

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### SPACEFY INC.

#### Management Discussion and Analysis

For the year ended December 31, 2025

Dated: May 1, 2026

*The following is a discussion and analysis of the activities, results of operations and financial condition of Spacefy Inc. ("Spacefy" or the "Company") for the years ended December 31, 2025 and 2024. The discussion should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2025 and related notes thereto. The Company's financial statements have been prepared in accordance with International Accounting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR) and are available online at [sedarplus.ca](https://www.sedarplus.ca).*

This discussion contains forward-looking statements that are historical in nature and involves risks and uncertainties. Forward-looking statements are not a guarantee as to Spacefy's future results as there are inherent difficulties in predicting future results. This MD&A includes, but is not limited to, forward looking statements. Management considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements.

### DESCRIPTION OF THE BUSINESS

Spacefy Inc. ("Spacefy" or the "Company") was incorporated in Canada on August 25, 2014, under the Ontario Business Corporations Act. On November 29, 2018, Spacefy completed an Initial Public Offering ("IPO") and commenced trading on the Canadian Securities Exchange under the symbol SPFY.

Spacefy is an Internet-based marketplace for connecting Creatives, which includes a range of people in the creative industries such as photographers, filmmakers, ad agencies and their agents, event planners, musicians and other members of the arts community, with locations to execute their creative projects. Spacefy provides a marketplace where property owners and/or managers ("Space Owners") of venues can showcase their properties complete with detailed descriptions, photographs, and descriptions of various amenities. This marketplace is the Spacefy Platform. On the Platform, individuals or businesses connect with venue owners to find, and book short-term locations listed on the Spacefy platform. These venues include houses and condos, restaurants and bars, professional photography and music studios, vacant retail shops, event venues or farms.

### Outlook

To date, the company has not yet monetized the platform and is therefore seeking synergistic acquisitions and partnerships and strategic alternatives, including equity financings, settlement negotiations with creditors, and potential business combinations.

### Selected Annual Information

| For the years ended December 31              | 2025        | 2024        | 2023        |
|----------------------------------------------|-------------|-------------|-------------|
| Revenue                                      | \$ -        | \$ -        | \$ 525      |
| Expenses                                     | \$ 58,217   | \$ 80,827   | \$ 84,324   |
| Net loss and comprehensive loss for the year | \$ (58,217) | \$ (33,392) | \$ (83,799) |
| Basic and fully diluted loss per share       | \$ (0.00)   | \$ (0.00)   | \$ (0.00)   |
| Cash flows used in operating activities      | \$ (4,422)  | \$ (25,129) | \$ (54,331) |
| Cash flows from investing activities         | \$ -        | \$ -        | \$ -        |
| Cash flows from financing activities         | \$ 4,150    | \$ 20,369   | \$ 54,574   |

**As at December 31**

|                                                   |    |       |    |        |    |        |
|---------------------------------------------------|----|-------|----|--------|----|--------|
| Total Assets                                      | \$ | 6,270 | \$ | 12,932 | \$ | 20,727 |
| Total long-term financial liabilities             | \$ | -     | \$ | 61,180 | \$ | -      |
| Cash dividends declared for all classes of shares |    | N/A   |    | N/A    |    | N/A    |

**Results of Operations**

As at December 31, 2025, the Company's current assets included a cash balance of \$3,230 (December 31, 2024 - \$3,503), and accounts receivables consisting of HST receivable in the amount of \$3,040 (December 31, 2024 - \$9,429). Liabilities at December 31, 2025 totaled \$723,949 (December 31, 2024 - \$672,394) and included \$376,678 (December 31, 2024 - \$329,273) of accounts payable and accrued liabilities, related party loans and advances of \$286,091 (December 31, 2024 - \$281,941), and a government emergency loan (CEBA) in the amount of \$61,180 (December 31, 2024 - \$61,180).

Statement of loss for the year ended December 31, 2025 and 2024 is as follows:

|                                            | 2025            | 2024            |
|--------------------------------------------|-----------------|-----------------|
|                                            | \$              | \$              |
| <b>EXPENSES</b>                            |                 |                 |
| General and administrative                 | 8,563           | 2,532           |
| Management and consulting fees             | 15,000          | 57,000          |
| Professional fees                          | 17,354          | 14,975          |
| Interest expense                           | -               | 1,180           |
| Regulatory                                 | 17,300          | 5,141           |
|                                            | 58,217          | 80,827          |
| <b>Net loss before other items</b>         | <b>(58,217)</b> | <b>(80,827)</b> |
| Gain on write off of aged accounts payable | -               | 47,436          |
| <b>Net loss and comprehensive loss</b>     | <b>(58,217)</b> | <b>(33,392)</b> |

Operating expenses in 2025 reflect a decrease in management and consulting fees and an increase in regulatory and listing fees compared to 2024. Management and consulting fees were lower in the current year due to the reversal of approximately \$21,000 accrued in 2024 for consultants engaged to support business development and restructuring initiatives, which did not proceed as originally planned. Partially offsetting this decrease, regulatory and listing fees were higher in 2025, primarily reflecting the recognition of additional listing costs in the current period.

## Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the most recent 8 fiscal quarters:

|                                     | <b>Quarter 1 ended<br/>March 31, 2024<br/>\$</b> | <b>Quarter 2 ended<br/>June 30, 2024<br/>\$</b> | <b>Quarter 3 ended<br/>September 30, 2024<br/>\$</b> | <b>Quarter 4 ended<br/>December 31, 2024<br/>\$</b> |
|-------------------------------------|--------------------------------------------------|-------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Revenue                             | -                                                | -                                               | -                                                    | -                                                   |
| Earnings (Loss)                     | (12,182)                                         | (17,717)                                        | (14,889)                                             | 11,396(i)                                           |
| Net Loss per common share           | (0.00)                                           | (0.00)                                          | (0.00)                                               | (0.00)                                              |
| Weighted average shares outstanding | 45,458,608                                       | 45,458,608                                      | 45,458,608                                           | 45,458,608                                          |
|                                     | <b>Quarter 1 ended<br/>March 31, 2025<br/>\$</b> | <b>Quarter 2 ended<br/>June 30, 2025<br/>\$</b> | <b>Quarter 3 ended<br/>September 30, 2025<br/>\$</b> | <b>Quarter 4 ended<br/>December 31, 2025<br/>\$</b> |
| Revenue                             | -                                                | -                                               | -                                                    | -                                                   |
| Earnings (Loss)                     | (41,739)                                         | (40,496)                                        | (11,824)                                             | 35,842(ii)                                          |
| Net (Loss) per common share         | (0.00)                                           | (0.00)                                          | (0.00)                                               | (0.00)                                              |
| Weighted average shares outstanding | 45,458,608                                       | 45,458,608                                      | 45,458,608                                           | 45,458,608                                          |

(i) Net earnings in the quarter were the result of writing off statute-barred payables.

(ii) Net earnings in the quarter were the result of writing off previous accruals.

## Liquidity and Capital Resources

During the year ended December 31, 2025 the Company's operating activities required \$4,422 (2024 - \$25,129) in cash. The Company's cash as at December 31, 2025 was \$3,230 (December 31, 2024 - \$3,503) and the Company had working capital deficit of \$717,679 (December 31, 2024 – working capital deficit of \$598,282).

Cash from financing activities was \$4,150 (2024 - \$20,369) representing advances from a related party (see related party section).

At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth. The ability of the Company to continue operations over the course of the next 12 months is dependent upon obtaining additional financing. The Company will seek to raise additional funding to finance operations. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance small cap companies. There can be no guarantee that the Company will be able to secure any required financing.

At its current operating level, the Company will not have sufficient funds generated from ongoing operations to cover short-term and long-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional financing for costs related to operations, technology development and growth strategy. The Company is currently addressing its liquidity concerns by proactively planning future financings through the sale of debt and (or) equity, and loans from related parties. The Company has been raising necessary funds in the past through years through loans from related parties. The ability to complete future financings through equity and debt, the timing and ability to do so, will depend on the liquidity of the financial markets, economic conditions, as well as the acceptance of investors to small cap companies.

The primary need for liquidity is to fund working capital requirements of the business. The current source of liquidity has been from related party loans.

## Off-Balance Sheet Arrangements

As of the date of this report, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

## Related Party Transactions

SB2 Group Inc. ("SB2") is related to the Company by virtue of common shareholders and Michael Bradley is a director of both SB2 and the Company. The amount payable of \$150,000 was originally non-interest bearing, unsecured and was due on August 15, 2017. Various amendment had been made in previous years to extend the maturity date on the loans and advances. As at December 31, 2025, the loans and advances of \$135,000 (December 31, 2024 - \$135,000) are due on demand.

During the year ended December 31, 2025, the Company was advanced \$4,150 (2024 - \$4,953) by Michael Bradley, a director and the Chief Executive Officer of the Company, and 1000040651 Ontario Inc. ("651"), a company owned by Michael Bradley. These advances are included in loans from related parties and are non-interest bearing and have no specific terms of repayment. 651 and Michael Bradley also paid \$nil (2024 - \$15,416) of vendor invoices on behalf of the Company. These amounts are included in Loans from related parties. As at December 31, 2025 \$151,091 is outstanding (December 31, 2024 - \$146,941).

Key management personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. As of December 31, 2025, the Company's key management personnel consist of its directors and senior management (Chief Executive Officer and Chief Financial Officer). The Company incurred fees and expenses in the normal course of operations in connection with the key management and directors. Details are as follows for the years ended December 31, 2025 and 2024:

| Nature of Transactions       | 2025      | 2024      |
|------------------------------|-----------|-----------|
| Management fees and salaries | \$ 36,000 | \$ 36,000 |
|                              | \$ 36,000 | \$ 36,000 |

As at December 31, 2025, the Company had accounts payable of \$243,600 (December 31, 2023 - \$207,600) due for CFO management fees.

## Critical Accounting Estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Although these estimates are based on management's best knowledge of the current events and actions that the Company may undertake in the future, actual results may differ from these estimates.

## Financial Instruments and Risk Management

The Company's objective is to have sufficient working capital to maintain financial flexibility and to sustain the future development of the Company. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its capital spending to manage current and projected cash requirements. To assess its financial strength, the Company continually monitors its cash balances and working capital. In the management of capital, the Company includes the components of shareholder's equity as well as cash and cash equivalents.

There were no changes to the Company's approach to capital management during the year ended December 31, 2025.

The Company's financial instruments consist of cash, amounts receivable, accounts payable, and loans from related parties. The fair values of these financial instruments approximate their carrying values due to the short-term nature of the instruments or their cash value.

The Company may be exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, and liquidity.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. Management does not believe there is any significant credit risk from any of the Company's customers as orders are only processed after payment is received. The Company reviews financial assets past due on an ongoing basis with the objective of identifying potential matters which could delay the collection of funds at an early stage. Once items are identified as being past due, contact is made with the respective customer to determine the reason for the delay in payment and to establish an agreement to rectify the breach of contractual terms. To manage cash credit risk, the Company only engages banks with appropriate credit ratings. Credit risk on sales tax receivable balances is considered insignificant.

**Currency risk**

The Company generates all revenue in Canadian dollars but expenses are incurred in both U.S. and Canadian dollars, exposing the Company to fluctuations in earnings from volatility in foreign currency rates. Management however concludes the exposure to currency risk is not material and the Company does not utilize any financial instruments or cash management policies to mitigate such currency risks.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly with respect to ensuring the sufficiency of funds for working capital and commitments. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. The Company's financial liabilities are comprised of accounts payable and accrued liabilities and loans from related parties.

Currently there is insufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations, and the Company's cash position as at December 31, 2025. The Company is currently experiencing a significant liquidity shortfall and does not anticipate material cash flows from its products and services in the near term. The Company is actively pursuing financing options and exploring opportunities to increase revenue. However, there is no assurance that these efforts will be successful, or that financing or revenue growth will be sufficient to achieve positive cash flow, meet timelines, or be available on acceptable terms, if at all. Failure to secure financing or improve liquidity may impair the Company's ability to fund ongoing operations and cover corporate administrative costs.

**Fair Value Risk**

Due to their short-term nature, the carrying value of cash, cash held in trust, accounts receivable, accounts payable and accrued liabilities and current portion of loans from related parties approximates their fair value.

**Disclosure of Outstanding Security Data**

As at the date of this report the Company had 45,458,608 common shares issued and outstanding.

As at the date of this report the Company had no share purchase warrants or stock options outstanding.

**Risks**

*See risk section detailed in the Company's filing statement as filed on SEDAR on November 29, 2018.*