

Tracksuit Movers Inc.

Condensed Interim Consolidated Financial Statements (Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

For the Three Months Ended March 31, 2025 and 2024

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company's auditors have not reviewed or been involved in the preparation of these condensed consolidated interim financial statements.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of condensed consolidated interim financial statements by an entity's auditor, for the three month periods ended March 31, 2025 and 2024.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

TRACKSUIT MOVERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

	Notes	March 31, 2025	December 31, 2024
ASSETS			
<u>Current Assets</u>			
Cash		\$ 456,612	\$ 746,783
Restricted cash		77,638	77,501
Accounts and other receivables	3	672,113	598,451
Deposits and prepaid expenses		177,507	5,226
Total current assets		1,383,870	1,427,961
<u>Non-Current Assets</u>			
Fixed assets	4	338,678	366,347
Right-of-use asset	6	39,874	44,475
Intangible assets	5	32,363	37,470
TOTAL ASSETS		\$ 1,794,785	\$ 1,876,253
LIABILITIES			
<u>Current Liabilities</u>			
Trade and other payables	8	\$ 1,885,666	\$ 1,555,020
Deferred income		11,000	11,000
Customer deposits		22,001	21,697
Current portion of related party loans	9	335,706	142,339
Current portion of financing liability	10	94,991	94,914
Current portion of lease liability	6	18,661	18,020
Income taxes payable		57,233	104,437
Total current liabilities		2,425,258	1,947,427
<u>Non-Current Liabilities</u>			
Deferred income		26,583	29,333
Related party loans	9	2,305,836	2,241,320
Financing liability	10	190,715	215,310
Lease liability	6	25,337	30,250
TOTAL LIABILITIES		4,973,729	4,463,640
EQUITY (DEFICIENCY)			
Share capital	11	1,802,268	1,797,268
Merger reserve		(1,000)	(1,000)
Contributed surplus		399,307	385,280
Accumulated other comprehensive loss		(52,152)	(36,987)
Deficit		(5,337,960)	(4,739,453)
Deficit attributable to the shareholders of the Company		(3,189,537)	(2,594,892)
Non-controlling interest	13	10,593	7,505
TOTAL DEFICIENCY		(3,178,944)	(2,587,387)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)		\$ 1,794,785	\$ 1,876,253
Nature of operations and going concern	1		
Subsequent events	17		
<div> <div> <i>Approved on behalf of the board</i> <i>"Laurie Baggio"</i> <hr/> Laurie Baggio, Director </div> <div> <i>"Lance Tracey"</i> <hr/> Lance Tracey, Director </div> </div>			

See accompanying notes to the condensed interim consolidated financial statements.

TRACKSUIT MOVERS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended March 31,	
		2025	2024
REVENUE			
Long distance moving		\$ 940,011	\$ 853,062
Royalty fees		810,634	826,821
Moving revenue		538,851	353,809
Third party commission		18,330	7,050
Miscellaneous		12,714	51
Total revenue		2,320,540	2,040,793
COST OF REVENUE			
Cost of long distance moving		666,937	713,145
Movers' wages		177,597	119,468
Gas expense		32,847	15,769
Merchant fees		33,742	23,998
Boxes and supplies		18,842	12,634
Total cost of revenue		929,965	885,014
GROSS PROFIT		1,390,575	1,155,779
EXPENSES			
Wages		684,390	613,097
Marketing and promotion		416,785	233,534
Office and general		281,541	209,929
Conference		122,939	39,973
Truck & auto		105,948	46,489
Professional fees		105,027	47,382
Management and consulting	12	71,383	71,162
Telephone		51,159	55,602
Travel, meals and entertainment		39,783	28,923
Depreciation	4, 5, 6	37,114	43,081
Share based payment expense	11	10,040	16,446
Bad debt expense	3	4,137	43,005
Franchise development		1,550	1,068
Total expenses		1,931,796	1,449,691
OTHER ITEMS			
Other income		8,336	710
Interest expense	8, 9, 10, 12	(77,089)	(74,279)
Gain on foreign exchange		17,917	24,726
Share of loss from associate	7	-	(1,339)
Total other items		(50,836)	(50,182)
Net loss for the period before tax		(592,057)	(344,094)
Income tax recovery		(53)	-
Net loss for the period		\$ (592,004)	\$ (344,094)
Net loss attributable to:			
Shareholders of the parent company		(598,507)	(374,576)
Non-controlling interest	13	6,503	30,482
Net loss for the period		\$ (592,004)	\$ (344,094)
Other comprehensive loss:			
Foreign currency translation loss attributed to equity shareholders of the parent company		\$ (15,165)	\$ (71,394)
Foreign currency translation loss attributed to non-controlling interest	13	(3,415)	(3,061)
Comprehensive loss for the period		\$ (610,584)	\$ (418,549)
Loss per share			
Basic		\$ (0.06)	\$ (0.04)
Diluted		\$ (0.06)	\$ (0.04)
Weighted average number of common shares outstanding			
Basic		9,750,000	9,500,000
Diluted		9,750,000	9,830,163

See accompanying notes to the condensed interim consolidated financial statements.

TRACKSUIT MOVERS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Unaudited - Expressed in Canadian dollars)

	Note	Share capital		Merger reserve	Contributed surplus	Accumulated other comprehensiv e loss	Non- controlling interest	Deficit	Total
		Number of shares	Amount						
Balance at December 31, 2023		9,500,000	\$ 1,797,268	\$ (1,000)	\$ 245,812	\$ 11,541	\$ (24,995)	\$ (3,989,585)	\$ (1,960,959)
MCSB Moving Services LLC unit subscription		-	-	-	15,584	-	-	-	15,584
YMM Phoenix LLC unit subscription		-	-	-	862	-	-	-	862
Equity portion of debt		-	-	-	4,405	-	-	-	4,405
Foreign currency translation		-	-	-	4,142	(71,394)	(3,061)	-	(70,313)
Income (loss) for the period		-	-	-	-	-	30,482	(374,576)	(344,094)
Balance at March 31, 2024		9,500,000	\$ 1,797,268	\$ (1,000)	\$ 270,805	\$ (59,853)	\$ 2,426	\$ (4,364,161)	\$ (2,354,515)
Balance at December 31, 2024		9,500,000	\$ 1,797,268	\$ (1,000)	\$ 385,280	\$ (36,987)	\$ 7,505	\$ (4,739,453)	\$ (2,587,387)
MCSB Moving Services LLC unit subscription	11	-	-	-	9,901	-	-	-	9,901
YMM Phoenix LLC unit subscription	11	-	-	-	139	-	-	-	139
Stock options granted to franchisees	11	500,000	5,000	-	4,201	-	-	-	9,201
Foreign currency translation		-	-	-	(214)	(15,165)	(3,415)	-	(18,794)
Income (loss) for the period		-	-	-	-	-	6,503	(598,507)	(592,004)
Balance at March 31, 2025		10,000,000	\$ 1,802,268	\$ (1,000)	\$ 399,307	\$ (52,152)	\$ 10,593	\$ (5,337,960)	\$ (3,178,944)

See accompanying notes to the condensed interim consolidated financial statements.

TRACKSUIT MOVERS INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31,	
	2025	2024
OPERATING ACTIVITIES		
Net loss for the period	\$ (592,004)	\$ (344,094)
Items not affecting cash		
Interest expense	77,089	73,830
Depreciation & amortization	37,114	43,081
Share of loss from associate	-	1,339
Share based payment expense	10,040	16,446
Share based payment to franchisees	4,201	-
Bad debt expense	4,137	43,005
Gain on foreign exchange	(778)	(2,853)
Net changes in non-cash working capital		
Accounts and other receivables	(78,253)	169,286
Deposits and prepaid expenses	(172,283)	39,982
Trade and other payables	331,911	(157,343)
Customer deposits	324	-
Deferred income	(2,750)	(2,750)
Income taxes payable	(47,204)	(47,707)
Net cash used in operating activities	(428,456)	(167,778)
FINANCING ACTIVITIES		
Repayment of financing liability	(29,796)	(22,220)
Proceeds from loans	188,489	407,100
Exercise of pioneer stock options	5,000	-
Repayment of lease liability	(5,850)	(5,850)
Net cash provided by financing activities	157,843	379,030
NET CHANGE IN CASH	(270,613)	211,252
FOREIGN EXCHANGE TRANSLATION	(19,421)	(66,960)
CASH & RESTRICTED CASH, BEGINNING OF THE PERIOD	824,284	268,464
RESTRICTED CASH	(77,638)	(74,653)
CASH, END OF THE PERIOD	\$ 456,612	\$ 338,103

See accompanying notes to the condensed interim consolidated financial statements.

TRACKSUIT MOVERS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Tracksuit Movers Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on September 6, 2012. The Company's registered and records office is located at 204 - 1080 Mainland Street, Vancouver, BC, V6B 2T4. The Company's primary line of business is to sell franchise rights in Canada and the United States for the operation of businesses that provide residential and commercial moving services. In 2021, the Company began operating its own corporate owned franchise locations in Cincinnati, Ohio, and Phoenix, Arizona. In 2023, the Company began offering its long-distance moving service. In January of 2025, the Company began operating its own corporate owned franchise location in Reno, Nevada. As at March 31, 2025, the Company had 20 (December 31, 2024 – 19) operating franchises in Canada and the USA.

These condensed interim consolidated financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended March 31, 2025, the Company generated a net loss of \$592,004.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and successfully access additional capital, if necessary. The Company has generated operating losses since 2021. As of March 31, 2025, the Company's accumulated deficit is \$5,337,960. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments relating to the carrying values of assets and liabilities and the reported revenues and expenses that might be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements were authorized for issue on June 30, 2025, by the Board of Directors of the Company.

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These condensed interim consolidated financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the years ended December 31, 2024, and 2023.

Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its controlled subsidiaries.

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

2. BASIS OF PRESENTATION (CONT'D)

Details of controlled subsidiaries are as follows:

	Country of incorporation	Percentage owned	
		March 31, 2025	December 31, 2024
You Move Me LLC	USA	100%	100%
MCSB Moving Services LLC	USA	80%	80%
YMM Phoenix LLC	USA	94%	94%
YMM Reno LLC	USA	100%	100%
YMM Interstate LLC	USA	100%	100%

You Move Me LLC ("YMM LLC") is a wholly owned subsidiary of the Company that sells franchise rights throughout the United States for the operation of businesses that provide residential and commercial moving services. MCSB Moving Services LLC ("MCSB") is a corporately owned franchise location that performs moving services in Cincinnati Ohio. YMM Phoenix LLC ("YMM Phoenix") is a corporately owned franchise location that performs moving services in Phoenix, Arizona. YMM Reno LLC ("YMM Reno") is a wholly owned franchise location that performs moving services in Reno, Nevada. History of changes in the percentage of ownership of MCSB and YMM Phoenix are discussed further in Note 11 and Note 13. YMM Interstate LLC ("YMM Interstate") is a wholly owned subsidiary of YMM LLC that administers long distance moves throughout the United States with franchise partners acting as agents.

Entities over which the Company has control are consolidated from the date that control commences until the date that control ceases. Entities over which the Company has significant influence (investments in associates) are accounted for under the equity method. Significant influence is assumed when the Company's interests are 20% or more, unless qualitative factors overcome this assumption (Note 7).

Functional and Presentation Currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of YMM LLC, YMM Interstate, MCSB, YMM Reno and YMM Phoenix is the US dollar.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

Use of Estimates and Judgments

The most significant accounting judgements and estimates that we have made in the preparation of our condensed interim consolidated financial statements are described in Note 2 to our audited consolidated financial statements for the year ended December 31, 2024.

New Accounting Standards and Recent Pronouncements

The following amendment to the standards issued by the IASB is applicable to the Company's financial statements:

Classification of liabilities as current or non-current (amendments to IAS 1):

TRACKSUIT MOVERS INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

2. BASIS OF PRESENTATION (CONT'D)

The IASB published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning January 1, 2024. The amendment had no impact on the Company's financial statements upon its adoption.

Presentation and Disclosure in Financial Statements (IFRS 18):

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company is assessing the impacts to the consolidated financial statements.

3. ACCOUNTS AND OTHER RECEIVABLES

For the three months ended March 31, 2025, the Company recognized \$4,137 (March 31, 2024 - \$43,005) of bad debt expense, mainly related to moving service operations of YMM Interstate, MSCB and YMM Phoenix's, and an allowance for doubtful accounts of \$Nil (December 31, 2024 - \$Nil).

Included in accounts receivable and other receivables at March 31, 2025 is an amount of \$213,060 (December 31, 2024 - \$291,000) owing from companies controlled by directors of the Company. Amounts receivable from related parties are unsecured, non-interest bearing and have terms of repayment of net 30.

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

4. FIXED ASSETS

		Moving Trucks
Cost		
Balance December 31, 2023	\$	781,551
Additions		50,362
Effect of foreign exchange		68,724
Balance December 31, 2024		900,637
Effect of foreign exchange		(700)
Balance March 31, 2025	\$	899,937
Accumulated depreciation		
Balance December 31, 2023	\$	364,148
Depreciation for the year		131,489
Effect of foreign exchange		38,653
Balance December 31, 2024		534,290
Depreciation for the period		27,406
Effect of foreign exchange		(437)
Balance March 31, 2025	\$	561,259
Net book value		
Balance December 31, 2024	\$	366,347
Balance March 31, 2025	\$	338,678

5. INTANGIBLE ASSETS

		Software
Balance December 31, 2023	\$	57,897
Amortization		(20,427)
Balance December 31, 2024		37,470
Amortization		(5,107)
Balance March 31, 2025	\$	32,363

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

6. LEASE

On October 1, 2022, the Company entered into an office lease agreement for a term of three years and four months with the option to extend it for a further 16 months until May 31, 2027. In accordance with IFRS 16 *Leases*, the Company recorded a right-of-use asset and a lease liability with a fair value of \$298,270. The fair value was determined by discounting future lease payments at a discount rate of 15% per annum. On July 1, 2023, the Company amended the office lease agreement to reduce the monthly payments, which resulted in a lease modification.

The Company's right-of-use asset as at March 31, 2025:

Balance December 31, 2023	\$	62,878
Amortization		(18,403)
Balance December 31, 2024	\$	44,475
Amortization		(4,601)
Balance March 31, 2025	\$	39,874

The Company's lease liability as at March 31, 2025:

Balance December 31, 2023	\$	63,940
Payments made		(23,400)
Interest accrued		7,730
Balance December 31, 2024	\$	48,270
Payments made		(5,850)
Interest accrued		1,578
Balance March 31, 2025	\$	43,998
Current portion	\$	18,661
Long term portion		25,337
	\$	43,998

The Company's minimum lease payments over the next 3 years are as follows:

	Within 1 year		1 - 2 years		2 - 3 years		Total
Lease payments	\$	23,400	\$	23,400	\$	3,900	\$ 50,700
Finance charges		(4,739)		(1,940)		(23)	(6,702)
Net present values	\$	18,661	\$	21,460	\$	3,877	\$ 43,998

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

7. INVESTMENT IN ASSOCIATE

On April 30, 2021, the Company subscribed to 200,000 common shares of Karve IT Ltd. ("Karve") at the price of \$1 per common share, for an aggregate subscription price of \$200,000.

As at March 31, 2025, the Company owns 200,000 shares of Karve, representing 39.22% of the Company and one Board seat (December 31, 2024 – 39.22%). Management have determined that the Company has significant influence over Karve and recorded this investment using the equity method. The Company made an adjustment for the equity pick-up required each month given its percentage of ownership for that particular month.

During the three months ended March 31, 2025, the Company recognized a \$Nil (March 31, 2024 – \$1,339) share of loss from the investment in Karve on its condensed interim consolidated statement of loss and comprehensive loss.

		Karve IT Ltd.
Balance December 31, 2023	\$	1,339
Share of loss from associate		(1,339)
Balance December 31, 2024 and March 31, 2025		-

8. TRADE AND OTHER PAYABLES

	March 31,	December 31,
	2025	2024
Accounts payable	\$ 1,252,634	\$ 908,064
Accrued liabilities	298,387	216,151
Due to related party	334,644	430,805
	\$ 1,885,666	\$ 1,555,020

Included in accounts payable and accrued liabilities at March 31, 2025 is an amount of \$334,644 (December 31, 2024 - \$430,805) owing to companies controlled by directors of the Company. Amounts payable to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

9. RELATED PARTY LOANS

On October 9, 2019, the Company signed a loan agreement with a company controlled by a director that would allow the Company to borrow up to \$1,189,160. The Company borrowed \$989,160 on October 9, 2019 and an additional \$200,000 on November 7, 2019. The loan is secured and bears an annual interest rate at 10%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was recorded at face value of \$1,189,160 less the value of the equity component of the loan of \$63,140, determined by discounting the loan at an appropriate market rate of interest of 12%. The lender has waived the installment payments for the next 12 months. As of March 31, 2025, the Company has not made any repayment installments. On August 24, 2020, \$200,922 of the loan plus any interest accrued thereon was assigned to another director of the Company. During the period ended March 31, 2025, the Company recorded interest of \$49,236

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

9. RELATED PARTY LOANS (CONT'D)

(March 31, 2024 – \$44,436) on the loan (Note 12). The balance of the loan at March 31, 2025 is \$1,755,500 (December 31, 2024 - \$1,706,263).

On August 24, 2020, due to the loan assignment described above, the Company was indebted to a director in the amount of \$200,922. The loan is secured and bears an annual interest rate at 10%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was recorded at face value of \$200,922 less the value of the equity component of the loan of \$8,997, determined by discounting the loan at an appropriate market rate of interest of 12%. The lender has waived the installment payments for the next 12 months. As of March 31, 2025, the Company has not made any repayment installments. During the period ended March 31, 2025, the Company recorded interest of \$8,965 (March 31, 2024 - \$8,091) on the loan (Note 12). The balance of the loan at March 31, 2025 is \$324,800 (December 31, 2024 - \$315,835).

On October 9, 2019, the Company received a loan in the amount of \$128,797 from a company jointly controlled by a director. The loan is unsecured and bears an annual interest rate of 10%. The Company agreed to repay the amount borrowed in 60 equal monthly installments on the first business day of each month commencing January 2021 and ending December 2025. The loan was recorded at face value of \$128,797 less the value of the equity component of the loan of \$7,744, determined by discounting the loan at an appropriate market rate of interest of 12%. The lender has waived the installment payments for the next 12 months. As of March 31, 2025, the Company has not made any repayment installments. During the period ended March 31, 2025, the Company recorded interest of \$6,314 (March 31, 2024 - \$5,699) on the loan (Note 12). The balance of the loan at March 31, 2025 is \$225,536 (December 31, 2024 - \$219,222).

On March 24, 2022, the Company received a loan in the amount of US\$75,000 from a company jointly controlled by a director. The loan is unsecured, bears interest at 10%, and is due on demand. The lender has waived the installment payments for the next 12 months. As of March 31, 2025, the Company has not made any repayment. During the period ended March 31, 2025, the Company recorded interest of \$3,504 (March 31, 2024 - \$3,002) on the loan (Note 12). The balance of the loan at March 31, 2025 is \$145,846 (December 31, 2024 - \$142,339).

On February 29, 2024, the Company received a loan in the amount of US\$300,000 (CAD\$407,100) from a company jointly controlled by a director. The loan is unsecured and bears an annual interest rate of 12%. The Company agreed to repay principal and interest in two equal instalments on August 15, 2024 and September 30, 2024. Upon initial recognition the Company recognized an equity component of \$4,678 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest of 14%. During the period ended March 31, 2025, the Company recorded interest and accretion of \$Nil (March 31, 2024 - \$4,777) on the loan (Note 12). The loan was repaid in full on October 4, 2024.

On February 27, 2025, the Company received a loan in the amount of US\$130,696 (CAD\$188,489) from a company jointly controlled by a director. The loan is on demand, unsecured and bears an annual interest rate of 12%. During the period ended March 31, 2025, the Company recorded interest of \$1,969 (March 31, 2024 - \$Nil) on the loan (Note 12). The balance of the loan at March 31, 2025 is \$189,860 (December 31, 2024 - \$Nil). Subsequent to period ended March 31, 2025, the loan was repaid in full on May 9, 2025.

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three Months Ended March 31, 2025 and 2024

9. RELATED PARTY LOANS (CONT'D)

A summary of the related party loans is as follows:

Balance December 31, 2023	\$	2,118,999
Additions		407,100
Repayment		(436,930)
Equity portion of debt		(4,678)
Interest		287,092
Effect of foreign exchange		12,076
Balance December 31, 2024		2,383,659
Additions		188,489
Interest		69,988
Effect of foreign exchange		(594)
Balance March 31, 2025	\$	2,641,542
<hr/>		
Current portion	\$	335,706
Non-current portion		2,305,836
	\$	2,641,542

10. FINANCING LIABILITY

On August 23, 2022, MCSB entered into a financing arrangement for the purchase of a truck. The total value of the loan was \$121,155 (US\$93,397) to be repaid in 60 consecutive monthly installments at an annual interest rate of 7.25%. The loan will be fully repaid on August 25, 2027. YMM LLC and the Company are acting as guarantors on the loan. During the period ended March 31, 2025, MCSB recorded interest of \$1,368 (March 31, 2024 – \$1,722). The balance of the loan at March 31, 2025 is \$70,786 (December 31, 2024 - \$77,534).

On September 8, 2022, YMM Phoenix entered into a financing arrangement for the purchase of a truck. The total value of the loan was \$135,865 (US\$103,587) to be repaid in 72 consecutive monthly installments at an annual interest rate of 7.70%. The loan will be fully repaid on September 13, 2028. YMM LLC and the Company are acting as guarantors on the loan. During the period ended March 31, 2025, YMM Phoenix recorded interest of \$1,907 (March 31, 2024 – \$2,201). The balance of the loan at March 31, 2025 is \$94,897 (December 31, 2024 - \$100,866).

On November 3, 2022, MCSB entered into a financing arrangement for the purchase of a truck. The total value of the loan was \$123,712 (US\$89,979) to be repaid in 60 consecutive monthly installments at an annual interest rate of 7.30%. The loan will be fully repaid on November 3, 2027. YMM LLC and the Company are acting as guarantors on the loan. During the period ended March 31, 2025, MCSB recorded interest of \$1,439 (March 31, 2024 – \$1,768). The balance of the loan at March 31, 2025 is \$74,807 (December 31, 2024 - \$81,177).

On November 15, 2024, YMM Reno entered into a financing arrangement for the purchase of a truck. The total value of the loan was \$50,362 (\$35,000 USD) to be repaid in 36 consecutive monthly installments at an annual interest rate of 7%. The loan will be fully repaid on November 15, 2027. The loan is unsecured. During the period ended March 31, 2025, YMM Reno recorded interest of \$809 (March 31, 2024 – \$Nil). The balance of the loan at March 31, 2025 is \$45,216 (December 31, 2024 – \$50,647).

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Three Months Ended March 31, 2025 and 2024

10. FINANCING LIABILITY (CONT'D)

A summary of the financing liability is as follows:

Balance December 31, 2023	\$	304,856
Additions		50,362
Interest		21,499
Repayment		(94,384)
Effect of foreign exchange		27,891
Balance December 31, 2024		310,224
Interest		5,523
Repayment		(29,796)
Effect of foreign exchange		(245)
Balance March 31, 2025	\$	285,706
<hr/>		
Current portion	\$	94,991
Non-current portion		190,715
	\$	285,706

11. SHARE CAPITAL**Authorized:**

The shares which the Company is authorized to issue are:

- Class A Common Voting Shares (the "Class A Shares");
- Class B Common Voting Shares (the "Class B Shares");
- Class C Common Non-Voting Shares (the "Class C Shares");
- Class D Preferred Shares (the "Class D Shares"); and
- Class E Preferred Shares (the "Class E Shares").

Issued

As at March 31, 2025, the Company had 10,000,000 Class A Shares (December 31, 2024 – 9,500,000) issued and outstanding.

Pioneer Stock Options

During the year ended December 31, 2020, the Company established a pioneer stock option plan (the "Plan"). The purpose of the Plan is to enhance the value of the franchise system and to align the interests of the franchisor and franchisees in the system by having the Company offer opportunities to early franchisees and other contributors to the system to participate in the Company's growth and success by acquiring and maintaining stock ownership in the Company.

The aggregate number of shares that may be issued pursuant to the exercise of options awarded under the pioneer stock option plan is 500,000 Class A shares. Upon initial recognition, the Company had issued 333,330 pioneer stock options to early franchisees of the system exercisable at a price of \$0.01 per share.

On the grant date of August 6, 2021, the value of the options was measured at \$143,286 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 23.81%, expected life of 4.41 years, risk-free interest rate of 0.27% and expected dividends of Nil. The Company considers pioneer stock options granted to be consideration payable to its customers, in this case franchisees,

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11. SHARE CAPITAL (CONT'D)

in exchange for their continuous participation within franchise system. Value of the options granted is being recognized over period of time as it is related to the revenue generated by the Company and is recorded as a reduction in royalty fees generated.

On February 14, 2025, the Company issued an additional 166,670 pioneer stock options to its franchise partners under the pioneer stock option plan. In contemplation of a corporate transaction with Mobio Technologies Inc. ("Mobio") (Note 17) all of the 500,000 outstanding options were exercised and as a result 500,000 of the Class A Shares of the Company were issued in exchange for cash at an exercise price of \$0.01 per share.

During the period ended March 31, 2025, the Company recognized \$4,201 in reduction to its royalty fees (March 31, 2024 – \$Nil) related to pioneer stock options.

Pioneer stock option transactions are as follows:

	Number of options	Weighted average exercise price
Balance December 31, 2023 and December 31, 2024	333,330	\$ 0.01
True-up of franchise partner balances	166,670	0.01
Exercise of pioneer stock options	(500,000)	0.01
Balance March 31, 2025	-	\$ -

There were no pioneer stock options outstanding at March 31, 2025.

Unit subscriptions in MCSB Moving Services LLC and YMM Phoenix LLC

On March 1, 2022 the Company received a \$150,000 USD (\$191,880 CAD) promissory note from a related party in exchange for 15,000 non-voting Class C units of MCSB. The promissory note is due on demand, has interest at the rate of 5% per year compounded annually, accruing only after demand.

On April 1, 2022 the Company received \$10,000 USD (\$12,513 CAD) in promissory notes from related parties in exchange for 5,000 non-voting Class B units and 15,000 non-voting Class C units of YMM Phoenix. The promissory notes are due on demand, have interest at the rate of 5% per year compounded annually, accruing only after demand.

On June 15, 2022 the Company received \$50,000 USD (\$64,740 CAD) in promissory notes from related parties in exchange for 5,000 non-voting Class B units of MCSB. The promissory notes are due on demand, have interest at the rate of 5% per year compounded annually, accruing only after demand.

On each anniversary of the promissory notes described above, the Company will forgive 20% of the original amount of the promissory note, such that the entire principal amount of the promissory notes will be forgiven on the fifth (5th) anniversary of them being received.

As the promissory notes have no recourse, the Company considers the issuance of these units to meet the criteria of a share-based payment and have recorded them in accordance with IFRS Accounting Standard 2 Share-based payment. The units were valued as the number of units issued times the per unit price as determined by the most recent valuation. The expense is being recognized using a graded vesting schedule of 5 years which is the period over which the loans are forgiven. During the period ended March 31, 2025, the Company recognized \$10,040 in share based payment expense

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11. SHARE CAPITAL (CONT'D)

(March 31, 2024 – \$16,446) related to unit subscriptions in MCSB Moving Services LLC and YMM Phoenix LLC.

12. RELATED PARTY TRANSACTIONS

Interest recorded on related party loans were as follows:

Three months ended	March 31, 2025	March 31, 2024
Interest on related party loans	\$ 69,988	\$ 66,005

Codix Management Ltd (“Codix”) is a private Canadian (BC) company which performs financial reporting, consulting, and management services for the Company. Codix is jointly controlled by Mr. Laurie Baggio (CEO, director) and Mr. Lance Tracey (director). The Company pays Codix monthly fees as follows:

- a) a monthly retainer of \$19,000 for accounting, CFO, and related administrative services recorded within management and consulting expenses; and
- b) monthly office rent and storage fees of \$1,950 recognized as a capital lease.

Payments to companies controlled by key management and directors during the periods ended March 31, 2025 and 2024 were as follows:

Three months ended	March 31, 2025	March 31, 2024
Fees to a company with common directors	\$ 71,383	\$ 71,162
Lease payments made to a company with common directors	11,753	5,850
Interest accrued to a company with common directors	2,350	2,135
Total	\$ 85,486	\$ 79,148

Payments made to companies controlled by key management and directors were included in management and consulting on the condensed interim consolidated statements of loss and comprehensive loss.

13. NON-CONTROLLING INTEREST

Balance December 31, 2023	\$ (24,995)
Share of net income of a subsidiary	35,988
Effect of foreign exchange	(3,488)
Balance December 31, 2024	7,505
Share of net income of a subsidiary	6,503
Effect of foreign exchange	(3,415)
Balance March 31, 2025	\$ 10,593

MCSB Moving Services LLC

On March 1, 2021 Easy Moves LLC subscribed for 20,000 non-voting Class B units in MCSB resulting in the Company having a 75% ownership percentage. On March 1, 2022 our General Manager of MCSB subscribed for 15,000 non-voting Class C units resulting in the Company having a 63% ownership percentage. On June 15, 2022, the Company’s Managing Director and Southwind Capital

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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Three Months Ended March 31, 2025 and 2024

13. NON-CONTROLLING INTEREST (CONT'D)

Holdings LLC Series 5 subscribed for a total of 5,000 non-voting Class B units in MCSB. On the same day, Easy Moves LLC transferred its non-voting Class B units back to the Company resulting in the Company having an 80% ownership percentage. As a result, the Company recognized an amount for non-controlling interest on its condensed interim consolidated financial statements.

The following is a summarized condensed interim statement of financial position of MCSB at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Current:		
Assets	\$ 96,165	\$ 99,015
Liabilities	(138,478)	(117,790)
Total current net assets	(42,313)	(18,775)
Non current:		
Assets	257,695	266,706
Liabilities	(91,295)	(105,336)
Total non-current net assets	166,400	161,370
Total net assets	\$ 124,087	\$ 142,595

The following is a summarized condensed interim statement of loss and comprehensive loss of MCSB for the periods ending March 31, 2025 and March 31, 2024:

	March 31, 2025	March 31, 2024
Revenue	\$ 370,890	\$ 255,379
Net loss and comprehensive loss	\$ (28,355)	\$ (73,759)

YMM Phoenix LLC

On April 1, 2022 our General Manager of YMM Phoenix subscribed for 15,000 non-voting Class C units in YMM Phoenix. On the same day, the Company's Managing Director and Southwind Capital Holdings LLC Series 5 subscribed for a total of 5,000 non-voting Class B units in YMM Phoenix. On June 30, 2023, General Manager of YMM Phoenix transferred its non-voting Class C units back to the Company resulting in the Company having an 94% ownership percentage. As a result, the Company recognized an amount for non-controlling interest on its condensed interim consolidated financial statements.

TRACKSUIT MOVERS INC.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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13. NON-CONTROLLING INTEREST (CONT'D)

The following is a summarized condensed interim statement of financial position of YMM Phoenix at March 31, 2025 and December 31, 2024:

	March 31,		December 31,	
	2025		2024	
Current:				
Assets	\$	44,832	\$	55,851
Liabilities		(95,003)		(71,948)
Total current net liabilities		(50,171)		(16,097)
Non current:				
Assets		93,648		101,333
Liabilities		(1,021,749)		(1,003,899)
Total non-current net liabilities		(928,101)		(902,566)
Total net liabilities	\$	(978,272)	\$	(918,663)

The following is a summarized condensed interim statement of loss and comprehensive loss of YMM Phoenix for the periods ending March 31, 2025 and March 31, 2024:

	March 31,		March 31,	
	2025		2024	
Revenue	\$	147,887	\$	98,481
Net loss and comprehensive loss	\$	(60,477)	\$	(100,052)

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company defines capital as an aggregate of its financing liability and equity. The Company manages its capital structure to ensure it has sufficient capital to meet its obligations as they come due and makes adjustments in light of changes in economic conditions. In order to facilitate the management of capital, the Company prepares yearly budgets which are updated as necessary and are reviewed and approved by the Company's management. The Company is not subject to any externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts and other receivables, customer deposits, trade and other payables, financing liability, and related party loans. The Company's financial instruments measured at fair value consist of cash and restricted cash. Accounts and other receivables, trade and other payables, customer deposits, related party loans and financing liabilities are measured at amortized cost. Upon recognition, the fair values of the related party loans are estimated by discounting cash flows using interest rates of debt instruments with similar terms, maturities, and risk profile. With the rise in interest rates in 2025 and 2024, the fair value of related

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15. FINANCIAL INSTRUMENTS (CONT'D)

party loans would result in a \$199,684 (December 31, 2024 - \$203,083) lower value than the current carrying value.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Currency risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's related party loans payable and financing liabilities have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company holds its cash balances in reputable financial institutions in both Canada and USA and considers their credit risk to be low. The Company's receivables consist of trade receivables and receivables from a related party. Based on the evaluation of receivables at March 31, 2025 and December 31, 2024, the Company believes that its receivables are collectable, and has determined credit risk to be low. During the period ended March 31, 2025 the Company recognized bad debt expense of \$4,137 (March 31, 2024 - \$43,005).

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Currency Risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as it has cash, receivables, payables, and related party loans denominated in currencies other than the functional currency of the Company.

The Company's reporting currency is the Canadian dollar and as such the Company is exposed to foreign currency fluctuations on its US dollar denominated financial instruments. As at March 31,

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15. FINANCIAL INSTRUMENTS (CONT'D)

2025, the Company had US dollar denominated cash of US\$145 (December 31, 2024 – US\$145), US dollar denominated trade payables of US\$12,974 (December 31, 2024 – US\$6,821), and loan payable of US\$75,000 (December 31, 2024 – US\$75,000). As at March 31, 2025, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately \$16,429 (December 31, 2024 – \$15,207).

16. SEGMENT INFORMATION

During the period ended March 31, 2025 and the period ended March 31, 2024, the Company had two types of segments: geographical (Canada and United States of America) and operational (franchisor and corporate locations). Revenue and assets by geography and operational type are presented below:

As at and for the period ended March 31, 2025:

	Canada		USA		Total
Revenue	\$	151,868	\$	2,168,672	\$ 2,320,540
Cost of revenue	\$	-	\$	929,965	\$ 929,965
Operating expenses	\$	267,269	\$	1,664,527	\$ 1,931,796
Interest expense	\$	69,598	\$	7,491	\$ 77,089
Depreciation	\$	9,708	\$	27,406	\$ 37,114
Net income (loss)	\$	(163,394)	\$	(428,610)	\$ (592,004)
Current assets	\$	200,598	\$	1,183,272	\$ 1,383,870
Non-current assets	\$	72,237	\$	338,678	\$ 410,915
Current liabilities	\$	487,128	\$	1,938,130	\$ 2,425,258
Non-current liabilities	\$	2,357,756	\$	190,715	\$ 2,548,471
Non-controlling interest	\$	-	\$	10,593	\$ 10,593

	Franchisor		Corporate locations		Total
Revenue	\$	1,768,975	\$	551,565	\$ 2,320,540
Cost of revenue	\$	688,119	\$	241,846	\$ 929,965
Operating expenses	\$	1,481,870	\$	449,926	\$ 1,931,796
Interest expense	\$	71,566	\$	5,523	\$ 77,089
Depreciation	\$	9,708	\$	27,406	\$ 37,114
Net income (loss)	\$	(446,505)	\$	(145,499)	\$ (592,004)
Current assets	\$	1,218,316	\$	165,554	\$ 1,383,870
Non-current assets	\$	72,237	\$	338,678	\$ 410,915
Current liabilities	\$	2,168,129	\$	257,129	\$ 2,425,258
Non-current liabilities	\$	2,357,756	\$	190,715	\$ 2,548,471
Non-controlling interest	\$	-	\$	10,593	\$ 10,593

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16. SEGMENT INFORMATION (CONT'D)

As at and for the period ended March 31, 2024:

		Canada		USA		Total
Revenue	\$	133,537	\$	1,907,256	\$	2,040,793
Cost of revenue	\$	65	\$	884,949	\$	885,014
Operating expenses	\$	283,068	\$	1,166,623	\$	1,449,691
Interest expense	\$	63,830	\$	10,449	\$	74,279
Depreciation	\$	11,156	\$	31,925	\$	43,081
Net income (loss)	\$	(189,320)	\$	(154,774)	\$	(344,094)
Current assets	\$	184,608	\$	1,174,736	\$	1,359,344
Non-current assets	\$	168,120	\$	395,556	\$	563,676
Current liabilities	\$	525,811	\$	1,384,652	\$	1,910,463
Non-current liabilities	\$	2,140,398	\$	226,674	\$	2,367,072
Non-controlling interest	\$	-	\$	2,426	\$	2,426

		Franchisor		Corporate locations		Total
Revenue	\$	1,686,933	\$	353,860	\$	2,040,793
Cost of revenue	\$	728,176	\$	156,838	\$	885,014
Operating expenses	\$	1,085,216	\$	364,475	\$	1,449,691
Interest expense	\$	68,589	\$	5,690	\$	74,279
Depreciation	\$	11,156	\$	31,925	\$	43,081
Net loss	\$	(170,283)	\$	(173,811)	\$	(344,094)
Current assets	\$	1,221,149	\$	138,195	\$	1,359,344
Non-current assets	\$	168,120	\$	395,556	\$	563,676
Current liabilities	\$	1,760,379	\$	150,084	\$	1,910,463
Non-current liabilities	\$	2,140,398	\$	226,674	\$	2,367,072
Non-controlling interest	\$	-	\$	2,426	\$	2,426

17. SUBSEQUENT EVENTS

On April 24, 2025, Mobio has completed a reverse takeover transaction by acquiring 100% of the Company via a five-to-one share exchange. Mobio exchanged 50,000,000 of its shares at a value of \$0.20 per share for all of the outstanding shares of the Company (the "Transaction"). As part of the Transaction, Mobio completed a private placement of \$1,800,000 at a price of \$0.20 per share and settled related party loans with the balance of \$1,454,497 for 7,272,486 Mobio shares at a price of \$0.20 per share. The acquisition of the Company was subject to approval by disinterested shareholders of Mobio and acceptance of the transaction by the TSX Venture Exchange.