

BOARDWALKTECH SOFTWARE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2025

DATED: FEBRUARY 26, 2026

This Management's Discussion and Analysis ("MD&A") as at and for the three and nine months ended December 31, 2025 provides detailed information on the operating activities, performance and financial position of Boardwalktech Software Corp. ("Boardwalk" or the "Company"). This discussion should be read in conjunction with the Company's December 31, 2025 unaudited condensed interim consolidated financial statements and March 31, 2025 audited annual consolidated financial statements and accompanying notes. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in U.S. dollars, unless otherwise stated. The information contained herein is current to February 26, 2026, unless otherwise stated.

The Company's fiscal year commences April 1st of each year and ends on March 31st of the following year. The Company's current fiscal year, which will end on March 31, 2026, is referred to as "Fiscal 2026". The previous fiscal year, which ended on March 31, 2025, is referred to as "Fiscal 2025". The three-month quarter ended December 31, 2025 is referred to as "Q3 Fiscal 2026"; the previous three-month quarter ended September 30, 2025 is referred to as "Q2 Fiscal 2026" and the comparative three-month quarter ended December 31, 2024 is referred to as "Q3 Fiscal 2025".

In this document unless otherwise specified, "we", "us", "our", "Company" and "Boardwalk" all refer to Boardwalktech Software Corp. collectively with its subsidiaries. The content of this MD&A has been approved by the Board of Directors, on the recommendation of its Audit Committee.

CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain statements in this MD&A which are not historical facts constitute forward-looking statements or information within the meaning of applicable securities laws ("forward-looking statements"). Such statements include, but are not limited to, statements regarding Boardwalk's projected revenues, gross margins, earnings, growth rates, the impact of new product design wins, market penetration and product plans. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" and similar terms are intended to assist in identification of these forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause Boardwalk's actual results to be materially different from historical results or from any results expressed or implied by such forward-looking statements. Accordingly, there can be no assurance that forward-looking statements will prove to be accurate, and readers are therefore cautioned not to place undue reliance upon any such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by forward looking statements contained herein include, but are not limited to: our history of losses and the risks associated with not achieving or sustaining profitability; the Company's dependence on a limited number of customers for a substantial portion of revenues; fluctuating revenue and expense levels arising from changes in customer demand, sales cycles, product mix, average selling prices, manufacturing costs and timing of product introductions; risks associated with competing against larger and more established companies; competitive risks and pressures from further consolidation amongst competitors, customers, and suppliers; market share risks and timing of revenue recognition associated with product transitions; risks related to intellectual property, including third party licensing or patent infringement claims; the loss of any of the Company's key personnel could seriously harm its business; risks associated with adverse economic conditions; delays in the launch of customer products; price re-negotiations by existing customers; legal proceedings arising from the ordinary course of business; ability to raise needed capital; ongoing liquidity requirements; and other factors discussed in the "Risk Factors" section. All forward-looking statements are qualified in their entirety by this cautionary statement. Boardwalktech is providing this information as of the current date and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise except as may be required by applicable securities laws.

Risks relating to the Company include, but are not limited to, the following:

- the Company has a history of losses and may not achieve profitability in the future;
- the Company has historically received a substantial portion of its revenue from a limited number of customers;
- the Company expects its operating results to continue to fluctuate;
- the Company faces intense competition and expects continued market competition in the future;
- assertions by third parties of infringement by Boardwalk of, or of Boardwalk's failure to protect, their intellectual property rights could result in significant costs and cause Boardwalk's operating results to suffer;
- the Company may have difficulty accurately predicting revenue for the purpose of appropriately budgeting and adjusting its expenses;
- the loss of customers could affect the Company's financial returns and future plans;
- the Company's customers may cancel future subscriptions that can adversely impact future recurring revenue;
- the Company may be unable to generate funds required to meet its funding requirements and may need to raise additional funds;
- changes in industry standards or technology could impede the sale of Boardwalk's products;
- the loss of any of the Company's key personnel could seriously harm its business;
- the pattern of customer product ramps as they shift from legacy products to new products based on our more advanced designs could affect both the amount and timing of revenue recognized by the Company;
- the Company's failure to maintain compliance with applicable regulations in certain geographies or other jurisdictions may force it to cease distribution in those areas;
- the majority of the Company's operating expenses are denominated in U.S. dollars; therefore, the Company's earnings are impacted by fluctuations in exchange rates between the U.S. dollar and other currencies; and,
- the Company may be involved in legal proceedings from time to time; arising in the ordinary course of its business and such proceedings may affect the Company's financial position, results of operations or cash flows.

FINANCIAL HIGHLIGHTS

Revenues for Q3 Fiscal 2026 totaled \$1 million, unchanged from \$1 million of revenue reported in Q2 Fiscal 2026. Revenues for Q3 Fiscal 2026 decreased 25% from \$1.3 million in Q3 Fiscal 2025, primarily due to a decline in software and subscription services revenue from two previously disclosed non-renewals in Fiscal 2025.

The Company defines annual recurring revenue (“ARR”) as the recurring revenue expected based on annual license subscriptions and recurring services. ARR is a non-IFRS measure. ARR at December 31, 2025 was \$3.8 million.

Gross margin for Q3 Fiscal 2026 was 86.9%, versus 86.7% in Q2 Fiscal 2026 and 88.4% in Q3 Fiscal 2025. The improvement over Q2 Fiscal 2026 is due a decrease in cost of sales, primarily hosting costs that are anticipated to continue at a lower rate. The decrease from Q3 Fiscal 2025 is due to lower revenue levels.

Net loss for Q3 Fiscal 2026 was \$(0.4) million (\$(0.01) per basic and diluted share), versus a \$(0.5) million loss in Q2 Fiscal 2026 (\$(0.01) per basic and diluted share), and a \$(0.6) million loss in Q3 Fiscal 2025 (\$(0.01) per basic and diluted share). This represented an 18% sequential improvement over Q2 Fiscal 2026 due to an increase in revenues and a decrease in costs. Total selling, general and administration (“SG&A”) expenses in Q3 Fiscal 2026 totaled \$1.1 million, a \$0.1 million decrease from \$1.2 million reported in Q2 Fiscal 2026 and a \$0.3 million decrease from the \$1.4 million reported in Q3 Fiscal 2025, as the Company continues to recognize savings from previously announced cost alignment efforts.

Adjusted EBITDA for Q3 Fiscal 2026 was a loss of \$(0.2) million, which was a 35% improvement versus \$(0.4) million of adjusted EBITDA in Q2 Fiscal 2026 and a 19% improvement over \$(0.4) million in Q3 Fiscal 2025.

Non-IFRS net loss for Q3 Fiscal 2026 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.3) million (\$(0.00) per basic and diluted share), versus \$(0.4) million in Q2 Fiscal 2026 (\$(0.01) per basic and diluted share) and \$(0.4) million in Q3 Fiscal 2025 (\$(0.01) per basic and diluted share).

OUTLOOK FOR FISCAL 2026

The Company continues to lever its “land and expand” strategy with its Velocity and Digital Ledger (“BDL”) solutions, as existing customers are expanding and adding additional users. Several upgrade projects for existing customers have been completed or are underway which will add professional services revenues and increase high margin ARR. The Company also has several new near-term opportunities for its Velocity product which will add professional services revenue and increase ARR. AI capabilities have been added to the Velocity product making it

easier for users to search and analyze data improving the overall user experience. Subsequent to the Quarter, the Company officially introduced its newest product – Verity, which has now been released from beta (as discussed last quarter) and is commercially available. Verity uses some of the Company’s core patented data management technology but also is the Company’s first truly AI focused product. The initial focus sector for the Verity solution is in the financial services and is a natural tie-in to the Velocity product already in use at several banks. Verity is an AI driven intelligent internal controls automation, controls testing and monitoring solution that significantly reduces operating costs and risk by moving manual testing and controls management to an agentic AI platform. The Company is already seeing traction with several large banks interested and several large global partners working with the Company to market and sell the Velocity solution. The Company is also making progress on its previously announced Unity Central solution for enterprise information management and has added both Agentic AI and GenAI as major components to Unity Central, improving the customer experience in data management. One customer is live on Unity Central for Supply Chain Order Management and visibility and is already seeing measurable ROI and is expanding the use of the product into other areas of their company. With a focus on revenue growth and a continued focus on improving its cost structure, the Company is on track for EBITDA breakeven in the near future driven by continued bottom line improvements. The Company is optimistic for organic revenue growth in Fiscal 2027, , especially with the introduction of the Verity product and the expansion of Velocity and the Unity Central products.. The Company also continues to work with existing partners, and recruit new partners with an emphasis on the Verity and Velocity products into the financial services sector. The Company is working with a large, well known, soon to be named industry titan on several new business development opportunities that look very promising. These products complement and expand the Company’s Patented Digital Ledger solutions to manage information, documents, signals and unstructured data, with initial focus on financial services and enterprise supply chain market opportunities in Fiscal 2026.

The decrease over past year in our reported license revenue was primarily due to previously announced expired licenses that were not renewed by two customers due to large-scale internal reorganizations at each customer is now behind us. Going forward the Company expects to see improving year over year and quarter over quarter gains in revenue. In the financial services market, the Company continues to be impacted by a reduction by the current U.S. administration of certain compliance regulations which has slowed adoption of our Velocity product, which should be offset by revenue we will generate from our Verity product.

As part of its ongoing strategy to reduce the Company’s cash burn while improving execution and reducing reliance on slower than expected sales pipeline conversions, the Company’s previously announced initiative in August 2025 to reduce costs is now taking effect as evidenced by the improvement this quarter in our cash burn. We expect to see continued improvement in the coming quarters

The combination of the cost reduction actions, delivery on our new Verity product, adding AI to our products and leveraging of teaming partners has enabled Boardwalktech to be more efficient. As we execute on closing more new deals in Fiscal 2027 and beyond, the Company will continue to drive profitability improvements toward achieving cash breakeven (on an Adjusted EBITDA basis) based on modest revenue growth assumptions and the effect of the previously discussed cost savings measures implemented over the past year.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected financial information derived from the Company's December 31, 2025 unaudited condensed interim consolidated financial statements. The selected financial information was prepared in a manner consistent with the Company's March 31, 2025 audited annual consolidated financial statements. The following information should be read in conjunction with these statements and the accompanying notes.

OPERATING RESULTS <i>In thousands of U.S. dollars</i> <i>except per share amounts</i>	Three month period ended			Nine month period ended	
	Dec 31 2025	Sept 30 2025	Dec 31 2024	Dec 31 2025	Dec 31 2024
Revenue	968	953	1,292	2,836	3,819
Cost of sales	127	127	150	405	446
Gross profit	841	826	1,142	2,431	3,373
SG&A expenses *	1,073	1,184	1,430	3,662	4,433
Share-based payments	27	(41)	117	98	490
Depreciation	76	76	77	229	233
Operating loss	(335)	(393)	(482)	(1,558)	(1,783)
Credit facility interest	74	75	74	230	221
Imputed lease interest	11	13	19	38	62
Other finance costs & expenses **	16	48	16	80	48
Loss before taxes	(436)	(529)	(591)	(1,906)	(2,114)
Taxes	-	-	-	-	-
Net loss for the period	(436)	(529)	(591)	(1,906)	(2,114)
Loss per share - basic & diluted	(0.01)	(0.01)	(0.01)	(0.03)	(0.04)

* SG&A expenses are comprised of salaries, wages and benefits, general and administration, professional fees, consulting and deferred compensation.

** Other finance costs & expenses are comprised of other interest, credit facility fee amortization and other expenses.

STATEMENT OF FINANCIAL POSITION <i>In thousands of U.S. dollars</i>	As at	
	Dec 31 2025	Mar 31 2025
ASSETS		
Current assets		
Cash	92	359
Trade and other receivables	444	600
Prepaid expenses and deposits	178	222
	714	1,181
Non-current assets	265	496
TOTAL ASSETS	979	1,677
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,219	913
Credit facility	2,529	2,622
Deferred compensation	746	178
Deferred revenue	783	707
Lease liability	360	353
	5,637	4,773
Non-current liabilities		
Lease liability	-	268
TOTAL LIABILITIES	5,637	5,041
SHAREHOLDERS' DEFICIT	(4,658)	(3,364)
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIT	979	1,677

ADJUSTED-EBITDA AND NON-IFRS FINANCIAL MEASURES

In addition to disclosing results in accordance with IFRS Accounting Standards, the Company also provides Adjusted EBITDA and Non-IFRS financial measures disclosed as a supplement to financial results in order to provide a further understanding of Boardwalk's results and operational performance from management's perspective. In particular, Boardwalk uses Adjusted EBITDA and Non-IFRS financial measures to highlight trends in its core business that may not otherwise be readily apparent solely from IFRS measures. Boardwalk management uses Adjusted EBITDA and Non-IFRS financial measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to assess Boardwalk's ability to meet its future expenditures and working capital requirements. Boardwalk believes that securities analysts, investors and other interested parties frequently use Adjusted EBITDA and Non-IFRS financial measures in the evaluation of publicly traded companies.

Non-IFRS net income (loss) is defined as net income (loss) before share-based payments, depreciation, certain financing and non-recurring or one-time items which may arise from time to time. Non-IFRS net income (loss) does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Non-IFRS net income (loss) should not be considered in isolation or as a substitute for net income (loss) reported in accordance with IFRS.

Adjusted EBITDA is defined as operating income (loss) before other expenses for the period (as reported in the consolidated statement of loss and comprehensive loss) less depreciation and share-based payments, and other non-recurring expenses.

Boardwalk has provided a comparison of net income (loss) to Non-IFRS net income (loss) and Adjusted EBITDA measures in the following tables:

NON-IFRS NET LOSS <i>In thousands of U.S. dollars</i> <i>except per share amounts</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Net loss for the period	(436)	(529)	(591)	(1,906)	(2,114)
Adjustments:	-	-	-	-	-
Share-based payments	27	(41)	117	98	490
Depreciation	76	76	77	229	233
Other finance costs & expenses	16	48	16	80	48
Total adjustments	119	83	210	407	771
Non-IFRS net loss	(317)	(446)	(381)	(1,499)	(1,343)
Non-IFRS net loss per share - basic & diluted	(0.00)	(0.01)	(0.01)	(0.02)	(0.02)

ADJUSTED EBITDA <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Operating loss for the period	(335)	(393)	(482)	(1,558)	(1,783)
Add back:	0	0	0	0	0
Share-based payments	27	(41)	117	98	490
Depreciation	76	76	77	229	233
Adjusted EBITDA	(232)	(358)	(288)	(1,231)	(1,060)

OVERVIEW

Our Company

Boardwalk was incorporated pursuant to the Business Corporations Act of British Columbia. The Company operates from locations in the United States and India and provides enterprise software-as-a-service (“SaaS”) to global customers.

Boardwalktech designs and licenses industry-leading enterprise software solutions based upon its unique patented digital ledger technology. The Company has over 40 employees and full-time contractors at its Cupertino, California headquarters and its wholly owned subsidiary in Mumbai, India. Through its extensive data management/database technology expertise, Boardwalktech was first to market in 2005 with a proprietary and patented positional, cell data management technology (aka “digital ledger”) - what we call “transaction chaining”- which addresses the digital transformation issues companies face when working with multiple parties and exchanging information in real-time. The Company’s solutions resolve two enterprise business problems: (1) connecting multiple users in the enterprise value chain to improve planning and results, and (2) the alignment of data from various/multiple enterprise systems of record used in planning and information exchange processes. Boardwalk’s unique technology allows multiple users secure simultaneous access to the same data in a relational database environment which supports concurrent access to record objects while being edited. Another key enterprise problem that is solved with Boardwalk’s technology is the chaining of transactions in a database to support provenance and immutable versioning and change management/change history. Concurrent with the Company’s initial go-to-market activities, a patent was filed to protect the IP associated with versioned sharing, consolidating, and reporting enterprise information. Also, in 2014 the Company applied for a patent to protect the IP associated with cell-based data management and this patent was issued in September 2018 which coincides with an existing patent issued July 2005 for managing time-based data at the cell or atomic unit level. Boardwalk’s revenue comes primarily from new and recurring license subscription agreements, maintenance, and service contracts. Boardwalk’s customers include over 20 companies in the Global 1000 / Fortune 500.

On June 11, 2018, Boardwalk began trading on the TSX Venture Exchange under the symbol ‘BWLK’; and on November 13, 2019, Boardwalk began trading on the OTC Markets Group/OTCQB under the symbol “BWLKF”.

Products and Solutions

The Boardwalk Digital Ledger enterprise platform is a complete enterprise platform that resolves trust and collaboration issues companies face when working with multiple parties, which enables customers to automate manual business processes and turn them into enterprise “digital” applications using our patented digital ledger data management technology. The Boardwalk Digital Ledger platform can be used to build and maintain applications with multiple internal or external users working in Excel, a web form, or mobile environment as the user interface. The Company’s software supports a dynamic, cell-based/atomic unit smart contract and machine learning-enabled information exchange that combines Boardwalk’s temporal data management and enterprise integration environment with digital ledger-based trust and validation capabilities. The result is a private permissioned enterprise data management environment that supports time-based multi-party workflow transactions and consensus models for automating previously established manual-based processes and turning them into connected digital applications. The Company has developed three solutions that run on the core Boardwalk Digital Ledger technology including: Boardwalk Velocity which is focused on the risk management and compliance within the financial services sector; Unity Central which is targeted at improving enterprise supply chain visibility and order execution fulfillment metrics; and Verity focused on AI Automated Compliance Testing and Monitoring application.

Growth Strategy

Boardwalk’s objective is to be the leading provider of private permissioned digital ledger solutions for global enterprise customers of any size. Elements key to this strategy include:

- expand our network of direct salespeople;
- expand our network of teaming partners and reseller sales channels;
- broader adoption of Boardwalk’s solutions by new markets and new customers;
- greater penetration of our existing customer base;
- introduction of new features and capabilities including digital predictive analytics;
- extending our digital ledger technology into an end-to-end operating system solution; and,
- delivering high ROI industry solutions like Velocity, Verity and Unity Central.

Sales and Distribution

Boardwalk primarily uses a direct sales model where the Boardwalk Digital Ledger enterprise platform creates a unique go-to-market opportunity for the Boardwalk solution. For direct sales, the Company uses regional sales representatives paired with a Sales Development Representative (“SDR”) who will guide lead development, with sales representatives on a standard back-end weighted commission plan while the SDR will have a base salary plus variable compensation. Boardwalk is continuing to grow its partner sales ecosystem by recruiting new teaming partners that can build and manage solutions for their clients with a focus in the financial services sector leveraging the Boardwalk Velocity for financial services customers running on the Boardwalk Digital Ledger platform. Deployment and professional services for direct sales Boardwalk customers are managed by Boardwalk professional services group while deployment and professional services for teaming partner sales are mainly managed by the partner.

Boardwalk offers the Boardwalk Digital Ledger enterprise platform on an annual subscription basis, with pricing built around multiple digital applications and scale/size of data. Boardwalk engages enterprise clients with an annual subscription for the platform and associated applications, and all platform capabilities are included such as:

- Boardwalk Digital Ledger Server;
- Boardwalk Application Design Studio;
- Boardwalk Integration Framework;
- Boardwalk Smart Contract engine;
- Boardwalk APIs;
- Boardwalk Virtual Machines (Nodes);
- Boardwalk Velocity product;
- Boardwalk Unity Central product; and
- Boardwalk Verity AI Automated Compliance Testing and Monitoring product.

CURRENT PERIOD OPERATING RESULTS

REVENUE <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
SaaS license (new & renewals)	715	716	938	2,163	3,030
Legacy (hosting & maintenance)	94	90	74	263	216
Software subscriptions & service	809	806	1,012	2,426	3,246
Professional services	159	146	281	410	573
Total revenue	968	952	1,293	2,836	3,819

Boardwalk derives its revenues from two sources: (1) recurring software subscription revenues (“SaaS”), which are derived from customer licenses for a right to access the Company’s cloud services, certain hosting services for dedicated servers, and from customers paying for additional services beyond the standard support that is included in the basic subscription fees; and (2) related professional services such as consulting, application development, quality assurance (“QA”), application delivery, and training. New revenue is defined as newly signed contracts during the reporting period for license subscriptions while recurring or renewal revenue are revenue streams that have been extended from previous periods.

Q3 Fiscal 2026 compared to Q2 Fiscal 2026

Revenues for Q3 Fiscal 2026 totaled \$1 million, unchanged \$1 million of revenue reported in Q2 Fiscal 2026 with only slight variations in the composition of revenues in each period.

Q3 Fiscal 2026 compared to Q3 Fiscal 2025

Revenues for Q3 Fiscal 2026 decreased 25% from \$1.3 million in Q3 Fiscal 2025, due to decrease in professional services revenue combined with a 20% decline in software and subscription services revenue attributed to the impact from two previously disclosed customers that did not renew due to internal reorganizations.

Revenue Derived from Major Customers

The Company's revenue is generated in the United States. For the nine months ended December 31, 2025, 52.9% of the Company's revenue was earned through sales to one major customer (nine months ended December 31, 2024 – 54.4% of revenue, two major customers), each with revenues of 10% or greater:

For the nine months ended December 31	2025	2024
Customer 1	52.9%	34.4%
Customer 2	7.7%	20.0%
	60.6%	54.4%

The Company's quarterly revenues can be impacted by and fluctuate due to the timing and frequency of new and existing customers. While we currently receive a substantial portion of our revenue from a limited number of customers, we expect our customer concentration to continue to decline in the future.

Gross Margin

Our revenue, cost of sales, and gross margin for the fiscal periods indicated are as follows:

GROSS MARGIN <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Revenue	968	953	1,292	2,836	3,819
Cost of sales	127	127	150	405	446
Gross margin	841	826	1,142	2,431	3,373
Gross margin %	86.9%	86.7%	88.4%	85.7%	88.3%

Q3 Fiscal 2026 compared to Q2 Fiscal 2026

Gross margin for Q3 Fiscal 2026 was 86.9%, a 0.2%-point increase from 86.7% for Q2 Fiscal 2026, due higher sales combined with negotiated reductions in data center fees that make up the majority of cost of sales.

Q3 Fiscal 2026 compared to Q3 Fiscal 2025

Gross margin for Q3 Fiscal 2026 decreased by 1.5 percentage points from 88.4% for Q3 Fiscal 2025, due to lower revenue levels.

The Company expects gross margins to return to prior levels at or about 90% as revenue growth resumes but does expect gross margins to fluctuate by quarter. The Company intends to make higher investments with its hosting sub-processor to support further growth, especially with deployment of new Velocity customers and Unity Central. That said, the Company expects gross margins in future quarters to increase as revenue grows, but the impact is likely to fluctuate period-to-period due to a variety of factors, including product mix.

Selling, General and Administration Expenses

The following table provides an analysis of the Company's SG&A expenses for the respective periods:

SG&A EXPENSES <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Salaries, wages and benefits	633	733	1,051	2,314	3,312
Deferred compensation	195	256	32	571	32
General and administration	72	80	99	277	343
Professional fees	89	73	108	295	406
Consulting	84	42	140	205	340
SG&A expenses	1,073	1,184	1,430	3,662	4,433

Q3 Fiscal 2026 compared to Q2 Fiscal 2026

SG&A expenses for Q3 Fiscal 2026 were \$1.1 million, a \$0.1 million improvement versus \$1.2 million for Q2 Fiscal 2026 was due to lower compensation expense (salaries, wages and benefits plus deferred compensation) due to staff reductions in the current quarter as well as reductions in other expense categories due to on-going cost-savings efforts.

Q3 Fiscal 2026 compared to Q3 Fiscal 2025

SG&A expenses for Q3 Fiscal 2026 were \$0.3 million lower than \$1.4 million of SG&A expenses for Q3 Fiscal 2025 due to lower compensation expense and other cost reductions.

Share-based Payments

Share-based payments for Q3 Fiscal 2026 were \$0.03 million compared to a recovery of \$0.04 million for Q2 Fiscal 2026 and \$0.1 million of expense for Q3 Fiscal 2025. The recovery recognized in Q2 Fiscal 2026 relates to the forfeiture of restricted share units (“RSUs”) in the current quarter for which previously recognized share-based payment expense related to unvested RSUs is reversed.

Interest and Other Expenses

Other expenses primarily consist of imputed interest related to office lease liabilities, which will fluctuate as leases expire or are extended and reduced due to the passage of time, plus interest and accretion on the credit facility and other interest on overdue accounts payable.

INTEREST & OTHER EXPENSES <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Credit facility interest	74	75	74	230	221
Accretion of credit facility	16	16	16	48	48
Imputed lease interest	11	13	19	38	62
Other interest	-	32	-	32	-
	101	136	109	348	331

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company has financed its operations primarily through the sale of equity securities, debt, and cash from operating activities.

Working capital

Working capital represents the Company’s current assets less its current liabilities. The Company defines pro-forma working capital (a Non-IFRS metric) as working capital plus deferred revenue and the credit facility which matures in March 2027.

WORKING CAPITAL <i>In thousands of U.S. dollars</i>	As at	
	Dec 31	Mar 31
	2025	2025
Current assets	714	1,181
Current liabilities	5,637	4,773
Working capital deficit	(4,923)	(3,592)
Credit facility	2,529	2,622
Deferred revenue	783	707
Working capital deficit (pro forma)	(1,611)	(263)

The Company reported a pro-forma working capital deficit of \$(1.6) million at December 31, 2025 (including \$0.09 million of cash and \$0.4 million of trade receivables) compared to a \$(0.3) million pro-forma working capital deficit reported at March 31, 2025 (including \$0.4 million of cash and \$0.6 million of trade receivables). The nine-month period change is primarily from a \$0.3 million decrease in cash, a \$0.3 million increase in accounts payable and accrued liabilities, a \$0.6 million increase in deferred compensation payable and a \$0.2 million increase in trade and

other receivables from the invoicing of license renewals. It should be noted that deferred revenue of \$0.8 million reflects new and recurring licenses that are contractually non-refundable at the beginning of each annual license term, then recognized over the license term (amortizing the deferred revenue down), versus a liability expected to be paid in cash. It should also be noted that a few large customers have negotiated the payment of their binding annual licenses on a quarterly basis which lowers absolute deferred revenue levels compared to historical levels of previous quarters.

The credit facility agreement contains a liquidity covenant requiring the Company maintain “gross working capital” of at least \$500,000 at all times, measured quarterly. Gross working capital, for the purposes of the financial covenant, is defined as the sum of (1) cash on hand plus (2) the borrowing base less the outstanding principal balance of the loan. Although the Company did not meet the gross working capital financial covenant at both March 31, 2025 and December 31, 2025, due to later than expected collection of certain receivables (as receivables are not included in the gross working capital covenant), the covenant was cured and accepted by the lender for each period. So, while IFRS requires the reclassification of the credit facility from long-term to current liabilities as of December 31, 2025 and the date of this MD&A, the lender is not requiring repayment prior to the credit facility’s March 2027 maturity date. See the Subsequent Events section for details of temporary amendments to the credit facility.

The Company expects working capital to improve as revenue growth occurs. While the Company plans to keep its targeted collection days in-line with its payment terms, aggregate trade receivables level should increase in absolute dollars as revenue levels grow.

The following table shows our cash flows from operating activities, financing activities and investing activities for the periods indicated:

CASH INFLOWS (OUTFLOWS) <i>In thousands of U.S. dollars</i>	Three month period ended			Nine month period ended	
	Dec 31	Sept 30	Dec 31	Dec 31	Dec 31
	2025	2025	2024	2025	2024
Operating activities	337	(200)	(369)	(90)	(1,939)
Financing activities	(282)	187	371	(175)	(97)
Investing activities	-	-	-	-	-
Net cash inflows (outflows)	55	(13)	2	(265)	(2,036)

Cash Flows Provided By (Used In) Operating Activities

Cash flows used in operating activities primarily consist of our net loss adjusted for non-cash expenses and for changes in non-cash working capital items. Non-cash adjustments to operating activities generally include depreciation, share-based payments and interest and financing fees. Changes in non-cash working capital items include changes in accounts receivable, which will increase as revenue increases, deferred revenue, and changes to accounts payable as we purchase more goods and services from suppliers to support such growth.

Q3 Fiscal 2026 compared to Q2 Fiscal 2026

During Q3 Fiscal 2026, the Company reported \$0.3 million of cash flows provided by operating activities which is a \$0.5 million improvement from \$(0.2) million of cash flows used in operating activities in Q2 Fiscal 2026. The improvement is due to a \$0.1 million reduction in the Q3 Fiscal 2026 net loss compared to Q2 Fiscal 2026 combined with the collection of accounts receivable and increases in deferred revenue and deferred compensation balances from September 30, 2025 to December 31, 2025.

Q3 Fiscal 2026 compared to Q3 Fiscal 2025

During Q3 Fiscal 2026, the Company reported \$0.3 million of cash flows provided by operating activities compared to \$(0.4) million of cash flows used in operating activities in Q3 Fiscal 2025. The improvement is due to a \$0.2 million reduction in the Q3 Fiscal 2026 net loss compared to Q3 Fiscal 2025 combined with positive changes in accounts receivable, deferred revenue and deferred compensation balances.

Cash Flows Provided By (Used In) Financing Activities

Q3 Fiscal 2026 compared to Q2 Fiscal 2026

During Q3 Fiscal 2026, the Company reported \$(0.3) million of cash flows used in financing activities versus \$0.2 million of cash flows provided by financing activities in Q2 Fiscal 2026. The decrease in Q3 2026 is due to \$0.1 million of net credit facility repayments, \$0.07 million of interest and \$0.1 million of office lease payments. Q2 Fiscal

2026 included \$0.2 million of net private placement proceeds.

Q3 Fiscal 2026 compared to Q3 Fiscal 2025

During Q3 Fiscal 2026, the Company reported \$(0.3) million of cash flows used in financing activities versus \$0.4 million of cash flows provided by financing activities in Q3 Fiscal 2025 as Q3 Fiscal 2025 activities included \$0.5 million of net credit facility advances offset by interest and office lease payments.

Cash Flows Used in Investing Activities

The Company did not engage in any investing activities (primarily related to the purchase of computers and other minor equipment) during the periods presented.

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and to a lesser degree from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. In order to further reduce charges for doubtful accounts, the Company has recently adopted new policies to ensure customer acceptance is explicitly confirmed in writing before an invoice is generated against recognized or deferred revenue.

Financial instruments and cash deposits

Credit risk from balances on deposit with banks and financial institutions is managed in accordance with the Company's policies. Investments of surplus funds are made only with approved counterparties and within credit limits approved for each of those counterparties. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Liquidity risk

The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents, managing cash from operations, and if required through financing activities.

As at December 31, 2025, the Company has not yet achieved profitable operations and has an accumulated deficit of \$57.2 million. Whether, and when, the Company can attain profitability and positive cash flows from operations indicate the existence of material uncertainty, which casts significant doubt upon the Company's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in future on terms favorable for the Company. The Company believes it will be able to acquire sufficient funds to cover planned operations through the next twelve-month period from anticipated revenue growth during Fiscal 2026, continued credit access from its primary lender and other sources. The outcome of these matters cannot be predicted at this time.

As at December 31, 2025, the contractual maturities of the Company's financial liabilities are as follows:

	Carrying amount	Contractual cash flows	Within 1 year	2 years
Accounts payable and accrued liabilities	1,219,052	1,219,052	1,219,052	–
Credit facility	2,529,448	2,606,720	–	2,606,720
Lease liability	359,673	378,478	378,478	–
Deferred compensation	745,887	745,887	745,887	–
	4,854,060	4,950,137	2,343,417	2,606,720

Foreign currency risk and interest rate risk

The Company was not exposed to any significant foreign currency risk or interest rate risk as at or during the three and nine months ended December 31, 2025.

SUBSEQUENT EVENTS

On January 22, 2026, the Company and Celtic agreed to the following amendments to the credit facility:

- A decrease in the liquidity covenant from \$500,000 to \$100,000 from January 31, 2026 to May 31, 2026
- An over advance up to \$250,000 above the borrowing base until May 31, 2026, and a back end payment of \$100,000 due upon maturity of the loan

SHARE CAPITAL

	Common shares	Common are warrants	Stock options	Restricted share units
Balance, March 31, 2025	64,449,149	17,865,722	885,000	8,359,875
Issued/granted	5,872,112	6,160,404	-	-
Forfeited	-	-	-	(717,670)
Expired	-	-	-	-
Balance, December 31, 2025	70,321,261	24,026,126	885,000	7,642,205
Forfeited	-	-	(40,000)	-
Balance, date of MD&A	70,321,261	24,026,126	845,000	7,642,205

OFF-BALANCE SHEET ARRANGEMENTS

During the periods presented, the Company did not have, nor do we currently have, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred in the three and nine months ended December 31, 2025 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with IFRS Accounting Standards requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and actual results, our future results of operations will be affected. Revisions to accounting estimates are recognized in the year in which the estimates are revised and for any future years affected. The Company's significant judgments and estimates are disclosed in Note 4 of the audited March 31, 2025 consolidated financial statements.