



Management Discussion & Analysis
For the six months ended June 30, 2025 and 2024

Introduction

This management's discussion and analysis of the financial condition and results of operations ("MD&A") should be read together with EMERGE Commerce Ltd. (the "Company", "our", "we", "EMERGE Commerce" or "EMERGE") unaudited condensed consolidated interim financial statements for the six months ended June 30, 2025 and accompanying notes, as well as the Company's annual financial statements and MD&A for the year ended December 31, 2024.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Additional information relating to the Company, including its financial statements, can be obtained from documents filed on the System for Electronic Document Analysis ("SEDAR") at www.sedar.com under EMERGE Commerce Ltd.

This MD&A is presented as of August 27, 2025. All financial information contained herein is expressed in Canadian dollars, the Company's reporting currency, unless otherwise indicated.

This MD&A contains forward-looking statements. See Forward-Looking Statements below for further information.

Non-GAAP Measures

Certain financial measures used in this MD&A make reference to certain non-GAAP measures. These non-GAAP measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the financial information of the Company reported under IFRS. Gross Merchandise Sales ("GMS"), Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA should not be construed as alternatives to net income/loss determined in accordance with IFRS. GMS, EBITDA and Adjusted EBITDA do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

For the definition and reconciliation of these non-IFRS financial measures to the most comparable IFRS financial measures, as applicable, see the "Non-GAAP Financial Measures" section of this MD&A.

Company Overview

EMERGE Commerce (TSX-V: ECOM) is a Canadian e-commerce and retail portfolio of premium brands. Our subscription, marketplace, and retail businesses provide our members with access to offerings across our grocery and golf verticals. truLOCAL is our flagship Canadian meat and seafood subscription service, connecting local farmers with a health-conscious audience. Our golf vertical includes our discounted tee-times/ experiences brand, UnderPar, and our discounted golf apparel and equipment brands, JustGolfStuff and Tee 2 Green.

EMERGE leverages its seasoned management team, digital advertising capabilities, technology, merchant relationships, and data partnerships to offer its portfolio of companies improved economics and support.

EMERGE brands connect consumers shopping online with merchants seeking new and repeat customers. Consumers are looking to explore, shop and save, while merchant partners seek to acquire new customers, clear excess inventory, improve cash flow and generate buzz.

EMERGE is managed on the belief that by providing shared resources, technology, and cross-selling opportunities coupled with exceptional customer service, it will enable portfolio companies to offer customers a better shopping experience across a variety of products and experiences.

Development of the business in the six months ended June 30, 2025

Carnivore Club Sale

In January 2025, the Company completed a sale of substantially all of the assets related to the Carnivore Club Canadian and US businesses for a total purchase price of \$0.5 million, including \$0.35 million cash on closing, and a \$0.15 million note receivable over 15 equal monthly installments. Carnivore Club was considered a non-core asset, and management made a decision to focus on the growth of larger and more compelling businesses.

Acquisition of Tee 2 Green Ltd.

In April 2025, the Company completed acquisition of Tee 2 Green Ltd. ("T2G") for a total consideration of \$2.2 million, including \$1.1 million cash on closing, \$0.9 million deferred consideration over a 5-year payment plan, and \$0.2 million in Emerge shares issued at \$0.065/share (subject to a 180-day escrow). As part of the deal, the Company also acquired \$2.4 million inventory under an 8-year payment plan. T2G is a profitable, discount golf apparel and equipment business with a multi-decade track record of operations, primarily focused on the Canadian market. T2G is expected to be synergistic with EMERGE's extensive golf business, which includes UnderPar and JustGolfStuff.

Amended Credit Facility

In April 2025, alongside the T2G acquisition, the Company entered into a first amendment (the "Amended Facility") to the second amended and restated credit agreement dated January 31, 2024, with its existing lender, which amends the Company's current credit agreement. The Amended Facility provides an 18-month extension, and an additional 6-month extension option provided that lender consent is obtained. Inclusive of the 6-month extension, the Amended Facility would mature in April 2027. The Company remains in good standing with its existing lender, which it has worked with since November 2019.

Cancellation of RSUs

In June 2025, a director voluntarily cancelled 557,692 of the 1,115,385 restricted share units ("RSUs") previously granted to him on June 28, 2024, leaving a balance of 557,693 RSUs maturing on June 28, 2025.

Issuance of Restricted Share Unit Grants

In June 2025, a total of 2,880,000 RSUs were granted to certain directors, officers, and employees of the Company. The RSUs have a one-year vesting schedule and were issued with an effective price of \$0.05. Each vested RSU entitles the holder to receive one common share of the Company upon redemption thereof.

Overall Performance

Revenue and Adjusted EBITDA¹

Revenue from continuing operations was \$8.5 million for the three months ended June 30, 2025 compared to \$5.0 million in the prior year period, representing a 70% increase. For the six months ended June 30, revenue was \$13.5 million in 2025, up from \$9.6 million in 2024, reflecting an increase of \$3.9 million, or 41% year-over-year.

EMERGE reported Adjusted EBITDA of \$0.96 million for the three months ended June 30, 2025, compared to an Adjusted EBITDA loss of \$0.04 million in the same period of 2024. For the six months ended June 30, Adjusted EBITDA was \$0.99 million in 2025, compared to an Adjusted EBITDA loss of \$0.23 million in 2024.

¹ Non-GAAP Financial Measure. Refer to section "Non-GAAP Financial Measures" for additional information.

Selected Financial Information

The following financial information has been summarized from the Company's unaudited condensed consolidated interim financial statements (*excluding GMS and Adjusted EBITDA*):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$		
Gross Merchandise Sales ¹	11,441,510	8,160,664	19,450,080	15,556,187
Total revenue	8,480,847	4,980,600	13,509,805	9,634,624
Adjusted EBITDA ¹	958,016	(39,546)	990,315	(231,397)
Net loss from continuing operations	201,031	(623,170)	179,422	(705,258)
Net income	200,086	(549,190)	603,206	(63,382)
Basic and diluted loss per share from continuing operations and total	0.00141	(0.00479)	0.00127	(0.00556)
Total assets	10,625,159	7,261,540	10,625,159	7,261,540
Long-term liabilities	9,463,464	7,023,091	9,463,464	7,023,091

¹ Non-GAAP Financial Measure. Refer to section "Non-GAAP Financial Measures" for additional information.

Results from WholesalePet and Carnivore Club business have been reclassified to discontinued operations.

Non-GAAP Financial Measures

The following non-IFRS definitions are used in this MD&A because management believes that they provide useful information regarding our ongoing operations. Readers are cautioned that the definitions are not recognized measures under IFRS, do not have standardized meanings prescribed by IFRS, and should not be construed to be alternatives to revenues and net loss and comprehensive loss for the period determined in accordance with IFRS or as indicators of performance, liquidity or cash flows. The Company's method of calculating these measures may differ from the method used by other entities and accordingly these measures may not be comparable to similarly named measures used by other entities or in other jurisdictions.

A reconciliation of the adjusted measures is included below.

Gross Merchandise Sales

GMS as defined by management is the total dollar value of customer purchases of goods and services, excluding applicable taxes and net of discounts and refunds. Management believes GMS provides a useful measure for the dollar volume of e-commerce transactions made through our platforms and an indicator for our business performance. GMS figures have been restated to exclude WholesalePet and Carnivore Club business, which have been reclassified to discontinued operations.

The following table highlights GMS for the three and six months ended June 30, 2025 and 2024, and a reconciliation of the Company's reported results to its adjusted measures.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenue	8,480,847	4,980,600	13,509,805	9,634,624
<i>Adjusted for:</i>				
Merchant costs deducted from net revenue	2,888,023	3,370,510	6,669,701	6,364,427
Deferred revenue and other adjustments to revenue recognized	157,609	(104,912)	(602,673)	(193,007)
Advertising revenue	(84,969)	(85,535)	(126,753)	(249,857)
GMS⁽¹⁾	11,441,510	8,160,663	19,450,080	15,556,187

⁽¹⁾ Tee 2 Green Ltd. has been an ongoing vendor for the JustGolfStuff business. Any intercompany sales are eliminated from GMS and are only recognized when sales are made to outside parties.

Adjusted EBITDA

Adjusted EBITDA as defined by management means earnings before interest and financing costs, income taxes, depreciation and amortization, transaction costs, foreign exchange gains/losses, discontinued operations, unrealized gains/losses on contingent consideration and share-based compensation. Management believes that Adjusted EBITDA is a useful measure because it provides information about the operating and financial performance of EMERGE and its ability to generate ongoing operating cash flow to fund future working capital needs and fund future capital expenditures or acquisitions.

The following table presents Adjusted EBITDA for the three and six months ended June 30, 2025, and the Adjusted EBITDA loss for the three and six months ended June 30, 2024., along with a reconciliation of the Company's reported results to its adjusted measures.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income	200,086	(549,190)	603,206	(63,382)
<i>Add back:</i>				
Finance costs	369,681	300,326	623,908	799,163
Income taxes (recovery)	108,915	36,105	189,462	(134,378)
Amortization	51,669	58,350	104,447	116,825
EBITDA	730,351	(154,409)	1,521,023	718,228
Share-based compensation	63,379	29,363	121,524	54,635
Transaction cost	16,259	231	29,217	101,589
Foreign exchange and other gains	(234,772)	159,249	(639,519)	(463,973)
Fair value adjustment to inventory acquired ¹	381,854	-	381,854	-
Net income from discontinued operations	945	(73,980)	(423,784)	(641,876)
Adjusted EBITDA	958,016	(39,546)	990,315	(231,397)

¹On completion of the acquisition of Tee 2 Green Ltd., the Company acquired inventory with a book value of \$2.8 million. As required under accounting standards for business combinations, the inventory was measured at fair value. The provisional fair value was determined to be \$3.6 million, and approximately 52% of the inventory was sold in Q2, resulting in a portion of the fair value increment being recognized in cost of sales. The related fair value adjustment was excluded from Adjusted EBITDA, as it represents a non-recurring component.

Revenue

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$		
Revenues	8,480,847	4,980,600	13,509,805	9,634,624

Revenue for the three and six months ended June 30, 2025, was \$8.5 million and \$13.5 million, respectively, representing increases of 70% and 41% over the same periods in the prior year. The Q2 growth in revenue was primarily driven by the acquisition of Tee 2 Green which saw strong organic growth in its first quarter under EMERGE, in addition to the organic growth at truLOCAL which continues to benefit from the prevailing “Buy Canadian” sentiment in the country.

Cost of sales and gross profit

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cost of products sold and other direct costs	5,386,339	2,892,649	8,474,690	5,580,541
Gross profit	3,094,508	2,087,951	5,035,115	4,054,083
Gross margin %	36.49%	41.29%	37.27%	42.08%

Gross profit increased year-over-year to \$3.1 million, compared to \$2.1 million, an increase of 48.2% year-over-year or approximately \$1 million.

Gross margin was 36.5% in Q2 2025 compared to 41.3% in the same period of the prior year. For the six months ended June 30, 2025, gross margin was 37.27% compared to 42.08% in the prior year period.

The decline in gross margin was primarily due to fair value accounting in association with the acquisition of Tee 2 Green. Under IFRS, inventory acquired in a business combination must be recognized at fair value at the acquisition date, and the fair value increment is recorded as an increase to cost of sales as the inventory is sold. During the quarter, approximately 52% of the acquired inventory was sold, resulting in a \$0.38 million fair value increment being added to cost of sales. **Excluding this one-time, non-cash adjustment, gross margin would have been approximately 41% for the three months and 40% for the six months ended June 30, 2025.**

Marketing

Marketing expenses decreased to \$0.45 million from \$0.52 million for the three months ended June 30, 2025, and to \$0.98 million from \$0.99 million for the six months ended June 30, 2025, compared to the same periods in the prior year, due to a material improvement in customer acquisition costs, particularly at truLOCAL, driven by the “Buy Canadian” sentiment.

Selling, general and administrative

Selling, general and administrative expenses increased from \$1.6 million to \$2.07 million for the three months ended June 30, 2025 compared to the equivalent period in the prior year and increased from \$3.3 million to \$3.4 million for the six months ended June 30, 2025 compared to the equivalent period in the prior year. The increases are primarily due to the acquisition of Tee 2 Green Ltd., which resulted in additional personnel, integration, and operating costs.

Amortization and depreciation

Amortization and depreciation expenses decreased from \$0.06 million to \$0.05 million for the three months ended June 30, 2025 compared to the equivalent period in the prior year and decreased from \$0.12 million to \$0.10 million for the six months ended June 30, 2025 compared to the equivalent period in the prior year.

Share-based compensation

Share-based compensation expenses increased from \$0.03 million to \$0.06 million for the three months ended June 30, 2025 compared to the equivalent period in the prior year and increased from \$0.05 million to \$0.12 million for the six months ended June 30, 2025 compared to the equivalent period in the prior year. The increase is due to additional restricted share units issued in June 2024 that fully vested in Q2, 2025.

Transaction costs

Transaction expenses incurred for the three months ended June 30, 2025 were \$0.02 million and \$0.03 million for the six months ended June 30, 2025 mostly related to legal fees related to deals.

Finance costs

Finance costs increased from \$0.30 million to \$0.37 million for the three months ended June 30, 2025 compared to the equivalent period in the prior year and decreased from \$0.8 million to \$0.6 million for the six months ended June 30, 2025 compared to the equivalent period in the prior year.

Net income from continuing operations

Net income from continuing operations was \$0.2 million for the three months ended June 30, 2025, compared to a net loss of \$0.6 million in the same period of 2024. For the six months ended June 30, 2025, net income from continuing operations was \$0.17 million, compared to a net loss of \$0.71 million in the prior-year period. ***Excluding the one-time \$0.38 million fair value adjustment related to the acquisition of Tee 2 Green, net income from continuing operations would have been approximately \$0.6 million for the three and six months ended June 30, 2025.*** The improvement in profitability was primarily driven by revenue growth, ongoing cost reduction initiatives, lower finance costs resulting from reduced term debt, the discontinuation of unprofitable business lines, and the contribution from the acquisition of Tee 2 Green Ltd., a profitable golf business.

Discontinued Operations

Carnivore Club

In January 2025, the Company sold substantially all of the assets related to the Canadian and U.S. operations of the Carnivore Club business. The total consideration for the transaction was \$500,000, consisting of \$350,000 in cash paid on closing and a \$150,000 seller note receivable, payable in cash over 15 equal monthly installments. As a result of the transaction, the Carnivore Club operations have been classified as a discontinued operation.

The summarized results of discontinued operations is as follows for the end of the period:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating activities	\$	\$		\$
Net revenue	-	213,301	52,321	568,327
Expenses	(945)	(253,494)	(63,642)	(516,990)
	(945)	(40,193)	(11,321)	51,337
Gain on disposition	-	-	435,105	-
Net income (loss) from discontinued operations	(945)	(40,193)	423,784	51,337

The summarized cash flows for discontinued operations are included in the statements of cash flows for the end of the period:

	June 30, 2025	June 30, 2024
Net cash from (used in)	\$	\$
Operating activities	(6,317)	(28,561)
Investing activities	370,000	(2,364)
Financing activities	-	(20,000)
	363,683	(50,925)

WholesalePet

In January 2024, the Company completed the sale of its indirect subsidiary corporation, Retails Store Networks, Inc. (dba "WholesalePet.com") The company received cash consideration of US\$9,250,000, subject to certain closing and post-closing adjustments, payments and obligations. The effects of the disposal on the financial position of the Company are as follows:

	\$
Cash	182,015
Trade and other receivables	563,852
Prepaid expenses and deposits	7,196
Right-of-use assets	20,829
Intangible assets	11,108,437
Goodwill	3,959,686
Assets disposed	15,842,015
Accounts payable and accrued liabilities	189,074
Lease liability	19,501
Income tax payable	186,973
Deferred tax	2,880,026
Liabilities disposed	3,275,574

The summarized results of discontinued operations is as follows for the end of the period:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating activities	\$	\$		\$
Net revenue	-	-	-	308,927
Expenses	-	-	-	(237,239)
	-	-	-	71,688
Gain on disposition	-	114,173	-	518,851
Net income from discontinued operations	-	114,173	-	590,539

The summarized cash flows for discontinued operations are included in the statements of cash flows for the end of the period:

	June 30, 2025	June 30, 2024
Net cash from (used in)	\$	\$
Operating activities	-	111,525
Investing activities	-	-
Financing activities	-	(3,781)
	-	107,744

For the three months ended June 30, 2025, discontinued operations from the sale of WholesalePet and Carnivore Club resulted in a net loss of \$945, compared to net income of \$73,980 in 2024. For the six months ended June 30, net income from these operations was \$423,784 in 2025 and \$641,876 in 2024.

Business combinations

In April 2025, the Company completed acquisition of Tee 2 Green Ltd. for a total consideration of \$2.2 million, including \$1.1 million cash on closing, \$0.9 million deferred consideration over a 5-year payment plan, and \$0.2 million in Emerge shares issued at \$0.065/share or higher (subject to a 180-day escrow). As part of the transaction, the Company also acquired inventory with a book value of \$2.8 million under an eight-year payment plan. The provisional fair value of the inventory payment plan was estimated at \$1,625,324. During the three and six months ended June 30, 2025, the Company recognized accretion expense of \$37,497, resulting in a remaining balance of \$1,662,821.

The provisional fair values of the identifiable assets acquired, and liabilities assumed as at the acquisition of Tee 2 Green Ltd.. as of April 4, 2025, are as follows:

Cash and cash equivalents	350,000
Accounts receivable and other receivables	212,288
Inventory	3,613,134
Right of use assets	478,825
Property and equipment	61,870
Other current assets	204,606
Total assets acquired at fair value	4,920,723
Accounts payable and accrued liabilities	786,482
Lease liability	478,825
Deferred tax liability	268,911
Total liabilities acquired at fair value	1,534,218
Intangible assets and goodwill	449,510
Total purchase price	3,836,015

The total fair value of consideration payable at the date of acquisition was as follows:

	Total
Initial cash payment (paid at close)	1,100,000
Fair value of the deferred cash payments	701,853
Fair value of the inventory payment plan	1,625,324
Fair value of the repayment of the pre-closing GIC	200,101
Working capital true-up	70,276
Fair value of shares issued as consideration	138,462
Total purchase price	3,836,015

The consideration transferred has been allocated on a preliminary basis to the estimated fair values of the assets acquired and liabilities assumed as at the acquisition date. These estimates remain subject to change as at June 30, 2025. The determination of fair values involves the use of significant judgement, estimates and assumptions, including management's projections of future cash flows expected to be generated from certain intangible assets.

The areas of the purchase price allocation that remain provisional primarily relate to the brand, deferred tax assets and liabilities, inventory, and residual goodwill. The Company expects to continue to obtain information during the measurement period to assist in finalizing the fair values and related tax attributes of the net assets acquired. Any adjustments identified during the measurement period will be recognized retrospectively to the acquisition date and may result in corresponding adjustments to comparative information in the consolidated financial statements.

Summary of Quarterly Results

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company prepared in accordance with IFRS:

	Jun 30/25	Mar 31/25	Dec 31/24	Sep 30/24	Jun 30/24	Mar 31/24	Dec 31/23	Sep 30/23
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	8,480,847	5,028,958	5,276,281	4,430,079	4,980,600	4,654,024	4,575,186	4,104,385
Net (loss) income from continuing operations	201,031	(21,609)	329,863	(714,741)	(623,170)	(82,088)	(9,830,169)	(1,025,313)
Net (loss) income	200,086	403,120	287,828	(730,184)	(549,192)	485,808	(17,521,847)	349,498
Income (loss) per share from continuing operations and total – basic and diluted	0.00141	(0.00002)	(0.00249)	(0.00549)	(0.00479)	(0.00066)	(0.09030)	(0.00864)

Liquidity and Capital Resources

The Company manages its capital to ensure that it, and its subsidiary entities, will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. In the management of capital, the Company includes the components of shareholders' equity, short-term liabilities, debt, as well as cash. To maintain or adjust its capital structure, the Company may attempt to: issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

The Company is required to obtain consent from the Company's lender prior to paying any dividends or distributions, incurring additional indebtedness, or selling or transferring assets other than in the course of ordinary business.

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate cash balances and borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Cash and cash equivalents

As at June 30, 2025 the Company had \$3,484,510 of cash compared to \$2,682,169 at March 31, 2025 and \$2,255,042 at June 30, 2024.

Operating activities

During the six months ended June 30, 2025, the Company generated \$1.5 million in cash compared to cash outflow of \$0.5 million in comparative period. In Q2 2025, the Company generated \$2 million in cash from operations compared to cash outflow of \$0.2 million in Q2, 2024.

The improvement in cash generation was primarily driven by contributions from the newly acquired golf business (Tee 2 Green), stronger operating performance resulting from revenue growth, cost optimization initiatives, and favorable vendor terms. Notably, the Company secured an eight-year inventory payment plan with Tee 2 Green, while approximately half of the inventory acquired through the business combination was sold during the period, providing both immediate cash inflows and enhanced liquidity flexibility.

Investing activities

During the three months ended June 30, 2025, the Company used \$0.49 million of cash on investing activities. The cash outflow in the current period primarily reflects the \$1.1 million initial cash consideration paid for the Tee 2 Green acquisition, partially offset by \$350,000 in cash acquired through the business combination and \$370,000 in cash proceeds from the sale of Carnivore assets.

Financing activities

During the six months ended June 30, 2025, the Company used \$0.6 million of cash, primarily related to interest payments on term debt and refinancing activities.

Based on the current cash position, the Company believes that it is capable of meeting its working capital needs through available cash and cash flow generated from financing activities.

The following table provides details of the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows which the Company can be required to pay:

	< 1 year	1-3 years	> 3 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	7,467,866	-	-	7,467,866
Deferred consideration	403,378	466,666	183,334	1,053,378
Inventory payment plan	200,000	957,042	1,276,055	2,433,097
Debt	-	5,930,000	-	5,930,000
Convertible debentures	-	1,390,000	-	1,390,000
	8,071,244	8,743,708	1,459,389	18,274,341

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

Financial Instruments

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are described below.

Fair value

The carrying value of financial instruments classified at amortized cost approximate fair value due to their short-term nature.

Contingent consideration is accounted for at FVTPL as a Level 3 fair value measurement, and is revalued at each reporting period. The fair value is determined by estimating the expected earnout and redemption amount that will ultimately be payable.

Credit and concentration risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company does not provide any third party guarantees which would expose it to credit risk.

The maximum credit exposure as at June 30, 2025 is the carrying amount of cash, trade and other receivables and restricted cash. The Company's exposure to credit risk is considered to be low, given the size and nature of the various counterparties involved and their history of performance.

The Company has not historically incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's trade receivables was insignificant as at June 30, 2025.

Interest rate risk

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

The Company's debt bears interest at a rate equal to the greater of 9% or the prime rate plus 6.55% per annum. Accordingly, an increase in market interest rates could increase the amount of interest the Company must pay to the lender, thereby exposing the Company to cash flow risk.

Foreign currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. The Company is exposed to currency risk through its net assets denominated in U.S. dollars. The Company currently does not have any derivative instruments in place to reduce its exposure to foreign currency risk.

Related Party Transactions

Compensation of key management personnel

The remuneration of key management personnel, including directors and officers, during the period was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Short-term benefits	33,300	145,000	115,000	290,000
Termination benefits	-	50,000	-	-
Share-based compensation	55,579	33,342	111,154	50,000
Consulting fee	31,437	-	58,330	66,683
	120,316	228,341	284,484	406,683

Changes in Accounting Policies

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Refer to Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2024 for further details.

Top Priorities

The Company's top priorities in the near-term are to i) Continue to drive strong revenue growth, ii) extract further operational efficiencies and synergies to drive profitability, iii) explore accretive tuck-in acquisition opportunities in the grocery and golf verticals; and iv) opportunistically explore avenues to enhance cash flow and reduce interest expense.

Outstanding Share Data

As at the date of this MD&A, the Company had the following securities issued and outstanding:

Description of security	Number of securities
Common shares	149,474,579
Stock options	737,600
Restricted share units	2,880,000
Warrants	29,806,400
Convertible debt	10,296,296
Total, fully diluted	193,194,875

Subsequent to June 30, 2025, a total of 2,685,000 warrants were exercised at \$0.10 per warrant, resulting in total proceeds of \$268,500. The remaining 12,275,000 warrants with exercise price of \$0.10 per warrant expired on July 21, 2025. Additionally, a total of 90,909 options were exercised by the Chief Executive Officer at \$0.11 per option, resulting in total proceeds of \$10,000.

Risk Factors

The Company's overall performance and results of operations are subject to a number of risks and uncertainties. The Company is subject to certain risks and uncertainties from both financial and operational factors. The risks and uncertainties described below are those that the Company's management believes are material, but these risks and uncertainties may not be the only ones that the Company may face. Additional risks and uncertainties, including those that the Company's management currently are not aware of or deem immaterial, may also result in decreased operating revenues, increased operating expenses or other events that could result in a decline in the value of any securities of the Company.

Some of the key risks are highlighted as follows:

Additional Financing

The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Competition

The Company operates in areas where it may face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Credit Facility Covenants

The Company has credit facilities which require the Company to make certain interest payments, provide a first ranking security interest over all of its assets and contain a number of covenants that impose operating and financial restrictions, which may limit the Company's ability to engage in acts that may be in its long-term best interest. If the Company's cash flows and cash and cash equivalents are insufficient to fund its debt service obligations, including repayment or renewal of the credit facilities at the end of each of their term, the Company could face liquidity problems and could be forced to seek amendments to the credit facilities, or reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including the credit facilities. The Company may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. There can be no certainty that the Company will be able to repay or renew the credit facilities at maturity and the failure to do so would have a material adverse effect on the Company.

In addition, a breach of the covenants under the credit facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In the event the lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness.

Fluctuation in market value

The market price of publicly traded securities is affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the global economic situation and outlook, the availability and attractiveness of alternative investments, and the breadth of the public market for the securities. The effect of these and other factors on the market price of the common shares of the Company in the future cannot be predicted.

Foreign currency rate risk

A portion of the Company's revenue will be earned in United States dollars. Fluctuations in the exchange rate between the Canadian dollar and the United States Dollar may have an adverse effect on the Company's business, financial condition and operating results.

Integration of the Company's acquisitions

The ability to realize the anticipated benefits of each of the acquisitions will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the ability to realize the anticipated growth and potential synergies from integrating the assets and businesses of the acquired companies. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process.

Macroeconomic Conditions

Certain macroeconomic conditions such as inflation and changes in interest rates, including the resulting effect on the operations of and spending by small and medium businesses and on consumer spending, may adversely affect our business, operating results and financial condition.

Our performance is subject to macroeconomic conditions and global events, including political, economic, social and environmental risks that may impact our operations or our customers. Such conditions and events may adversely affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. The current deterioration in general economic conditions, including the rise in unemployment rates, inflation and increases in interest rates, may adversely affect consumer spending, consumer debt levels and credit and debit card usage, and as a result, adversely affect our financial performance. Economic and geopolitical uncertainties, the conflict between Russia and Ukraine may further amplify such risks. Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business.

If the Company's costs were to become subject to significant inflationary pressures, the Company may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition, and results of operations. While the Company does not have any material exposure to Russia or Ukraine, there are other geopolitical and macroeconomic risks that are outside of our control that could impact our business, financial condition, or results of operations.

Reliance on Data Centers

The Company serves customers using third-party cloud-based and traditional data center facilities. The continuous availability of the Company's products and services depends on the operations of these facilities, on a variety of network service providers, on third-party vendors and on data center and cloud operations staff. In addition, the Company depends on the ability of third-party facility provider to protect the facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. If there are any lapses of service or damage to the facilities, the Resulting Issuer could experience lengthy interruptions in its services as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, the business of the Company could be harmed.

Reliance on key personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management could have a material adverse effect on the Company's business, operating results or financial condition.

Security breaches, computer viruses and hacking

Security breaches, computer malware and computer hacking attacks are prevalent in the technology industry. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems or cause malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm the Company's business, financial condition and operating results.

User Data

The Company may require the registration of its users prior to accessing its products or services or certain features of its products or services and it may be subject to increased legislation and regulations on the collection, storage, retention, transmission and use of user-data that is collected. The Company's efforts to protect the personal information of its users may be unsuccessful due to the actions of third parties, software bugs or technical malfunctions, employee error or malfeasance, or other factors. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to the Company's data or its user's data. If any of these events occur, users' information could be accessed or disclosed improperly. Any incidents involving the unauthorized access to or improper use of the information of users or incidents involving violation of the Company's terms of service or policies could damage the Company's reputation and the Company's brand and diminish its competitive position. In addition, the affected users or governmental authorities could initiate legal or regulatory action against the Company in connection with such incidents, which could cause the Company to incur significant expense and liability or result in orders or consent decrees forcing the Company to modify its business practices and remediate the effects of any such

incidents of unauthorized access or use. Any of these events could have a material adverse effect on the Company's prospects, business, financial condition or results of operations.

Forward-Looking Statements

Certain statements included in this MD&A constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "targeting", "will" and other similar expressions. All forward-looking statements are based on beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on expectations regarding future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from those anticipated in such forward-looking statements. Although the forward-looking statements contained in the MD&A are based upon what the Company believes to be reasonable assumptions, no assurance can be given that these expectations will prove to be accurate and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this MD&A. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to: the ability to obtain sufficient and suitable financing to support acquisitions, ability to successfully consolidate acquired businesses with the Company's existing operations, and the retention of customers of any acquired businesses following the completion of an acquisition. See also "Risks Factors" above and in the Company's most recent Prospectus supplement and Annual Information Form. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.