Management's Discussions and Analysis

Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

For the three-month and twelve-month periods ended December 31, 2024 and 2023

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of February 27, 2025 and complements the consolidated condensed interim financial statements of Prime Drink Group Corp., formerly Dominion Water Reserves Corp., ("Prime" or the "Company"), for the three-month and twelve-month periods ended December 31, 2024 and 2023 and should be read in conjunction with the accompanying consolidated condensed interim financial statements and related notes for the three-month and twelve-month periods ended on December 31, 2024 and 2023.

All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the consolidated condensed interim financial statements.

Following the acquisition of Triani Canada Inc. ("Triani"), the Company changed its financial year-end from December 31 to March 31 to align the Company's year-end with that of Triani and to facilitate financial reporting and the preparation of corporate tax returns. The change in year-end resulted in the Company's filing a one-time, fifteen-month transition year covering the period of January 1, 2024 to March 31, 2025. The information presented in these consolidated condensed interim financial statements is for the three-month and twelve-month periods ended December 31, 2024, compared to the three-month and twelve-month periods ended December 31, 2023.

The consolidated condensed interim financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on February 27, 2025.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

FORWARD-LOOKING STATEMENTS AND USE OF ESTIMATES

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Prime Drink Group Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Prime Drink Group Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management are described in Note 4 of the December 31, 2023 audited financial statements are below. Additional accounting judgments and estimates has been added since the business combination of Triani Canada Inc. on October 31, 2024 in Note 2 in the consolidated condensed interim financial statements for the three-month and twelve-month periods ended on December 31, 2024 and 2023.

- Going concern
- Impairment of Water Rights
- Impairment of Goodwill
- Share-Based Compensation
- Warrants
- Recovery of deferred tax assets
- Classification of financial instruments
- Estimated value in use and/or fair value less costs to sell of CGUs used in goodwill impairment testing
- Estimation of fair value of identified assets, liabilities and contingent consideration recorded in business acquisition.
- Identifying a business acquisition

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

CORPORATE PROFILE

PRIME STORY

Prime Drink Group Corp., formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of Prime was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of Prime.

Over the past years, Prime has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The Prime team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the “Share Purchase Agreement”) with 9296-0186 Québec Inc. (“9296”), the shareholders of 9296 (together with 9296, the “Vendors”), and Angelpart Ventures Inc. whereby the Company acquired, on October 31, 2024, all of the issued and outstanding common shares of Triani Canada Inc. (“Triani”) by way of business combination (the “Transaction”).

Pursuant to the amended and restated Share Purchase Agreement, Prime acquired, on October 31, 2024, the Triani Shares in exchange for (i) 91,200,000 common shares in the capital of Prime (“Prime Shares”) having an aggregate value of $11,400,000, with each Prime Share to be issued at a deemed price $0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of $0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to $23,500,000 payable in bonus consideration shares of Prime (the “Bonus Consideration”) at a deemed price of $0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and $0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Prime has seven wholly-owned subsidiaries: Triani Canada Inc., 6305768 Canada Inc., Centre Piscicole de Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

The Company is listed on the Canadian Securities Exchange (the “CSE”), since August 10, 2020, and is trading under the symbol “PRME”.

CORE BUSINESS

We are a leading beverage company with deep expertise in production, marketing, and distribution. As innovators in the beverage industry, we specialize in gluten-free, craft, and spirit-based beverages, catering to the evolving tastes and preferences of modern consumers. Our unique dual expertise in brewing and distilling, combined with private label and co-packing services, positions us as a versatile and trusted partner in the market.

Core Divisions
Prime Bottling: Our high-capacity production division, capable of producing 550,000 HL/year, ensures efficiency, scalability, and consistent quality to meet growing demand.

Water Reserves: A holding company managing Canada’s largest groundwater reserves, securing 3.4 billion liters annually and overseeing all water permits, ensuring sustainable and premium water sourcing.

Key Assets
Largest Groundwater Reserve in Canada: 3.4 billion liters annually, ensuring sustainable and high-quality water sourcing for our products. 291 Acres of Land: Dedicated to production facilities and protected zones, supporting long-term growth and environmental stewardship.

Brand Portfolio

- Gluten-Free: Glutenberg (75% Canadian market share), a pioneer and leader in gluten-free beverages.
- Craft & Hard Seltzers: Oshlag and Beach Day, offering premium craft beers and refreshing hard seltzers that resonate with today’s consumers.
- Spirit-Based: Oshlag and Beach Day spirits and ready-to-drink (RTD) products, catering to the growing demand for convenience and premium options.

Growth Strategy
Market Expansion: Focused on growing our presence in Canada and the U.S. through targeted campaigns, distribution partnerships, and consumer engagement.

Strategic Acquisitions and Partnerships: Leveraging opportunities to expand our portfolio, capabilities, and market reach.

Unique Value Proposition
Triani is one of the few regional players with dual expertise in brewery and distillery operations, alongside private label and co-packing services. Our manufacturing capabilities include:

- A wide range of products: beer, hard seltzers, spirits, and spirit-based RTDs, with the flexibility to produce gluten-free beer.
- Robust infrastructure: Two production plants and two warehouses, ensuring scalability and efficiency. Capacity utilization:
- Projected to reach 100% by fiscal 2026 with minimal CAPEX of $2.0 million.

VISION

To redefine the beverage industry by delivering innovative, high-quality products that inspire and delight consumers. We aim to be the partner of choice for brands and retailers, leveraging our expertise, sustainable practices, and cutting-edge production capabilities to drive growth and set new standards in the market.

Commitment to Growth
We are committed to expanding our market share through innovation, sustainability, and strategic investments. By focusing on profitable growth, operational excellence, and consumer-centric innovation, we aim to solidify our position as a leader in the beverage industry while creating long-term value for our stakeholders.

PROPERTIES

Prime water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in liters/ year)	Production Capacity (liters) (m3*1000*36 5)	Land Acres	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	100%
Notre-Dame- du-Laus	993,530,000	2722*1000*365	204	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	100%
Sainte-Cécile-de- Whitton	76,285,000	209*1000*365	7	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	100%
Source St-Siméon	131,400,000	360*1000*365	25	100%
TOTAL:	**3,351,677,000**		**291**	

Duhamel

Duhamel constitutes the largest volume spring in Province of Quebec with over 2 B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MDDELCC") under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole de Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m3; and
- bottling water in containers of 20 litres or less.

Notre-Dame-du-Laus

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- withdraw groundwater daily volume of water of 2,722 m3 ; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

St-Joseph-de-Coloraine

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m3; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

Sainte-Cécile

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other beverage products by way of an aqueduct; and the daily maximum to pump is 209 m3 ;

The Sainte-Cécile-de-Witton spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76 M litres per year and the spring does not currently have any bottling facilities.

Saint-Élie-de-Caxton

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

- Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m3 of water per day from these wells.

Source St-Siméon

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131 M litres to withdraw a maximum daily volume of water of 360 m3.

OVERALL PERFORMANCE

Acquisition of sources

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

Management of the Property Portfolio

The objective for 2025 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company is largely dependent upon external financings to fund activities. In order to support the acquisition of Triani, fund its operations and pay for administrative and financing costs, the Company will spend its existing working capital and raise additional funds as needed.

Corporate Developments

On November 23, 2022, the Company changed its name from Dominion Water Reserves Corp. to Prime Drink Group Corp.

On June 12, 2023, Mr. Alexandre Côté was nominated as Interim President and CEO and Mr. Germain Turpin as Chairman of the Board and Mr. Olivier Primeau has resigned from his role of President, CEO, Director, and Chairman of the Board.

On August 15, 2023, Mr. Alexandre Côté was elected as President and CEO and Mr. Dominique Primeau as a new Director of the Company and Mr. Raimondo Messina as Chairman of the Board.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the "Share Purchase Agreement") with 9296-0186 Québec Inc. ("9296"), the shareholders of 9296 (together with 9296, the "**Vendors**"), and Angelpart Ventures Inc. whereby the Company acquired, on October 31, 2024 all of the issued and outstanding common shares of Triani Canada Inc. ("Triani") by way of business combination (the "Transaction").

Pursuant to the amended and restated Share Purchase Agreement, Prime acquired, on October 31, 2024 the Triani Shares ("**Closing Date**") in exchange for (i) 91,200,000 common shares in the capital of Prime ("**Prime Shares**") having an aggregate value of $11,400,000, with each Prime Share to be issued at a deemed price $0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of $0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to $23,500,000 payable in bonus consideration shares of Prime (the "**Bonus Consideration**") at a deemed price of $0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and $0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Pursuant to the Share Purchase Agreement, the Company and 9296 has entered into a License and Option Agreement as of October 31, 2024 (the "**License and Option Agreement**"), whereby the Company has been granted: (i) an exclusive license in favour of the Company (the "**Licence**") for the use of any intellectual property, including but not limited to the brands, currently used by the Vendor as part of its business which will not be owned by Triani on the Closing Date (the "**IP**"); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of $35,000,000 for a period of 3 years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. has entered into a property option agreement, whereby the Company has been granted: (i) an exclusive option to acquire the St-Jean sur Richelieu property, for a 3-year period starting on the 3rd anniversary of the Closing Date and ending on the 6th anniversary of the Closing Date, at a price equal to the higher of $5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne property, for a 3-year period starting on the 3rd anniversary of the Closing Date and ending on the 6th anniversary of the Closing Date, at a price equal to the higher of $29,000,000 and the fair market value of such property at the time of exercise of the option (the "**Property Option Agreement**").

In connection with the closing of the transaction, the Company issued 61,377,000 Subscription Receipts at a price of $0.125 per Subscription Receipt for gross proceeds of $7,672,125. Each Subscription Receipt was converted, without payment of any additional consideration and without any further action by the holder thereof, into one common share in the capital of Prime ("**Prime Shares**"), upon satisfaction or waiver of certain escrow release conditions. On May 22, 2024, the Company closed a first tranche of 42,269,000 Subscription Receipts for gross proceeds of $5,283,625. Cash finder's fees of $248,692 has been paid from the release of the escrow proceeds. On July 31, 2024, the Company closed a second tranche of 9,560,000 Subscription Receipts for gross proceeds of $1,195,000. Cash finder's fees of $14,040 has been paid from release of the escrow proceeds. On October 16, 2024, the Company closed a third and final tranche of 9,548,000 Subscription Receipts for gross proceeds of $1,193,500. Cash finder's fees of $69,000 has been paid from the release of the escrow proceeds.

On October 16, 2024, the Company also closed a non-brokered private placement of 1,000 units for gross proceeds of $1,000,000. Each unit is comprised of 6,250 common shares and 6,250 share purchase warrants, resulting in the aggregate of 6,250,000 common shares at a deemed price of $0.16 and 6,250,000 warrants. Each warrant entitles the holder to purchase a common share at a price of $0.16 per common share for a period of two years.

On October 31, 2024, the Company closed its acquisition of all the issued and outstanding shares of Triani Canada Inc. (as described above) in consideration for $11,400,000 payable through the issuance of:

i. 91,200,000 common shares at a deemed price of $0.125;
ii. 11,200,000 warrants with each warrant is exercisable for one common share at a price of $0.125 per share for a period of twelve months.

In addition, on the Closing Date:

i. the proceeds of $7,672,125 raised from the issuance of a total of 12,275,400 subscription receipts of the Company were released from escrow and the Subscription Receipts were converted into a total of 61,377,000 common shares;
ii. the units from the October 16, 2024 non-brokered private placement were converted into 6,250,000 common shares at a deemed price of $0.16 and 6,250,000 warrants were issued, each warrant is exercisable at $0.16 per common share for a period of two years;
iii. 30,000,000 common shares of the Company were issued to holders of a convertible debenture in Triani Canada Inc. at a price of $0.10 per common share;
iv. Michael Pesner and Robert Dunn resigned as directors of the Company while Antoine Alonzo, Jean-Denis Côté and Samuel Cousineau Bourgeois were appointed as directors. Alexandre Côté was nominated as Chief Executive Officer, Tristan Bourgeois-Cousineau as President, Joannie Couture as Vice-President, Antoine Alonzo as Chief Financial Officer and Corporate Secretary and Raimondo Messina as Chief Strategy Officer.

The Transaction constituted a "fundamental change" for the Company pursuant to the rules and policies of the CSE. The Company intends to change its name to "Prime Group Corp." and continued the business of Triani.

The Company made a cash contribution of $12,500,000 to the operations of Triani following the Closing Date. Such amount was used as working capital by the Company in the ordinary course of business.

On November 26, 2024, the Company ("Prime") has entered into a non-binding letter of intent dated November 18, 2024 (the "Letter of Intent") with Champlain Prime Investments S.E.C. ("Champlain") and Prime Affichage Inc. ("Prime Affichage" and together with Champlain, the "Target Shareholders") to acquire all the issued and outstanding common shares of Prime Capital Investments Inc. ("Target"), a company incorporated under the laws of Quebec that owns the all the rights and assets of the Beach Day Every Day brand.

In consideration for the proposed acquisition (the “Transaction”) of all the common shares in the capital of Target (the “Target Shares”, Prime will pay an aggregate amount of $22,500,000 as follows:

i) $12,500,000 to Champlain via a lump sum cash payment on the closing date of the proposed Transaction; and

ii) $10,000,000 to Prime Affichage, to be paid via the issuance of 40,000,000 common shares of the Company at a deemed price of $0.25 per share.

Prime and the Target Shareholders will be working towards entering into a definitive agreement (the “Definitive Agreement”), subject to the satisfaction of the completion of due diligence by Prime of Target, on or before January 31, 2025. The Definitive Agreement will include certain conditions, including the completion of a Concurrent Financing, the Company obtaining an independent valuation of Target acceptable to Prime and the CSE, Target having an aggregate debt no greater than $5,200,000, and customary conditions for a transaction of this nature. The Transaction will be subject to the approval of the CSE, and it is anticipated that the Transaction will constitute a related party transaction as Raimondo Messina is a director and shareholder of both the Company and Target, and Olivier Primeau is both an executive and shareholder of both the Company and Target.

Prior to or concurrently with the Closing of the Transaction, the Company intends to complete a concurrent financing of a minimum gross proceeds of $12,500,000.

On January 15, 2025, the Company announced the appointment of Audrey Bouchard, CPA Auditor as the Company’s Chief Financial Officer, effective immediately. Ms. Bouchard replaces Antoine Alonzo, who has resigned as Chief Financial Officer and as a member of the Board of Directors.

SELECTED FINANCIAL INFORMATION

(In Canadian dollars, except per share amounts)	3 months			12 months		
	2024	2023	Change $	2024	2023	Change $
Revenues	1,165,006	—	1,165,006	1,165,006	—	1,165,006
Operating expenses	1,744,646	424,076	1,320,570	2,931,545	1,027,346	1,904,199
Selling expenses	510,791	—	510,791	510,791	—	510,791
Administrative expenses	483,860	—	483,860	483,860	—	483,860
Loss from operations	(1,574,291)	(424,076)	(1,150,215)	(2,761,190)	(1,027,346)	(1,733,844)
Interest income	(26,568)	(22,555)	(4,013)	(207,611)	(22,555)	(185,056)
Financing expenses	721,596	—	721,596	721,596	—	721,596
Other professional fees and listing fees	585,713	—	585,713	585,713	—	585,713
Net loss and comprehensive loss	(2,855,032)	(401,521)	(2,453,511)	(3,860,888)	(1,004,791)	(2,856,097)
Net loss per share — Basic and diluted	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)
Weighted average number of shares	278,283,103	144,177,462		178,134,635	143,066,259	

Revenues

Revenues are detailed as follows:

(In Canadian dollars, except per share amounts)	3 months			12 months		
	2024	2023	Change $	2024	2023	Change $
Revenues by geography						
Canada	886,804	—	886,604	886,804	—	886,804
United States	278,202	—	278,202	278,202	—	278,202
	1,165,006	—	1,165,006	1,165,006	—	1,165,006

Revenues increased over Q4 2023 from nil to $1.2 million in Q4 2025. Cumulative revenues in Fiscal 2025 increased to $1.2 million, from nil for Fiscal 2023. Both increases in revenues were due to the acquisition of Triani Canada Inc.

Canada

Revenues in Canada increased over Q4 2023 from nil to $0.9 million in Q4 2025. Cumulative revenues in Canada for Fiscal 2025 increased from nil in the cumulative Fiscal 2023 to $0.9 million. Both increases in Canadian revenues were due to the acquisition of Triani Canada Inc.

United States

Revenues in United States increased over in Q4 2023 to $0.3 million in Q4 2025. Cumulative revenues in United States for Fiscal 2025 increased from nil in the cumulative Fiscal 2023 to $0.3 million. Both increases in United States' revenues were due to the acquisition of Triani Canada Inc.

Operating expenses

Operating expenses in Q4 2025 increased by $1.3 million to $1.7 million, from $0.4 million for Q4 2023. Cumulative operating expenses in Fiscal 2025 increased by $1.9 million to $2.9 million, from $1 million for Fiscal 2023. Both increases were mainly attributable to the acquisition of Triani Canada Inc.

Selling expenses

Selling expenses increased over Q4 2023 from nil to $0.5 million in Q4 2025. Cumulative selling expenses in Canada for Fiscal 2025 increased from nil in the cumulative Fiscal 2023 to $0.5 million. Both increases were due to the acquisition of Triani Canada Inc.

Administrative Expenses

Administrative expenses increased over Q4 2023 from nil to $0.5 million in Q4 2025. Cumulative administrative expenses in Fiscal 2025 increased from nil in the cumulative Fiscal 2023 to $0.5 million. Both increases were due to the acquisition of Triani Canada Inc.

Interest income

Interest income in Q4 2025 remained stable compared to Q4 2023. Cumulative interest income in Fiscal 2025 increased by $0.2 million to $0.2 million, from $0.02 million for Fiscal 2023. The increase was related to higher interest revenues related to the funds held in escrow prior to the closing of the Transaction.

Financing Expenses

Financing expenses increased over Q4 2023 from nil to $0.7 million in Q4 2025. Cumulative financing expenses in Fiscal 2025 increased from nil in Fiscal 2023 to $0.7 million. The increase was mainly related to the increase in interest expenses of additional debt assumed from the Triani acquisition.

Other professional fees and listing fees

Other professional fees and listing fees increased over Q4 2023 from nil to $0.6 million in Q4 2025. Cumulative other professional fees and listing fees for Fiscal 2025 increased from nil in the cumulative Fiscal 2023 to $0.6 million. The increase was related to the transaction fees related to the Triani acquisition.

Net loss

Net loss in Q4 2025 was $2.9 million compared to $0.4 million for Q4 2023. The difference was mainly due to the increase in loss from operations and financing expenses. Production level and sales started during Q4 2025 following the Transaction, thus decreasing the overall operations loss. Furthermore, the higher professional fees and transaction costs in administration expenses following the pending transaction with Triani Canada Inc. impacted negatively the net loss.

BUSINESS SEGMENT PERFORMANCE

BOTTLING

	3 months			12 months		
(in Canadian dollars)	2024	2023	$ Change	2024	2023	$ Change
Revenues	1,165,006	—	1,165,006	1,165,006	—	1,165,006
Loss from operations	(1,440,712)	—	(1,440,712)	(1,440,712)	—	(1,440,712)
Net loss	(2,161,250)	—	(2,161,250)	(2,161,250)	—	(2,161,250)

Revenues

Bottling revenues represented $1.2 million for Q4 2025 and Cumulative for Fiscal 2025 reflecting the contribution from the acquisition of Triani.

Bottling revenues mainly consists of sale of alcoholic and non-alcoholic beverages.

Loss from operations

Bottling loss from operations represented $1.4 million for Q4 2025 and Cumulative for Fiscal 2025 reflecting the contribution from the acquisition of Triani. Triani's operations have not been profitable over the last year. On February 18, 2025, the Company announced that it has undertaken a strategic restructuring of its wholly owned subsidiary, Triani. The objective of the restructuring is to apply the findings of an objective third-party financial analysis to current business operations to assess long-term viability and optimize organizational structures to improve the profitability of bottling plant operations and exclusively licensed brands. This initiative will also serve to reduce operating expenses and reposition the Company for scalable revenue growth, near-term cash flow positivity and long-term shareholder equity.

Net loss

Bottling net loss represented $2.2 million for Q4 2025 and Cumulative for Fiscal 2025 reflecting the contribution from the acquisition of Triani. Non-recurring financing costs of $0.2 million have been incurred in connection with the refinancing of the related-party debt.

CORPORATE

	3 months			12 months		
(in Canadian dollars)	2024	2023	$ Change	2024	2023	$ Change
Loss from operations	(133,499)	(424,076)	300,497	(1,320,478)	(1,027,346)	(293,132)
Net loss	(693,782)	(401,521)	(292,261)	(1,699,638)	(1,004,791)	(694,847)

Loss from operations

Corporate loss from operations decreased to $0.1 million for Q4 2025 compared to $0.4 million for Q4 2023. The main variances are related to the consulting fees that were $0.3 for Q4 2025, compared to $0.1 in Q4 2023, an increase of $0.2 million due to additional consulting fees related to the closing of the Transaction. The professional fees were $0.1 million for Q4 2025, compared to $0.3 million in Q4 2023 a decrease of $0.2 million due to less corporate legal services needed during 2024. Professional fees related to the Transaction of $0.6 million was reclassified on a separate line Other professional fees and listing fees. Share-based payments remained the same at approximately $0.2 million.

Corporate loss from operations represented $1.3 million for Fiscal 2025 compared to $1.0 million for Fiscal 2023. The increase was mainly attributable to higher consulting fees related to the closing of the Transaction, offset by the reclassification of the professional fees related to the Transaction of $0.6 million on a separate line *Other professional fees and listing fees*. Share-based payments remained the same at approximately $0.3 million.

Net loss

Corporate net loss increased to $0.7 million for Q4 2025 compared to $0.4 million for Q4 2023, an increase of $0.3 million. The increase was mainly attributable to non-recurring other professional fees and listing fees of $0.6 million, partially offset by less operating expenses.

Corporate net loss increased to $1.7 million for Fiscal 2025 compared to $1.0 million for Fiscal 2023, an increase of $0.7 million. The increase was mainly attributable to non-recurring other professional fees and listing fees of $0.6 million, higher consulting fees, partially offset by higher interest revenues related to the funds held in escrow prior to the closing of the Transaction.

Summary of Consolidated Quarterly Results

(in Canadian dollars, except per share amounts)	3 months							
	Dec. 31, 2024	**Sept. 30, 2024**	**June 30, 2024**	**March 31, 2024**	**Dec. 31, 2023**	**Sept. 30, 2023**	**June 30, 2023**	**March 31, 2023**
	Fiscal 2025	**Fiscal 2025**	**Fiscal 2025**	**Fiscal 2025**	**Fiscal 2023**	**Fiscal 2023**	**Fiscal 2023**	**Fiscal 2023**
Revenues by geography								
Canada	886,804	—	—	—	—	—	—	—
United States	278,202	—	—	—	—	—	—	—
Total revenues	1,165,006	—	—	—	—	—	—	—
Loss from operations	(1,574,291)	(390,098)	(428,923)	(367,879)	(424,076)	(294,133)	(217,193)	(91,944)
Net loss	(2,855,032)	(302,165)	(369,896)	(333,795)	(401,521)	(294,133)	(217,193)	(91,944)
Net loss per share basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Revenues increased over the last quarter from nil to $1.2 million in the fourth quarter of 2025. The increase was mainly attributable to the Triani acquisition.

Net loss fluctuated over the last eight quarters from a net loss of $0.1 million in the first quarter of 2023 to $2.9 million in the fourth quarter of 2025. The variation was mainly attributable to the Triani acquisition.

LIQUIDITY AND CAPITAL RESOURCES FOR THREE-MONTH AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2024 AND 2023

(in thousands of Canadian dollars)	3 months		12 months	
	2024	2023	2024	2023
Operating activities	(10,249,230)	(120,875)	(11,793,597)	(661,544)
Financing activities	9,332,286	—	9,665,786	918,824
Increase (decrease) in cash	(916,944)	(120,875)	(2,127,811)	257,280
Cash – beginning of period	1,467,270	2,799,012	2,678,137	2,420,857
Cash – end of period	550,326	2,678,137	550,326	2,678,137

Operating activities

Net cash used in operating activities was $(10.2) million for Q4 2025 compared with $(0.1) million in Q4 2023. The increase was mainly related to payments made to suppliers for an amount of $7.7 million, payments made to related parties presented in Other non-current assets of $1.0 million and negative loss from operations.

Net cash used in operating activities was $(11.8) million for Fiscal 2025 compared with $(0.7) million in Fiscal 2023. The increase was mainly related to payments made to suppliers for an amount of $7.6 million, payments made to related parties presented in Other non-current assets of $1.0 million and negative loss from operations.

Financing activities

Net cash provided by financing activities was $9.3 million for Q4 2025 compared with nil in Q4 2023. Net cash provided by financing activities was $9.7 million for Fiscal 2025 compared with $0.9 million in Fiscal 2023. The increase was mainly attributable to the financing of the Transaction and to the issuance of shares related to the exercise of share options and warrants, partially offset by debt repayment of the credit facility and related-party debt. The Company issued shares for a gross amount of $12.2 million following the closing of to the Concurrent placement, the Convertible debt and the Private placement 1 and 2. The Company incurred share issuance costs of $0.5 million. The Company repaid $0.9 million on the credit facility and made $1.4 million capital repayment for the related-party debt together with $0.4 million interest payment. The Company issued shares related to the exercise of share options and warrants for an amount of $0.3 million in Q4 2025 compared to nil in Q4 2023. The Company issued shares related to the exercise of share options and warrants for an amount of $0.6 million in Fiscal 2025 compared to $0.9 million in Fiscal 2023.

Contractual Obligations

The Company is committed under the terms of contractual obligations with various expiration dates, primarily the rental properties and equipment and financial obligations under our credit agreement and related party debt.

The following table summarizes the Company's undiscounted significant contractual obligations as of December 31, 2024, including its estimated payments and commitments related to leasing contracts:

	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Credit facility	$ 11,982,234	$ 11,982,234	$ —	$ —
Accounts payables and accrued liabilities	10,409,434	10,409,434	—	—
Related-party debt	16,991,605	16,951,605	40,000	—
Lease liabilities	16,068,000	1,872,000	7,488,000	6,708,000

Capital resources

The Company has a credit facility with an authorized amount of $14.0 million at the Bank's prime rate plus 5.00%. This line of credit is secured by an hypothec on all the movable property of the Company, both tangible and intangible, present and future including the entirety of the inventories, trade receivables, equipment and intangibles. The Company must make monthly payments to gradually reduce the debt, with specific amounts to be repaid on specific dates: $0.1 million on November 29, 2024, and December 30, 2024; and monthly payment of $0.2 million from January 30, 2025 to September 30, 2025, and the remaining amount of the debt on October 31, 2025.

FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated statements of financial position of the Company for December 31, 2024 compare with December 31, 2023:

(in Canadian dollars)	December 31, 2024	December 31, 2023	Variance	▲▼	Significant contributions
Cash	$ 550,326	$ 2,678,137	(2,127,811)	▼	Payments of fees related to the Transaction
Trade and other receivables	1,532,193	6,531	1,525,662	▲	Receivables related to Bottling operations
Inventories	5,938,738	—	5,938,738	▲	Inventories related to Bottling operations
Property and equipment	11,745,402	528,678	11,216,724	▲	Bottling equipment
Right-of-use assets on leases	10,789,213	—	10,789,213	▲	Leases related to the Bottling facilities
Goodwill	41,490,652	—	41,490,652	▲	Goodwill recognised following the business combination of Triani
Credit facility	11,982,234	—	11,982,234	▲	Operating credit facility for the Bottling operations
Accounts payables and accrued liabilities	10,409,434	109,516	10,299,918	▲	Payables related to Bottling operations
Related-party debt	16,991,605	—	16,991,605	▲	Long-term debt related to the Bottling operations
Lease liabilities	11,296,890	—	11,296,890	▲	Leases related to the Bottling facilities

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at December 31, 2024 or as at the date of this MD&A.

Subsequent events

The subsequent events are disclosed in Note 23 of Company's consolidated condensed interim financial statements for the three-month and twelve-month periods ended December 31, 2024 and 2023.

Commitments

On November 20, 2020, the company entered into a 25 year water sales contract with Acquanor Inc. with an obligation to supply water at a price of $0.005 per litre of water for the first five years, $0.010 from year 6 to 10, $0.015 from year 11 to 15 and $0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

Under the terms of the underlining bank loans, which have a carrying amount of $16,966,146 (2023 – nil), the Company has commitments to comply until October 31, 2025. The Company is largely dependent upon external financings to fund activities. In order to support the acquisition of Triani, fund its operations and pay for administrative and financing costs, the Company will spend its existing working capital and raise additional funds as needed.

Contingencies

Triani is a defendant in a number of lawsuits, claims, and imminent litigations. Litigations are monitored regularly, case by case, by the legal department of the Company with the assistance of external legal advisors for major and complex litigation. A provision is recognized as soon as it becomes likely that a current obligation resulting from a past event will require a settlement whose amount cannot be reliably estimated.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings ''alcohol-free'' or ''non-alcoholic''. Total amount of the class action is $117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated and therefore no provision has been recorded as of December 31, 2024.

Between December 2023 and March 2024, certain customers have filed legal suits against Triani for an amount of $1.6 million for its association with another related company which filed for bankruptcy. Management believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated. No provision has been recorded as of December 31, 2024.

Critical Accounting estimates

The critical accounting estimates are disclosed in Note 4 of Company's annual consolidated financial statements for the year ended December 31, 2023. On October 31, 2024, Prime acquired Triani and following this acquisition, the Company now has additional significant estimates and judgments that need to be considered:

- *Impairment of Goodwill:* The Company performs a goodwill impairment test on an annual basis at each year-end. In addition, the Company assesses indicators of impairment at each reporting date and, if an indicator of impairment is identified, goodwill is tested for impairment at that time.
- *Identifying a Business Acquisition*: Management exercises significant judgment in determining whether a transaction qualifies as a business combination or merely a purchase of assets, in accordance with the criteria established under IFRS 3 - Business Combinations. When the acquisition involves an asset or a group of assets that constitute a business, it is accounted for as a business combination. This treatment may result in the recognition of goodwill, which impacts subsequent amortization expenses and/or impairment testing results. Conversely, a transaction that is identified as an asset purchase does not give rise to goodwill.
- *Estimated value in use and/or fair value less costs to sell of CGUs used in goodwill*: This involves determining the recoverable amount of cash-generating units (CGUs) to assess potential impairments in goodwill. The estimated value in use or the fair value less costs to sell provides a basis for evaluating if the carrying amount of CGUs exceeds their recoverable amount.
- *Estimation of fair value of identified assets, liabilities, and contingent consideration recorded in business acquisitions*: This includes appraising the fair value of tangible and intangible assets, assumed liabilities, and any contingent consideration (such as earn-out provisions) during the business acquisition process. This estimation ensures accurate representation and allocation of purchase price in the financial statements.

Changes in accounting policies including Initial adoption.

The changes in accounting policies are disclosed in Note 3 of Company's annual audited financial statements for the year ended December 31, 2023 and the consolidated condensed interim financial statements for the three-month and twelve-month periods ended December 31, 2024 and 2023.

Disclosure of Outstanding Share Data

The following table sets out the number of common shares as of the date hereof:

	February 27, 2025	December 31, 2024
Common shares outstanding	342,173,212	341,173,212
Stock option exercisable	5,500,000	5,500,000
Warrants outstanding	20,326,800	18,365,300

i. On February 24, 2023, 386,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $42,460.

ii. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of $0.15, for a gross amount of $418,800.

iii. On March 3, 2023, 2,649,066 common shares were issued by the Company upon share options exercised at an exercise price of $0.145, for a gross amount of $384,114.

iv. On April 6, 2023, 500,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $55,000.

v. On April 11, 2023, 193,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $21,230.

vi. On July 2, 2024, 418,750 common shares were issued by the Company upon warrants exercised at an exercise price of $0.08 per share, for gross proceeds of $33,500.

vii. On September 17, 2024, 3,750,000 common shares were issued upon warrants exercised at an exercise price of $0.08 per share, for gross proceeds of $300,000.

viii. On October 31, 2024, 91,200,000 common shares and 11,200,000 warrants were issued in consideration for the acquisition of all the issued and outstanding shares of Triani.

ix. On October 31, 2024, 61,377,000 common shares were issued from the conversion of the 12,275,400 subscription receipts in connection with the closing of the transaction, for gross proceeds of $7,672,125.

x. On October 31, 2024, 6,250,000 common shares and 6,250,000 warrants were issued from the conversion of the units at a deemed price of $0.16, for gross proceeds of $1,000,000.

xi. On October 31, 2024, 30,000,000 common shares were issued in connection of the conversion of Triani's convertible debenture for gross proceeds of $3,000,000.

xii. During November 2024, 500,000 common shares were issued upon the exercise of 500,000 share options at an exercise price of $0.19 per share, for gross proceeds of $95,000, 100,000 common shares were issued upon the exercise of 100,000 share options at an exercise price of $0.165 per share, for gross proceeds of $16,500 and 1,200,000 common shares were issued upon the exercise of 1,200,000 warrants at an exercise price of $0.125 per share, for gross proceeds of $150,000.

xiii. On December 31, 2024, the Company completed a first closing of the private placement 2 and issued 110 units which comprise each 20,000 common shares and 19,230 warrants at an agreed price of $0.26 per common shares ($5,000 per unit) for total gross proceeds of $550,000.

xiv. On February 13, 2025, the Company completed a second closing of the private placement 2 and issued 50 units which each comprise 20,000 common shares and 19,230 warrants at an agreed price of $0.26 per common share ($5,000 per unit) for total gross proceeds of $250,000.

Related Party Transactions

	3 months		12 months	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Consulting fees paid to a Director (former President and CEO)	$ 9,000	$ 9,000	$ 36,000	$ 65,000
Consulting fees paid to the CEO	105,000	9,999	168,333	50,832
Consulting fees paid to the CFO	92,000	21,000	165,000	84,000
Professional fees paid to a Director	105,000	—	167,000	15,000
Salaries and other short-term key employees	51,538	—	51,538	—
Director’s and audit committee members’ fees	—	—	70,000	70,000
Share-based compensation to Directors and Officers	152,439	168,869	284,489	340,629

Risks and Uncertainties

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company’s eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

Regulatory compliance risks

Achievement of the Company’s business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary. The Company may not be able to obtain or maintain the necessary licenses, permits, quotas, authorizations or accreditations to operate its business, or may only be able to do so at great cost. The Company cannot predict the time required to secure all appropriate regulatory approvals for its business, or the extent of testing and documentation that may be required by local governmental authorities.

Triani’s operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage of beverage products but also including laws and regulations relating to health and safety, conduct of operations in Québec. Any changes to such laws, regulations and guidelines are matters beyond the control of Triani that may cause adverse effects to the operations and financial conditions of Triani’s prospective returns.

At the federal level, Health Canada is responsible for establishing federal food safety policies and standards for food industry businesses, while the Canadian Food Inspection Agency is responsible for their enforcement, under the Food and Drugs Act (the “FADA”), the Safe Food for Canadians Act (the “SFCA”) and the Safe Food For Canadians Regulations (the “SFR”). The FADA sets the standards for the safety and nutritional quality of all foods sold in Canada, whereas the SFCA and SFR establish policies such as licensing, labelling, and traceability requirements for businesses in the food industry. At this time, Triani is exempt from federal licensing and traceability requirements under the SFR because it does not directly produce, manufacture or distribute any food products.

The Company may also be subject to certain provincial, state and/or municipal regulations (as applicable), which may require (in addition to federal requirements), among other things, additional health, manufacturing and labeling requirements to be met for relating to the manufacture, management, transportation, and storage of beverage products. Local (rather than federal) health authorities are often responsible for approving, permitting, inspecting and responding to complaints about food and beverage manufacturing premises. For example, certain local laws and regulations may require facility registration with the relevant local food safety agency, and those facilities are subject to local inspection as well as federal inspection.

The Company may incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures ("CapEx"), installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company’s operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Lack of raw materials

Lack of raw materials from suppliers can potentially represent a risk to the Company's business. Although the Company will have several suppliers, raw materials remain essential to the operation of the Company's activities.

Increase in the exchange rate between Canadian and U.S. currencies

Given that a large proportion of raw materials are purchased in the United States and payable in U.S. dollars, fluctuations in the exchange rate is a risk to be considered in relation to the cost of raw materials. In the event of a more significant gap between the Canadian and U.S. dollar than currently prevails, raw material costs could increase.

Health, safety and environment

The Company's reputation could be jeopardized by a failure to maintain high quality standards for its products and services or high ethical, social and environmental standards for its activities, including human rights related challenges in its supply chains. A failure to meet these standards or contamination could occur in the Company's operations and its suppliers. This could result in expensive production interruptions, recalls and liability claims. The Company may be liable to its customers if the consumption of any of its products or services causes injury, illness or death. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could have a material adverse effect on the Company's results of operations or cash flows.

Change in societal expectations

There is a continued high level of media and government scrutiny on health and environmental concerns of consumers. Expectations from consumers and governmental and non-governmental bodies on consumer-facing industries taking responsibility in tackling environmental issues (such as recycled products) may grow, leading inter alia to changes in regulations impacting the Company's product portfolio and manufacturing processes.

Retention and acquisition of skilled personnel

The loss of any member of the Company's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and in many cases, take a significant amount of time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Supply Chain

Any interruption or delay in product supply, any increases in product costs, or the inability to obtain such products from alternate sources at acceptable prices and within a reasonable amount of time, would harm the Company's ability to provide such products to its customers on a timely basis. This could harm the Company's relationship with its customers, prevent it from acquiring new customers, and materially and adversely affect its business. Further, the Company's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Company's s business and operational results. Such disruption of operations could adversely affect inventory supplies and the Company's ability to meet product delivery deadlines.

Cybersecurity

The Company's operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems. The Company depends on key information systems to conduct its business, to provide information to management and to prepare financial reports.

Legal and Regulatory Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results. The Company's connection with the food delivery industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against the Company. Litigation, complaints, and enforcement actions involving the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Additional Risks Relating to Doing Business Internationally

The Company may be subject to risks generally associated with doing business in international markets when it expands into the international markets. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company may do business could adversely affect such expansion and growth. Additionally, if the Company enters into new international jurisdictions, such entries would require management attention and financial resources that would otherwise be spent on other parts of the business. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company operates, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company may do business that would restrict or prohibit the Company's business with the sanctioned country, company, person or entity;
- laws and business practices favoring local companies;
- political, social or economic unrest or instability;
- expropriation and nationalization and/ or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, import controls, currency remittance, income and other taxes, royalties, the repatriation of profits, foreign investment, licenses and approvals and permits.

The Company's international efforts may not produce desired levels of sales. Furthermore, the Company's experience with selling products in Canada may not be relevant or may not necessarily translate into favorable results if it sells in other international markets. If and when the Company enters into new markets in the future, it may experience different competitive conditions, less familiarity by customers with the Company's brand and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales to new international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets.

Access to Capital

The Company makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, the Company has financed these expenditures through offerings of its equity securities. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing on reasonable terms or at all to meet the growth needs of its operations.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results and acquisition or disposition of properties, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Additional Financing

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further 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 Company Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) increased financial leveraged; (iv) the failure of anticipated benefits and cost savings to not materialize or take longer than expected to materialize; and (v) an increased scope and complexity of the Company's operations. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Global Economic Risk

Economic slowdowns and downturns of global capital markets may make the raising of capital by equity or debt financing more difficult. Access to financing may be negatively impacted by ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of Company Shares on the stock exchange.

Additional Information

Additional information about the Company is available on the SEDAR website at www.sedar.com.