

5D ACQUISITION CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE THREE MONTHS ENDED FEBRUARY 29, 2024

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended February 29, 2024, and February 28, 2023 and accompanying notes, as well as the Company's annual financial statements and MD&A for the year ended November 30, 2023, prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

DATE

This MD&A is dated April 22, 2024, and is in respect of the three months ended February 29, 2024, and February 28, 2023. The discussion in this MD&A focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates.

DISCLAIMER FOR FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating to future events. In some cases, forward looking statements can be identified by such words as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" or similar expressions. These statements represent management's best projections, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

5D Acquisition Corp. (the "**Company**") was incorporated under the *Business Corporations Act* of British Columbia on December 9, 2020. The Company is a Capital Pool Company ("**CPC**") as defined in the TSX Venture Exchange (the "**Exchange**") Policy 2.4. The Company's shares commenced trading on the Exchange on April 18, 2023, under the trading symbol "FIVD.P".

The principal business of the Company is the identification and evaluation of assets or business with a view to potentially acquire them or an interest therein by an option or any concomitant transaction. The purpose of such acquisition is to satisfy the related conditions of a qualifying transaction under the policies of the Exchange.

The head office, principal address and registered office of the Company are located at #220- 333 Terminal Avenue, Vancouver, BC V6A 4C1, Canada.

On April 14, 2023, the Company completed its Initial Public Offering ("IPO").

RISKS AND UNCERTAINTIES

The Company does not have a history of earnings, nor has it paid any dividends. The Company has only limited funds and there is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the exchange may suspend or de-list the Company's shares from trading.

SUMMARY OF QUARTERLY RESULTS

The financial information in the following tables summarizes selected financial information for the Company for the last eight quarters which was derived from annual financial statements prepared in accordance with IFRS or interim financial statements prepared in accordance with IFRS applicable to the preparation of interim financial statements, IAS 34, Interim Financial Reporting:

	February 29, 2024 (unaudited) \$	November 30, 2023 (audited) \$	August 31, 2023 (unaudited) \$	May 31, 2023 (unaudited) \$
Revenue	-	-	-	-
Net loss and comprehensive loss	(13,978)	(35,733)	(15,653)	(52,002)
Income (loss) per share	(0.00)	(0.01)	(0.00)	(0.02)

	February 28, 2023 (unaudited) \$	November 30, 2022 (audited) \$	August 31, 2022 (unaudited) \$	May 31, 2022 (unaudited) \$
Revenue	-	-	-	-
Net income (loss) and comprehensive income (loss)	(37,223)	(18,667)	(27,448)	(4,687)
Income (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

Net loss for the quarter ended February 29, 2024, decreased compared to the quarter ended November 30, 2023. This is primarily due to professional fees incurred during the quarter ended November 30, 2023 related to audit and legal fees.

Net loss for the quarter ended November 30, 2023, increased compared to the quarter ended August 31, 2023. This is primarily due to \$20,000 in audit fees accrued during the quarter ended November 30, 2023.

Net loss for the quarter ended August 31, 2023, decreased compared to the quarter ended May 31, 2023. This is mainly due to \$43,541 in stock-based compensation incurred through the issuance of 562,900 stock options to directors and officers of the Company, which vested immediately, in the quarter ended May 31, 2023.

Net loss for the quarter ended May 31, 2023, increased compared to the quarter ended February 28, 2023. This is mainly due to the stock-based compensation expenses in the amount of \$43,541 in relation to the Company's IPO recorded in the quarter.

Net loss decreased during the quarter ended February 28, 2023, compared to the quarter ended November 30, 2022. This is mainly due to \$61,983 in professional fees incurred in the quarter ended November 30, 2022, including legal fees in relation to the IPO, as well as fees for the annual audit.

Net loss decreased during the quarter ended November 30, 2022, compared to the quarter ended August 31, 2022. This is mainly due to a decrease in professional fees in the quarter ended November 30, 2022, including legal fees in relation to the IPO, as well as fees for the annual audit.

Net loss increased during the quarter ended August 31, 2022, compared to the quarter ended May 31, 2022. This is mainly due to \$27,063 in professional fees incurred in the quarter ended August 31, 2022, related to the completion of the preliminary prospectus, as well as filing fees paid to TSX Venture Exchange.

RESULTS OF OPERATIONS

Three Months Ended February 29, 2024 and February 28, 2023

For the three months ended February 29, 2024, the Company recorded a net loss of \$13,978 (2023 - \$37,223). The decrease in loss for the three months ended February 29, 2024, is primarily attributable to a decrease in audit fees recorded in the quarter, as well as the one-time accounting fees of \$10,500 and IPO related fees incurred in the prior comparative period.

ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUES

	For the three months ended February 29, 2024	For the three months ended February 28, 2023
Interest and bank charges	\$ 129	\$ 380
Travel	-	1,426
Meals and entertainment	-	182
Total general and administrative	\$ 129	\$ 1,988

OUTSTANDING SHARE DATA

Common Shares

As of February 29, 2024, and as at date of this report, the Company had 5,629,000 common shares and 517,591 stock options issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

As of February 29, 2024, the Company had working capital of \$143,075 (November 30, 2023 – \$157,053), cash balance of \$164,203 (November 30, 2023 – \$189,652), prepaids of \$5,840 (November 30, 2023 – \$372) and accounts payable and accrued liabilities of \$26,968 (November 30, 2023 – \$32,971).

For the three months ended February 29, 2024, the Company used a total of \$25,449 in operating activities compared to \$21,924 for the three months ended February 28, 2023. The increase was due to payments of prepaid invoices received in the current period as well as payments of accounts payable carried forward from the prior period.

Management considers the current funds level to be sufficient for the Company to meet its ongoing obligations for the next year.

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

On October 27, 2023, the Company entered into a non-binding Letter of Intent (the “LOI”) with DYM Technology Canada Corp. (“DYM”), pursuant to which 5D Acquisition Corp. and DYM intend to complete a business combination (the “Proposed Transaction”) to form a company (the “Resulting Issuer”) which will carry on the business of DYM following the completion of the Proposed Transaction.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The related parties of the Company consist of the following individuals:

Mohammad Fazil, CFO, CEO and Director
Joel Primus, Corporate Secretary and Director
Jiewei Wang, Director
Zhaoji Hou, Director

All related party transactions are carried out in the normal course of operations.

There were no compensation costs for key management personnel during the three months ended February 29, 2024 and 2023.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from the financial instruments and that the fair values of these instruments approximate their carrying values due to their short-term nature.

The Board of Directors reviews and agrees on policies for managing each of the risks summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's financial assets consist of cash. The Company's maximum exposure to credit risk, as at period-end, is the carrying value of its financial assets. The Company mitigates credit risk by holding financial instruments within financial institutions of high creditworthiness. As at February 29, 2024, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they come due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk.

Foreign currency risk

The Company is not currently exposed to foreign currency risk as all of its assets, liabilities and operations are denominated in Canadian dollars.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The annual financial statements do not include any accounts that require significant estimates as the basis for determining the stated amounts.

CAPITAL RISK MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity which is comprised of issued share capital and retained earnings. The Company manages its capital structure and makes adjustments to it in light of economic conditions.

The Company's primary source of capital is through the issuance of common shares. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control.

While the Company is a CPC it is subject to externally imposed capital requirements under the policies and regulation of the Exchange applicable to CPC entities. In summary, the Company is required to use its available funds to identify and complete a Qualifying Transaction and fund reasonable general and administrative costs, including costs related to the initial public offering of the CPC. There are prohibitions under the policies and regulations of the Exchange to use available funds for payments to non-arm's length parties in the form of compensation such as salaries, consulting fees and bonuses. There was no change in the Company's approach to capital management during the three months ended February 29, 2024.