393,275             |
| Common shares issued in settlement of debt     | 3,088,132         | 416,898             |
| <b>Balance, November 30, 2025</b>              | <b>33,272,286</b> | <b>\$ 9,987,210</b> |

- (i) In March 2025, the Company closed a non-brokered private placement of 2,913,147 common shares at a price of \$0.135 per common share for total proceeds of \$393,274. The common shares were issued at a price equal to the closing market price of the common shares of the Company as listed on the Canadian Securities Exchange ("CSE") on March 7, 2025, being \$0.135, in accordance with the policies of the CSE. All common shares are subject to a statutory hold period of four months and one day from the date of issuance.
- (ii) In March 2025, the Company settled debt in the amount of \$416,898 owed by the Company to certain creditors of the Company in exchange for an aggregate of 3,088,132 common shares at a price of \$0.135 per common share. All common shares are subject to a statutory hold period of four months and one day from the date of issuance.

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 10. Stock option reserve

The Company maintains an employee stock option plan under which the Board of Directors, or the compensation committee of the Board of Directors, may from time to time grant to employees, officers, directors or consultants of the Company, options to acquire common shares in such numbers, for such terms and at such exercise prices, as may be determined by the Board of Directors or the compensation committee of the Board of Directors.

The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 20% of the total issued and outstanding common shares.

The following table reflects the continuity of stock options for the nine-month period ended November 30, 2025, and the year ended February 28, 2025:

|                                   | Number of<br>stock options | Exercise Price |
|-----------------------------------|----------------------------|----------------|
| <b>Balance, February 29, 2024</b> | <b>2,275,545</b>           | <b>\$ 1.13</b> |
| Issuance of options (i)           | 1,685,000                  | 0.14           |
| <b>Balance, February 28, 2025</b> | <b>3,960,545</b>           | <b>\$ 0.59</b> |
| Options expired (ii)              | (213,750)                  | 1.14           |
| Options expired (iii)             | (135,000)                  | 1.75           |
| <b>Balance, November 30, 2025</b> | <b>3,611,795</b>           | <b>\$ 0.49</b> |

The following table reflects the actual stock options issued and outstanding as at November 30, 2025:

|                  | Exercise<br>Price (\$) | Remaining<br>contractual<br>life (years) | Number of<br>options<br>outstanding | Options<br>vested<br>(exercisable) | Estimated grant<br>date fair value<br>(\$) |
|------------------|------------------------|------------------------------------------|-------------------------------------|------------------------------------|--------------------------------------------|
| March 1, 2027    | 0.81                   | 1.25                                     | 569,445                             | 521,991                            | 367,071                                    |
| January 2, 2027  | 0.80                   | 1.09                                     | 1,357,350                           | 989,734                            | 525,275                                    |
| January 30, 2030 | 0.135                  | 4.17                                     | 1,685,000                           | 351,042                            | 227,230                                    |
|                  | 0.49                   | 2.17                                     | 3,611,795                           | 1,862,767                          | 1,119,576                                  |

- (i) On January 30, 2025, the Company granted 1,685,000 stock options to directors and employees of the Company. The options were exercisable at a price of \$0.135 per common share and will expire on January 30, 2030. 1,000,000 options to an employee of the Company vest in 6% increments quarterly with the first 6% having vested on April 30, 2025. 685,000 options were issued to directors and an employee of the company vest in 25% increments yearly with the first vesting on January 30, 2026. The grant date fair value of the stock options was estimated to be \$227,230 using the Black-Scholes valuation model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 132%, risk free interest rate of 3% and expected life of 5 years.
- (ii) On July 17, 2025, 213,750 of Company's stock options granted to employees, directors and consultants expired.

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 10. Stock option reserve (continued)

- (iii) On July 17, 2025, 135,000 of Company's stock options granted to employees, directors and consultants expired.

### 11. Expenses categorized by nature

| Cost of sales                         | Three Months Ended<br>November 30, |            | Nine Months Ended<br>November 30, |              |
|---------------------------------------|------------------------------------|------------|-----------------------------------|--------------|
|                                       | 2025                               | 2024       | 2025                              | 2024         |
| External processing charges (note 12) | \$ 950,042                         | \$ 610,641 | \$ 2,840,334                      | \$ 1,821,227 |
| Computer and web access charges       | 1,195                              | 2,039      | 4,106                             | 5,559        |
|                                       | \$ 951,237                         | \$ 612,680 | \$ 2,844,440                      | \$ 1,826,786 |

  

| Administrative expenses             | Three Months Ended<br>November 30, |            | Nine Months Ended<br>November 30, |            |
|-------------------------------------|------------------------------------|------------|-----------------------------------|------------|
|                                     | 2025                               | 2024       | 2025                              | 2024       |
| Salaries and Benefits (note 12)     | \$ 307,840                         | \$ 168,353 | \$ 869,786                        | \$ 523,303 |
| General and administrative expenses | 102,156                            | 68,367     | 264,539                           | 203,944    |
| Travel and business development     | 31,831                             | 5,139      | 46,776                            | 19,068     |
| Consulting fees (note 12)           | 30,840                             | 23,018     | 97,544                            | 96,579     |
| Transfer agent and filing fees      | 19,145                             | 16,198     | 42,641                            | 40,337     |
| Investor relations                  | 15,845                             | 4,591      | 33,434                            | 37,552     |
| Accounting and office               | 10,487                             | 10,325     | 38,612                            | 30,804     |
| Professional fees                   | 9,927                              | 9,054      | 28,999                            | 27,456     |
| Amortization (notes 6 and 7)        | 5,455                              | 8,073      | 15,777                            | 22,817     |
| Foreign exchange loss (gain)        | (5,454)                            | (12,058)   | 24,978                            | (8,231)    |
|                                     | \$ 528,072                         | \$ 301,060 | \$ 1,463,086                      | \$ 993,629 |

### 12. Related party balances and transactions

During the three and nine month period ended November 30, 2025, the Company incurred bookkeeping fees, office rental, and warehouse sorting costs to a company with a common office and director. Warehouse sorting is included in cost of sales in the amount of \$31,139 for three month and \$96,642 for nine month period ended November 30, 2025 (\$29,549 for three month and \$76,299 for the nine month period ended November 30, 2024). Bookkeeping fee and office rental are included in accounting and office expense in the amount of \$3,054 for the three month and

\$9,426 for the nine month period ended November 30, 2025 (\$3,054 for three month and \$9,162 for the nine month period ended November 30, 2024).

During the three and nine month periods ended November 30, 2025 and 2024, the Company had the following transactions with shareholders, management and directors:

# PUDO Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three and Nine Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 12. Related party balances and transactions (continued)

|                          | Three Months Ended |           |              |            | Nine Months Ended |      |              |      |
|--------------------------|--------------------|-----------|--------------|------------|-------------------|------|--------------|------|
|                          | November 30,       |           | November 30, |            | November 30,      |      | November 30, |      |
|                          | 2025               | 2024      | 2025         | 2024       | 2025              | 2024 | 2025         | 2024 |
| Share based compensation | \$ 48,913          | \$ 43,126 | \$ 149,200   | \$ 133,073 |                   |      |              |      |
| Salaries and benefits    | 90,199             | 24,855    | 269,142      | 74,098     |                   |      |              |      |
| Consulting fees          | 10,487             | 10,325    | 31,248       | 48,804     |                   |      |              |      |
|                          | \$ 149,599         | \$ 78,306 | \$ 449,589   | \$ 255,975 |                   |      |              |      |

As at November 30, 2025, balances payable to the related parties noted above amounted to \$47,136 (February 28, 2025 - \$364,333) and are included in trade and other payables. These balances are unsecured, non-interest bearing and are due on demand.

### 13. Commitments and contingencies

The Company has entered into various agreements for services, which if terminated by the Company would not have any significant impact on the Company's consolidated financial statements. These amounts have not been accrued in the condensed interim consolidated financial statements as at November 30, 2025.