



# Management's Discussion and Analysis

For the Period Ended

**NOVEMBER 30, 2025**

**LQWD Technologies Corp.**

1050 West Pender Street  
Suite 1710  
Vancouver, BC  
V6E 3S7 Canada

TSXV: **LQWD** | OTCQX: **LQWDF** | FRA: **47F**

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The following Management's Discussion and Analysis ("MD&A") is dated January 16, 2026, for the period ended November 30, 2025, and should be read in conjunction with LQWD Technologies Corp. ("LQWD" or the "Company") accompanying audited consolidated financial statements for the years ended February 28, 2025, and February 29, 2024.

These condensed consolidated financial statements for the period ended November 30, 2025, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The MD&A supplement does not form part of the unaudited condensed consolidated interim financial statements for the nine month period ended November 30, 2025, or the audited financial statements of the Company and the notes thereto for the year ended February 28, 2025. All amounts are expressed in Canadian dollars unless otherwise indicated. In addition, readers are directed herein to discussions under the headings "*Forward-Looking Statements*", "*Critical Accounting Estimates*" and "*Risk Factors*".

LQWD management is responsible for the integrity of the information contained in this report and for the consistency between the MD&A and the financial statements.

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## CURRENT DEVELOPMENTS

### CORPORATE

On December 15, 2025, the Company announced that it intends to complete a non-brokered private placement of up to 2,000,000 units at a price of \$1.00 per unit for aggregate gross proceeds of up to \$2,000,000. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$1.25 per share at any time up to 24 months following the closing date.

On September 29, 2025, the Company announced that it had purchased an additional ~14 Bitcoin. With these purchases, LQWD holds ~252.5 Bitcoin, representing 25.25 billion Satoshi's (Sats).

On September 29, 2025, the Company announced the promotion of Matthew Whitcomb to VP Capital Markets and Corporate Development and granted 750,000 stock options that are exercisable for a period of 5 years at a price of \$1.50 per share to various directors, officers, and staff members. The stock options will vest over a period of up to 12 months.

On September 24, 2025, the Company closed its non-brokered private placement, issuing 1,666,667 units at a price of \$1.50 per unit for gross proceeds of approximately \$2,500,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$2.00 per share at any time up to 12 months following the closing date of the private placement.

On July 15, 2025, the Company announced the launch of an at-the-market equity program ("ATM Program"), allowing the Company to issue up to \$10,000,000 of common shares in the capital of the Company from treasury to the public at the Company's discretion. The offering under the ATM Program is made pursuant to a prospectus supplement dated July 15, 2025, to the Company's short form base shelf prospectus for the province of Québec and the amended and restated short form base shelf prospectus amending and restating the final short form base shelf prospectus dated April 11, 2024, for each of the provinces and territories of Canada, except Québec dated June 30, 2025. The Company did not issue or sell any common shares under the ATM Program, which expired on December 31, 2025.

On July 15, 2025, the Company announced that it had acquired an additional ~57.5 Bitcoin. These purchases brought LQWD's total to ~238.5 Bitcoin, representing 23.85 billion Satoshi's (Sats).

On July 14, 2025, the Company closed its non-brokered private placement, issuing 560,975 common shares at a price of \$4.10 per share for gross proceeds of approximately \$2,300,000.

On July 10, 2025, the Company closed its brokered private placement, issuing 2,439,024 common shares at a price of \$4.10 per share for gross proceeds of approximately \$10,000,000. The Company paid a cash commission of 7% of the aggregate gross proceeds.

Between June 17, 2025, and July 7, 2025, the Company acquired an additional ~20 Bitcoin. These purchases brought LQWD's total to ~181 Bitcoin, representing 18.1 billion Satoshi's (Sats).

On June 23, 2025, the Company granted 788,000 stock options exercisable for \$3.70 per share to various directors, officers, employees, and consultants. The stock options will vest over a period of up to 24 months.

On June 9, 2025, the Company announced the appointment of Ashley Garnot as President of the Company. Mrs. Garnot will continue to serve as a director and work closely with the executive team.

On May 22, 2025, the Company engaged Renmark Financial Communications to broaden U.S. and Canadian investor outreach. The twelve-month agreement carries a fee of \$7,000 per month and may be terminated with 30-days notice. Management expects the mandate to enhance market liquidity but does not anticipate a material change in cash burn.

On April 2, 2025, LQWD announced the appointment of Samuel Coyn Mateer as a non-executive director of the Company.

On January 21, 2025, the Company announced that it had qualified to trade on the OTCQX Best Market from the OTCQB Venture Market.

Between January 14, 2025, to January 28, 2025, the Company announced that it had acquired an additional ~20 Bitcoin. These purchases brought LQWD's total to ~161 Bitcoin, representing 16.1 billion Satoshi's (Sats).

On December 23, 2024, the Company closed its non-brokered private placement, issuing 2,000,000 units at a price of \$1.50 per unit for gross proceeds of \$3,000,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of \$2.00 per share at any time up to 18 months following the closing date of the private placement.

On November 13, 2024, the Company announced that it had acquired an additional ~5 Bitcoin. These purchases brought LQWD's total to ~141 Bitcoin, representing 14.1 billion Satoshi's (Sats).

On November 7, 2024, the Company closed the second tranche of a non-brokered private placement, issuing 2,307,692 units at a price of \$0.65 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of \$0.90 per share at any time up to 18 months following the closing date of the private placement. In connection with the second tranche of the private placement, the Company issued to the finder \$27,875 in cash and 30,972 share purchase warrants.

On October 27, 2024, the Company granted 500,000 stock options that are exercisable for a period of 5 years at a price of \$1.152 per share to various directors, officers, and staff members. The stock options vested over a period of 12 months.

On October 25, 2024, the Company announced that it had acquired an additional ~16 Bitcoin and on October 29, 2024, the Company announced that it had acquired an additional ~5 Bitcoin. These purchases brought LQWD's total to ~136 Bitcoin, representing 13.6 billion Satoshi's (Sats).

On October 9, 2024, the Company closed the first tranche of a non-brokered private placement, issuing 3,200,000 units at a price of \$0.70 per unit for gross proceeds of \$2,240,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share for a period of 5 years following the closing date with exercise prices as follows: 1/5th of the warrants will have an exercise price of \$1.00 per share; 1/5th of the warrants will have an exercise price of \$1.25 per share; 1/5th of the warrants will have an exercise price of \$1.50 per share; 1/5th of the warrants will have an exercise price of \$1.75 per share; and the remaining 1/5th of the warrants will have an exercise price of \$2.00 per share. In connection with the first tranche of the private placement, the Company issued to the finder \$112,000 in cash and 160,000 share purchase warrants.

On June 6, 2024, the Company cancelled 208,000 shares held by a service provider. These shares were cancelled pursuant to a settlement agreement dated November 29, 2023, between parties. More specifically, on March 3, 2022, LQWD terminated the service agreement with the service provider, and requested the return of funds paid for services

not provided. The parties later agreed, in accordance with the settlement agreement, that in lieu of returning the funds that the service provider would cancel their LQWD shares of a similar value.

On April 16, 2024, the Company filed a final short form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec. This allows the Company to offer and issue up to \$50 million of common shares, warrants, subscription receipts, units, debt securities or any combination of such securities during the 25-month period that the final shelf prospectus is effective.

## COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) and its head office is in Vancouver, British Columbia, Canada. LQWD is a technology company that is focused on developing various web-based platforms, solutions and applications, including operating Lightning Service Provider (LSP) nodes and deploying Bitcoin from treasury to earn transaction-based fees on the Bitcoin Lightning Network. The Company's common shares trade on the TSX Venture Exchange (the "TSX-V") under the symbol "LQWD" and on the OTCQX market under the symbol "LQWDF" and as at November 30, 2025, had 29,238,408 common shares issued and outstanding.

LQWD operates a global network of Bitcoin Lightning Network routing nodes. Since the Company launched its first node in November 2021, node activity and LN presence has increased substantially, routing over 1,719 BTC and over 1,864,406 transactions. LQWD's node network currently charges nominal fees, however, fees could potentially increase substantially over time, based on further adoption of the Lightning Network, which is growing at a rapid rate.

The executive team of the Company is as follows:

- Shone Anstey – Chief Executive Officer
- Ashley Garnot - President
- Barry MacNeil – Chief Financial Officer
- Aziz Pulatov – Chief Technology Officer
- Giuseppe (Pino) Perone – General Counsel and Corporate Secretary
- Matthew Whitcomb - VP Capital Markets and Corporate Development

## OVERALL PERFORMANCE

The Company's objective has been to solidify its position as a first-mover Lightning-Network liquidity provider and convert that positioning into sustainable, fee-based value for shareholders. The Company ended the period with \$2,195,248 in cash and cash equivalents and held 252.60 BTC in treasury providing an economic liquidity pool in both fiat and digital assets.

The Company recorded revenue of \$11,718 from transaction fees from its routing nodes for the period. Management launched Lightning Service Provider ("LSP") functionality in Q4-F25 and is actively onboarding third-party nodes to leverage this service, with the goal of increasing routing throughput and fee revenue in FY-2026.

The largest cash expenditures incurred by the Company during the three month period ended November 30, 2025, included salaries and benefits of \$145,505, research and development of \$111,916, and legal fees of \$99,121. The Company recorded total non-cash expenses of \$1,378,761 for share-based compensation and amortization of property and equipment.

For the period ended November 30, 2025, the Company had working capital of \$32,736,859 and recorded a net loss of \$2,008,271. The financial statements and this MD&A have been prepared on a going-concern basis, as management believes the Company has sufficient working capital to fund operations for at least twelve months from the reporting date.

	2026	2025	Nine months ended November 30, 2025		2024
	Q3	Q3	2025	2024	
Revenue	\$ 11,718	\$ 2,736	\$ 23,097	\$ 4,005	
Loss for the period	\$ (2,008,271)	\$ (408,639)	\$ (5,497,045)	\$ (1,199,456)	

## FINANCIAL RESULTS OF OPERATIONS

### SUMMARY OF QUARTERLY RESULTS

	Three Months Ended			
	November 30, 2025	August 31, 2025	May 31, 2025	February 28, 2025
Revenue	\$ 11,718	\$ 8,394	\$ 2,985	\$ 1,548
Gross profit	\$ 11,718	\$ 8,394	\$ 2,985	\$ 1,548
Loss for the period	\$ (2,008,271)	\$ (2,948,735)	\$ (540,039)	\$ (1,304,179)
Loss per share	\$ (0.07)	\$ (0.11)	\$ (0.03)	\$ (0.06)
	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
Revenue	\$ 2,736	\$ 909	\$ 360	\$ 506
Gross profit	\$ 2,736	\$ 909	\$ 360	\$ 506
(Loss) gain for the period	\$ (408,639)	\$ (389,374)	\$ (401,443)	\$ (2,597,866)
(Loss) gain per share	\$ (0.03)	\$ (0.03)	\$ (0.03)	\$ (0.23)

The Company recorded a net loss of \$2,008,271 for the three months ended November 30, 2025, compared to a net loss of \$408,639 in the same quarter of the prior year. Revenue increased to \$11,718 (Q3 FY-2025: \$2,736) as Lightning routing and LSP activity continued to scale from a low base.

The Q3 FY-2026 loss reflects the Company's early-stage position as it continues to build a market for transaction-based fees and liquidity provisioning on the Lightning Network, a Layer-2 protocol operating on top of the Bitcoin blockchain. The Company has developed and deployed LSP infrastructure designed to earn routing and liquidity fees based on transaction volume and Bitcoin channel capacity. The success of these operations depends on the continued adoption of the Lightning Network as a scalable payment channel and stable-to-rising Bitcoin market conditions supporting network liquidity growth.

The results of each of the last eight quarters is shown in the above table and is comprised of three components, Revenue, General and Administrative Expenses and Other items. The breakdown of each is as follows:

	Three Months Ended			
	November 30, 2025	August 31, 2025	May 31, 2025	February 28, 2025
Revenue	\$ 11,718	\$ 8,394	\$ 2,985	\$ 1,548
Expenses	\$ 2,050,425	\$ 2,968,028	\$ 499,512	\$ 912,687
Other items				
Foreign exchange	\$ 30,173	\$ 11,209	\$ (44,082)	\$ 38,954
Intangible asset impairment	\$ -	\$ -	\$ -	\$ (432,564)
Interest and accretion income	\$ 263	\$ (310)	\$ 570	\$ 570
Three Months Ended				
	November 30, 2024	August 31, 2024	May 31, 2024	February 29, 2024
Revenue	\$ 2,736	\$ 909	\$ 360	\$ 506
Expenses	\$ 429,984	\$ 388,845	\$ 404,247	\$ 538,172
Other items				
Foreign exchange	\$ 17,840	\$ (2,536)	\$ 1,656	\$ (352)
Intangible asset impairment	\$ -	\$ -	\$ -	\$ (2,987,286)
Interest and accretion income	\$ 769	\$ 1,098	\$ 788	\$ 790
Gain on revaluation of digital currencies	\$ -	\$ -	\$ -	\$ 986,318
Gain on sale of digital currencies	\$ -	\$ -	\$ -	\$ 77,182
Derecognition of sales tax receivable	\$ -	\$ -	\$ -	\$ (136,852)

Revenue continues to trend upward but remains below the levels assumed in the original intangible asset valuation models. The variance reflects the early-stage nature of the Lightning Network and the Company's strategic testing of multiple fee-generation methods to optimize long-term returns as adoption accelerates.

Over the last eight quarters, operating expenses have fluctuated and trended higher overall, reflecting the Company's transition from early infrastructure development toward scaled Lightning Network operations. The elevated expense levels in the most recent two quarters were primarily driven by non-cash share-based compensation resulting from the immediate vesting of stock options granted during those periods. In addition, operating expenses increased due to higher professional fees, employee compensation and benefits, and research and development activities, consistent with expanded development efforts, regulatory compliance requirements, and ongoing optimization of the Company's Lightning Network deployment model.

Other items across the eight-quarter period include intangible asset impairments, fair-value revaluations of Bitcoin, and minor foreign exchange and accretion income. The two largest items were the intangible asset impairments of \$2,987,286 (Q4 FY-2024) and \$432,564 (Q4-2025). Under the Company's IAS 38 revaluation model, upward fair-value changes in digital assets are recognized in other comprehensive income (OCI) and are not recycled through profit or loss, while downward revaluations or reversals of prior impairments are recognized in profit or loss up to the level of previously recognized losses. The intangible asset impairment is a result from the NPV of the projected cashflow from operations related to their cash generating unit not being greater than their carrying value. The assumptions used to determine the value in use are: pre-tax discount rate of 25%, terminal growth of 0% and a three-year cash flow forecast based on routing volume growth of 150%, 80% and 50%. These cashflows may correct and increase in value, but with the current results, the impairment was necessary.

Realized gains on sale are recognized when sale proceeds exceed the carrying amount, while unrealized revaluation gains and losses reflect period-end fair-value movements of Bitcoin translated into Canadian dollars.

The following table discloses the deployment of Bitcoin on the company's lightning network with comparative numbers from the prior year:

	<b>2026</b>	<b>2025</b>
	<b>Q3</b>	<b>Q3</b>
BTC Held end of period	252.60	141.14
BTC deployed in Lightning channels	98.17	55.22
CAD value of channel capacity	\$ 11,876,917	\$ 7,469,855
Lightning nodes active (avg.)	22	22
BTC routed during quarter	332.40	155.01
Transactions forwarded during quarter	246,752	261,145
Routing-fee revenue	\$ 11,312	\$ 494
LSP invoice revenue	\$ 406	\$ 2,242
On-chain fees paid	\$ 1,531	\$ 891
LN transaction costs	\$ 852	\$ -
LSP transaction costs	\$ 5	\$ 68

In Q3 FY-2026, the Company generated \$406 (Q3 FY-2025 – \$2,242) in LSP invoice revenue from onboarding new partners and managing Lightning channels. In Q3 FY-2026, the Company generated \$11,312 (Q3 FY-2025 – \$494) in routing-fee revenue. Total routing and LSP invoice revenue increased to \$11,718 in Q3-FY2026, up from \$2,736 in Q3-FY2025, reflecting stronger network utilization and the adoption of advanced yield strategies.

The Company continues to deploy and manage its Bitcoin holdings to maximize Lightning Network efficiency and generate recurring fee-based yield. During Q3 FY 2026, LQWD operated an average of 22 active Lightning nodes with 98.17 BTC deployed across its channels, compared to 22 nodes and 55.22 BTC in Q3 FY 2025.

LSP invoice revenue in Q3 FY-2026 was lower than the comparative period due to scheduled infrastructure upgrades and implementation initiatives aimed at improving reliability, operational stability, and overall usability. These enhancement activities temporarily reduced onboarding activity during the quarter. Substantially all related programming improvements were completed by November 30, 2025, and management is currently evaluating operational performance through ongoing user feedback. With these enhancements in place, the Company has increased its efforts to onboard additional partners and expand Lightning Network activity, while continuing to monitor performance and adoption trends. While the Lightning Network ecosystem remains in an early stage of commercial adoption, LQWD's yield-oriented deployment model has demonstrated meaningful results. Management continues to monitor and refine these strategies to achieve sustainable, risk-adjusted returns on its Bitcoin treasury.

During Q3-FY2026, the Company paid \$1,531 in on-chain fees, \$852 in LN transaction costs, and \$5 in LSP transaction costs, consistent with the low-overhead nature of Lightning routing operations. These expenditures are expected to remain minimal relative to fee income as channel depth and transaction volumes expand.

The Company plans to continue expanding channel capacity, diversifying geographic node coverage, and employing algorithmic fee-adjustment tools to support consistent yield generation. These activities are expected to strengthen long-term Lightning Network liquidity and reinforce LQWD's position as a leading Lightning Service Provider.

These figures are presented as supplementary operational metrics that are non-GAAP measures under CSA Staff Notice 52-306. They represent early-stage results from Lightning node operations and are not standardized financial measures under IFRS.

During Q4 in F2024 the Company was audited by CRA for GST compliance and was found to be GST exempt and had its input credits disallowed causing a reduction in receivables recorded of \$136,852.

The following table outlines the proposed use of the proceeds of the offering completed on October 9, 2024, along with the amounts expended:

<b>Activity or Nature of Expenditure</b>	<b>Proposed use of Net Proceeds</b>	<b>Approximate proceeds used as of November 30, 2025</b>			<b>Variance</b>	<b>Comments</b>
Development of the Lightning Network Platform	\$ 100,000	\$ 100,000	\$	\$	-	The Company is on track with expected development spending on AI-based channel rebalancing and LSP products. Proceed use expected in Q1 F2026.
General and administrative expenses	\$ 28,000	\$ 28,000	\$	\$	-	The Company is on track with expected G&A spending.
Purchase BTC	\$ 2,000,000	\$ 2,000,000	\$	\$	-	The Company purchased ~21 BTC.
Share issuance costs	\$ 112,000	\$ 112,000	\$	\$	-	Finder's fees paid.
<b>Total</b>	<b>\$ 2,240,000</b>	<b>\$ 2,240,000</b>	<b>\$</b>	<b>\$</b>	<b>-</b>	

Management confirms that there are no material variances between the intended and actual uses of proceeds to date.

The following table outlines the proposed use of the proceeds of the offering completed on November 7, 2024, along with the amounts expended:

<b>Activity or Nature of Expenditure</b>	<b>Proposed use of Net Proceeds</b>	<b>Approximate proceeds used as of November 30, 2025</b>			<b>Variance</b>	<b>Comments</b>
Development of the Lightning Network Platform	\$ 195,000	\$ 195,000	\$	\$	-	The Company is on track with expected development spending on LSP products and rolling out Stable coin support. Proceed use expected in Q2 F2026.
General and administrative expenses	\$ 700,000	\$ 700,000	\$	\$	-	The Company is on track with expected G&A spending.
Purchase BTC	\$ 575,000	\$ 575,000	\$	\$	-	The Company purchased ~5 BTC.
Share issuance costs	\$ 30,000	\$ 30,000	\$	\$	-	Finder's fees paid.
<b>Total</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$</b>	<b>\$</b>	<b>-</b>	

Management confirms that there are no material variances between the intended and actual uses of proceeds to date.

The following table outlines the proposed use of the proceeds of the offering completed on December 23, 2024, along with the amounts expended:

<b>Activity or Nature of Expenditure</b>	<b>Proposed use of Net Proceeds</b>	<b>Approximate proceeds used as of November 30, 2025</b>	<b>Variance</b>	<b>Comments</b>
General and administrative expenses	\$ 150,000	\$ 150,000	\$ -	The Company is on track with expected G&A spending.
Purchase BTC	\$ 2,850,000	\$ 2,850,000	\$ -	The Company purchased ~20 BTC.
<b>Total</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ -</b>	

Management confirms that there are no material variances between the intended and actual uses of proceeds to date.

The following table outlines the proposed use of the proceeds of the offering completed on July 10, 2025, along with the amounts expended:

<b>Activity or Nature of Expenditure</b>	<b>Proposed use of Net Proceeds</b>	<b>Approximate proceeds used as of November 30, 2025</b>	<b>Variance</b>	<b>Comments</b>
Development of the Lightning Network Platform	\$ 650,000	\$ 216,200	\$ 433,800	The Company is on track with expected development spending on LSP products. Proceed use expected in Q3 and Q4 F2026.
General and administrative expenses	\$ 540,000	\$ 540,000	\$ -	The Company is on track with expected G&A spending.
Purchase BTC	\$ 8,000,000	\$ 8,000,000	\$ -	The Company purchased ~50 BTC.
Share issuance costs	\$ 810,000	\$ 810,000	\$ -	Share issuance costs paid.
<b>Total</b>	<b>\$ 10,000,000</b>	<b>\$ 9,566,200</b>	<b>\$ 433,800</b>	

Management confirms that there are no material variances between the intended and actual uses of proceeds to date.

The following table outlines the proposed use of the proceeds of the offering completed on July 14, 2025, along with the amounts expended:

<b>Activity or Nature of Expenditure</b>	<b>Proposed use of Net Proceeds</b>	<b>Approximate proceeds used as of November 30, 2025</b>	<b>Variance</b>	<b>Comments</b>
General and administrative expenses	\$ 120,000	\$ -	\$ 120,000	The Company is on track with expected G&A spending.
Purchase BTC	\$ 2,000,000	\$ 2,000,000	\$ -	The Company purchased ~12 BTC.
Share issuance costs	\$ 180,000	\$ 180,000	\$ -	Share issuance costs paid.
<b>Total</b>	<b>\$ 2,300,000</b>	<b>\$ 2,180,000</b>	<b>\$ 120,000</b>	

The following table outlines the proposed use of the proceeds of the offering completed on September 24, 2025, along with the amounts expended:

Activity or Nature of Expenditure	Proposed use of Net Proceeds	Approximate proceeds used as of November 30, 2025	Variance	Comments
General and administrative expenses	\$ 250,000	\$ -	\$ 250,000	The Company is on track with expected G&A spending.
Purchase BTC	\$ 2,100,000	\$ 2,100,000	\$ -	The Company purchased ~14 BTC.
Share issuance costs	\$ 150,000	\$ 150,000	\$ -	Share issuance costs paid.
<b>Total</b>	<b>\$ 2,500,000</b>	<b>\$ 2,250,000</b>	<b>\$ 250,000</b>	

Management confirms that there are no material variances between the intended and actual uses of proceeds to date. Minor timing differences in administrative spending are expected to be completed in Q3–Q4 F2026.

The following table shows the current quarter's loss/earning by each company in the consolidated group to better illustrate the change in the organization.

	Three months ended November 30, 2025				
	LQWD Technologies	LQwD Financial	Skyrun	Other	Total
Loss for the period	\$ (1,853,292)	\$ (150,336)	\$ (4,180)	\$ (463)	\$ (2,008,271)

## LIQUIDITY AND CAPITAL RESOURCES

	2026	2025	Nine months ended November 30,	
	Q3	Q3	2025	2024
Cash and cash equivalents	\$ 2,195,248	\$ 1,306,499	\$ 2,195,248	\$ 1,306,499
Working capital	\$32,736,859	\$20,455,758	\$32,736,859	\$20,455,758

As of the date of this report, the Company has sufficient resources to fund its operations and planned capital expenditures for at least the next 12 months. It holds \$2,195,248 in cash and \$32,736,859 in working capital, against an annual cash requirement of approximately \$2.5 million. Management therefore believes the current funding is adequate to carry out all planned initiatives, including expanding network capacity and providing additional liquidity. If the Company undertakes any material projects beyond its current roadmap, it may need to obtain further financing, most likely through additional equity offerings.

	2026	2025	Nine months ended November 30,	
	Q3	Q3	2025	2024
Issued and outstanding shares	29,238,408	18,632,718	29,238,408	18,632,718
Issued and outstanding shares, fully diluted	38,874,465	28,053,132	38,874,465	28,053,132

During the nine-month period ended November 30, 2025, 16,666 options, redeemable for \$1.152 per share, 75,000 options, redeemable for \$0.97 per share, and 100,000 options, redeemable for \$0.60 per share, were exercised for gross proceeds of \$151,949. 687,500 warrants, redeemable for \$0.60 per share, 691,846 warrants, redeemable for \$0.85 per share, 1,123,846 warrants redeemable for \$0.90 per share, 32,000 warrants, redeemable for \$1.00 per share, and 402,166 warrants, redeemable for \$2.00 per share, were exercised for gross proceeds of \$2,848,363.

On September 24, 2025, the Company closed its non-brokered private placement, issuing 1,666,667 units at a price of \$1.50 per unit for gross proceeds of approximately \$2,500,000. Each unit consists of one common share of the Company

and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$2.00 per share at any time up to 12 months following the closing date of the private placement.

On July 14, 2025, the Company closed its non-brokered private placement, issuing 560,975 common shares at a price of \$4.10 per share for gross proceeds of approximately \$2,300,000.

On July 10, 2025, the Company closed its brokered private placement, issuing 2,439,024 common shares at a price of \$4.10 per share for gross proceeds of approximately \$10,000,000.

In Q4 F2025, 250,000 warrants, redeemable for \$0.60 per share, and 560 warrants, redeemable for \$0.85 per share, were exercised for gross proceeds of \$626,000

On December 23, 2024, the Company issued 2,000,000 common shares for proceeds of \$3,000,000

In November 2024, 105,000 warrants, redeemable for \$0.85 per share, were exercised for gross proceeds of \$89,250.

On November 7, 2024, the Company issued 2,307,692 common shares for proceeds of \$1,500,000.

On October 9, 2024, the Company issued 3,200,000 common shares for proceeds of \$2,240,000.

On June 6, 2024, the Company cancelled 208,000 common shares held by a service provider. These common shares were cancelled pursuant to a settlement agreement dated November 29, 2023, between the parties. More specifically, on March 3, 2022, LQWD terminated the service agreement with the service provider, and requested the return of the funds paid for services not provided. The parties later agreed, in accordance with the settlement agreement, that in lieu of returning the funds the service provider would cancel their LQWD shares of a similar value.

The technology business may affect the Company's ability to raise capital, to acquire properties and/or to pursue other opportunities in the future.

## RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of the Chief Executive Officer, Chief Financial Officer, President, Chief Technology Officer, Corporate Secretary, VP Capital Markets and Corporate Development, and the members of the Board of Directors. All amounts are stated in Canadian dollars and were measured at the exchange amount, being the consideration established and agreed to by the related parties in the normal course of operations.

The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

	2026 Q3	2025 Q3	Nine months ended November 30,	
			2025	2024
Consulting	\$ 62,877	\$ -	\$ 62,877	\$ -
Research and development	39,000	30,000	117,000	90,000
Salaries	109,500	36,000	181,500	108,000
Stock-based compensation	1,190,916	63,441	3,539,341	117,572
	\$ 1,402,293	\$ 129,441	\$ 3,900,718	\$ 315,572

The breakdown for the related party transactions during the three months ended November 30, 2025, are as follows:

Related Party	Role	Research and development			Salaries	Share-based compensation	Total
		Consulting	Salaries	Share-based compensation			
Shone Anstey	CEO	\$ -	\$ 30,000	\$ 348,512	\$ 378,512		
Barry MacNeil	CFO	-	19,500	93,467	112,967		
Aziz Pulatov	CTO	39,000	-	52,407	91,407		
Matthew Whitcomb	VP Capital Markets and Corporate Development	-	62,877	-	198,425	261,302	
Giuseppe (Pino) Perone	Corporate Secretary	-	-	30,000	175,506	205,506	
Ashley Garnot	President/Director	-	-	30,000	144,334	174,334	
Kim Evans	Director	-	-	-	85,696	85,696	
Samuel Mateer	Director	-	-	-	92,569	92,569	
		\$ 39,000	\$ 62,877	\$ 109,500	\$ 1,190,916	\$ 1,402,293	

At November 30, 2025, \$nil (2024 - \$nil) is owing to key management personnel and is included in accounts payable and accrued liabilities.

During the nine month period ended November 30, 2025, the Company was charged \$23,100 (2024 - \$10,318) by TAG Oil Ltd. a Canadian related company with similar key management personnel for prepaid office rent, office rent and IT support. At November 30, 2025, \$nil (2024 - \$nil) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities.

The Company also engaged Renmark Financial Communications Inc. to provide investor-relations services at a fixed fee of \$7,000 per month. Renmark is an arm's-length party, holds no equity in LQWD, and is not considered a "promoter" under TSX-V Policy 3.4.

## SHARE CAPITAL

- At November 30, 2025, there were 29,238,408 common shares, 2,676,334 stock options, and 6,809,723 warrants outstanding.
- At January 16, 2026, there were 29,238,408 common shares, 2,676,334 stock options, and 6,809,723 warrants outstanding.

The Company has one class of common shares. No class A or class B preference shares have been issued.

## SUBSEQUENT EVENTS

None

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company defines its capital as shareholders' equity, loans and advances payable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

## COMPETITION

Competitors for acquisition opportunities include well-capitalized companies, independent companies and other companies having financial and other resources far greater than those of LQWD, thus a degree of competition exists between those engaged in acquiring attractive assets.

## CRITICAL ACCOUNTING ESTIMATES

Management is required to make decisions with respect to estimates and assumptions for certain accounting policies that affect the reported amounts of assets, liabilities, revenues and expenses. These accounting policies are discussed below and are included to highlight the critical accounting policies and practices used by the Company. Note the use of different policies and practices could create different results being reported. The Company's management reviews these estimates regularly. New information and changes in circumstance may result in changes to estimated amounts that differ materially from current estimates.

The following assessment of significant accounting policies and associated estimates is not meant to be exhaustive. In the future, the Company might realize different results from the application of new accounting standards issued by regulatory bodies.

To recognize the stock-based payment expense, the Company estimates the fair value of stock options granted using assumptions related to interest rates, expected life of the option, volatility of the underlying security and expected dividend yields. These assumptions may vary over time.

The accrual method of accounting requires management to incorporate certain estimates of costs as at a specific reporting date.

## PROPOSED TRANSACTIONS

The Company has no proposed transactions that have not been disclosed.

## FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

### *Credit Risk*

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits and bank deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable, cash and cash equivalents and restricted cash represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As of November 30, 2025, there were no significant amounts past due or impaired.

### *Market Risk*

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

As at November 30, 2025, the contractual maturities of financial liabilities were as follows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year
Accounts payable and accrued liabilities	\$42,455	\$42,455	\$42,455
Total	\$42,455	\$42,455	\$42,455

### *Interest Rate Risk*

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

### *Fair Value of Financial Instruments and Digital Assets*

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments are as follows:

Fair Value Level	November 30, 2025	February 28, 2025
	\$	\$
<i>Financial assets:</i>		
Digital currencies	2	30,561,486
		19,800,292

The Company's digital currencies are classified as level 2. During the nine-month period ended November 30, 2025, and year ended February 28, 2025, there were no transfers between level 1, level 2, and level 3.

## FINANCIAL INSTRUMENTS

The Company's financial instruments consist of short-term investments; cheques issued in excess of funds on deposit, accounts payable and accrued liabilities. Terms of the financial instruments, where relevant, are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant currency, or credit risks but is exposed to interest rate cash flow risk arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

## DIGITAL CURRENCY AND RISK MANAGEMENT

Digital currencies are measured based on their fair values, determined using the daily weighted close price for the digital currency on coinmarketcap.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is affected by the current and future market price of digital currencies; in addition, the Company may not be able to liquidate its inventory of digital currencies at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company from time to time converts its digital currency but has not entered into any hedge transactions.

Digital currencies have a limited history, and the fair value historically has been very volatile. Historical performances of digital currencies are not indicative of their future price performance. The Company's digital currencies consist primarily of Bitcoin. The impact of a 25% variance in the price of this digital currency on the Company's earnings before tax, based on their closing prices on November 30, 2025, would be \$7,640,372.

## RISKS

The Company is a technology business and has adequate cash for its current obligations but may not have sufficient cash to sustain operations indefinitely. With limited financial resources and limited revenue, there is no assurance that future funding will be available to the Company to pursue future endeavours. There is a risk that the Company could be forced to cease operations and become insolvent.

There is no guarantee that the Company will be able to attract interest to participate in an acquisition or another business opportunity. The Company's common shares are now trading on the TSX-V under the symbol "LQWD" and on the OTCQX market under the symbol "LQWDF". There can be no assurance that the Company's current activity and the liquid market for the Company's securities will develop, and shareholders may find it difficult to resell the securities of the Company.

The factors identified above are not intended to represent a complete list of the risks faced by LQWD. LQWD's management believes that the foregoing risks and uncertainties are a fair indication of the risks and uncertainties material to LQWD's business; however, additional risks and uncertainties, including those currently unknown to LQWD or not considered to be material by LQWD, may also adversely affect the business of LQWD.

## OFF-BALANCE SHEET ARRANGEMENTS

None noted.

## ADDITIONAL INFORMATION

Additional information relating to the Company and results of its operations may be found under LQWD's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) or on LQWD's website at [www.lqwdtech.com](http://www.lqwdtech.com).

## FORWARD LOOKING STATEMENTS

The foregoing information contains forward-looking statements within the meaning of securities laws. Forward-looking statements are statements that are not historical fact and often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or states that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature requires assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of LQWD to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements in this MD&A include, but are not limited to, LQWD's overall strategic plan for assessing acquisition opportunities. In making the forward-looking statements in this MD&A, LQWD has applied certain factors and assumptions that are based on information currently available to LQWD as well as LQWD's current beliefs and assumptions made by LQWD, including that LQWD will maintain its business plan for the near and mid-term range. Although LQWD considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, that LQWD will be unable to fulfill or will experience delays in fulfilling a strategic plan for the near and mid-term range. Additional risk factors are noted under the heading "*Risks*". The factors identified above and in the "*Risks*" section of this MD&A are not intended to represent a complete list of the factors that could affect LQWD. Although LQWD has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information.

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. LQWD does not undertake to update any forward-looking information, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.