NL2 Capital Inc.
(a Capital Pool Company)

Management's Discussion and Analysis
For the year ended December 31, 2025

BACKGROUND

This Management's Discussion and Analysis ("MD&A") of NL2 Capital Inc. ("NL2" or "the Corporation") is dated April 21, 2026 and provides an analysis of the Corporation's operations for the year ended December 31, 2025. This MD&A should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2025 which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The financial statements are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca under the Corporation's profile.

FORWARD-LOOKING INFORMATION

Certain statements in this MD&A are forward-looking statements or information (collectively – forward-looking statements). The Corporation is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "potential", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: lack of operating history; regulatory risks; substantial capital and liquidity requirements; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; conflicts of interest of management; exposure to potential litigation, and other factors beyond the control of the Corporation.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk and Uncertainties".

CORPORATION OVERVIEW

The Corporation was incorporated pursuant to the Canada Business Corporations Act ("CBCA") on March 4, 2022. The Corporation's head office is located at 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia B3J 3R7.

On March 28, 2023, the Corporation completed its initial public offering ("IPO") of 5,274,500 common shares at a price of $0.10 per common share for gross proceeds to the Corporation of $527,450. The Corporation entered into an agent agreement to complete the IPO. The agent was paid a cash commission equal to 10% of the gross proceeds of the Offering and granted non-transferrable options ("Agent's Options") to purchase up to 527,450 common shares of the Corporation. The Agent's Options are exercisable until March 28, 2028 at a price of $0.10 per common share.

The net proceeds of the Offering are being used to identify and evaluate assets or businesses for acquisition with a view to completing a "Qualifying Transaction" ("QT") pursuant to Exchange Policy 2.4 – Capital Pool Companies ("CPC Policy"), as disclosed in the Corporation's prospectus dated December 22, 2022. The Corporation's common shares trade under the symbol "NLII.P" on the TSX Venture Exchange (the "Exchange")

The Corporation also issued stock options to directors of the Corporation at the filing of the final prospectus equal to 10% of the total outstanding common shares of the Corporation preceding the IPO (1,370,000) at an exercise price of $0.05 per common share, expiring 10 years from the date of grant. Such stock options are subject to escrow pursuant to the terms of an escrow agreement dated December 22, 2022.

The principal business of the Corporation is the identification and evaluation of a QT and once identified or evaluated, to negotiate an acquisition or participation in business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. QT means a transaction where a Capital Pool Company ("CPC") acquires significant assets, other than cash, by way of purchase, amalgamation merger or arrangement with another company or by other means. Any QT must be approved by the Exchange, and in the case of a Non-Arm's Length QT, must also receive Majority of the Minority Approval, in accordance with the CPC Policy. The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced.

During the year, the Corporation announced it had entered into non-binding letters of intent signed November 6, 2025 to acquire a Canadian diversified group of companies which is expected to constitute the QT. The Corporation is undergoing the requisite evaluation of the target companies.

Accordingly, no operating revenue has been derived during the year ended December 31, 2025.

SELECTED ANNUAL INFORMATION

	For the year ended December 31, 2025	For the year ended December 31, 2024
	$	$
Revenue	-	-
Net loss	(103,727)	(36,962)
Net loss per share		
- **Basic and diluted**	(0.005)	(0.002)
Total assets	889,337	936,531
Long-term financial liabilities	-	-

RESULTS OF OPERATIONS

The audited financial statements for the year ended December 31, 2025 have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

	For the three months ended December 31,		For the year ended December 31,	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Expenses				
Office expense and bank fees	**378**	205	**1,238**	985
Professional fees	**79,206**	24,605	**93,650**	46,544
Transfer agent and listing fees	**8,430**	2,710	**29,189**	24,905
Travel	**-**	-	**1,474**	1,171
	88,014	27,520	**125,551**	73,605
Interest income	**4,398**	7,640	**21,824**	36,643
Loss and comprehensive loss	**83,616**	19,880	**103,727**	36,962

The primary expenses for the three and twelve months ended December 31, 2025 were professional fees incurred related to legal advice and support for the annual general meeting, quarterly filings and press releases, audit and tax preparation fees, accounting fees for quarterly accounting and financial statement preparation, transfer agent and listing fees required as a public company and legal and other costs related to the identification and evaluation of potential QT.

Professional fees and transfer agent and listing fees were both higher for the three and twelve months ended December 31, 2025 as compared to the same periods in 2024 due to fees related to the identification and evaluation of potential QT. For the three and twelve months ended December 31, 2025, interest income was lower compared to the same periods in 2024. This decrease was primarily due to a change in the way excess cash was managed during these periods. During the three and twelve months ended December 31, 2024, excess cash was invested in short-term investment certificates. These certificates provided a higher rate of interest, resulting in increased interest income for that period. In contrast, as of December 31, 2025, excess cash was held in a savings account.

SUMMARY OF QUARTERLY RESULTS

A summary of quarterly results is included in the table below. The financial information is extracted from or derived from the Corporation's unaudited interim financial statements and conform with IFRS.

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
	$	$	$	$
Revenue	-	-	-	-
Net loss	(83,616)	(1,070)	(15,539)	(3,502)
Net loss per share				
- **Basic and diluted**	(0.004)	(0.000)	(0.001)	(0.000)

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
	$	$	$	$
Revenue	-	-	-	-
Net (loss) income	(19,880)	2,537	(13,672)	(5,947)
Net (loss) income per share				
- **Basic and diluted**	(0.001)	0.000	(0.001)	(0.000)

The Corporation's IPO was completed in March 2023. The net loss to date relates to non-cash stock based compensation, stock exchange listing fees, transfer agent fees and professional fees incurred related to the incorporation of the company and the required financial statement preparation, audit and annual general meeting as well as fees related to the identification and evaluation of potential QT for the year ended December 31, 2025.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

The Corporation's cash used in operating activities was $47,186 for the year ended December 31, 2025 as compared to $34,276 for the year ended December 31, 2024.

Financing Activities

The Corporation's cash provided by financing activities for the year ended December 31, 2025 and 2024 was $Nil.

Liquidity

The financial statements have been prepared on the basis of IFRS Accounting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business. Continuing operations as intended are dependent on management's ability to raise required funding through future issuances of equity or debt, its ability to acquire targets or business interests and develop profitable operations or a combination thereof, which is not assured.

As at December 31, 2025, the Corporation had working capital of $808,179, calculated as current assets less current liabilities. The Corporation's expectations are based on the assumption that the Corporation will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or, if available, that such financing will be on acceptable terms. If adequate financing is not available when required, the Corporation may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Corporation may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Corporation's shareholders and may result in dilution to the value of such interests.

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced. The Corporation's working capital remains sufficient to continue evaluating potential QT, including the incurrence of professional fees associated with due diligence and transaction structuring.

Contractual Obligations

The Corporation has no contractual obligations.

Capital Resources

The Corporation had 1,897,450 stock options outstanding at December 31, 2025 which if exercised could raise proceeds of $121,245.

TRANSACTIONS WITH RELATED PARTIES

There was no cash remuneration paid to related parties and key management personnel has provided services for no cash remuneration during the years ended December 31, 2025 and 2024.

Key management personnel include members of the Board of Directors, as well as the Chief Executive Officer/Chief Financial Officer.

As at December 31, 2025, there was $Nil included in accounts payable and accrued liabilities for amounts owed to an officer of the Corporation (December 31, 2024 – $Nil) for expense reimbursements.

OFF BALANCE SHEET ITEMS

The Corporation has no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Authorized capital stock consists of an unlimited number of common shares without nominal or par value.

As at the date of the Management Discussion & Analysis, there were 18,974,500 common shares of the Corporation issued and outstanding of which 13,700,000 were held in escrow.

OUTSTANDING STOCK OPTIONS

The Corporation granted stock options to directors and officers of the Corporation to acquire an aggregate of 1,370,000 common shares at an exercise price of $0.05 per common share, exercisable until March 27, 2033. Such stock options are subject to escrow pursuant to the terms of an escrow agreement dated December 22, 2022.

The Corporation also granted non-transferable options ("Agent's Options") to purchase up to 527,450 common shares of the Corporation. The Agent's Options are exercisable until March 28, 2028 at a price of $0.10 per common share.

FUTURE ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The Corporation assesses new accounting pronouncements to determine whether there could be a material impact on its Financial Statements. The Corporation is currently in the process of evaluating the potential impact of IFRS 18 - Presentation and Disclosure in Financial Statements that is effective from January 1, 2027. It has not yet been determined whether this will have a significant impact on the Financial Statements.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the operations of the Corporation. If any such risks actually occur, the financial condition, liquidity and results of operations of the Corporation could be materially adversely affected and the ability of the Corporation to implement its plans could be adversely affected.

Recent Incorporation

The Corporation was only recently incorporated, has not commenced commercial operations and has no assets other than cash and prepaid expenses. It has no history of earnings, has not entered into an Agreement in Principle with respect to a proposed Qualified Transaction and will not generate earnings or pay dividends until at least after Completion of a QT.

Nature of Business

There is no assurance that the Corporation will identify assets or businesses which warrant acquisition or participation or will be able to successfully negotiate the same, or that any such opportunities or businesses acquired would be profitable.

Limitations on Business

Until Completion of a QT, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential QT.

Limited Funds

The Corporation has only limited funds with which to identify and evaluate potential QT and there can be no assurance that the Corporation will be able to identify a suitable QT. If a potential asset or business is identified and an acquisition or participation therein is warranted, additional funds may be required and there is no assurance that the Corporation will be able to obtain such financing.

Completion of QT

Even if a proposed QT is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction. Completion of a QT is subject to a number of conditions, including acceptance by the Exchange and, in the case of a Non-Arm's Length QT, Majority of the Minority Approval. Financing Risks and Dilution to Shareholders

Recovery of Loans

Subject to prior Exchange acceptance, the Corporation may be permitted to loan or advance up to the greater of $250,000 and 20% of its working capital to a target business without shareholder approval and there can be no assurance that the Corporation will be able to recover that loan.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early-stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation's shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

Absence of Liquid Market

There can be no assurance that an active and liquid market for the common shares will develop, and an investor may find it difficult to resell its common shares.

Economic Conditions

Unfavorable economic conditions may negatively impact the Corporation's financial viability because of increased financing costs and limited access to capital markets.

Dependence on Management

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other people would be required to manage and operate the Corporation.

Conflicts of Interest

The directors and officers of the Corporation will devote only a portion of their time to the business and affairs of the Corporation and some or all of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

If a conflict of interest arises, the Corporation will follow the provisions of the Business Corporations Act, Nova Scotia ("Corporations Act") in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must, at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of Nova Scotia, the directors and officers of the Corporation are required to act honestly, in good faith and in the best interest of the Corporation.

Litigation

The Corporation and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

FINANCIAL INSTRUMENTS

Credit risk

The Corporation's financial asset is cash. The Corporation's maximum exposure to credit risk, as at period-end, is the carrying value of its financial asset. The Corporation manages credit risk by maintaining its cash with a Schedule I bank in Canada.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2025, the Corporation had a cash balance of $888,557. The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning The Corporation's expenses are provided in the Corporation's statement of loss and note disclosures contained in its audited financial statements for the year ended December 31, 2025. These statements are available on The Corporation's SEDAR+ Page Site accessed through www.sedarplus.ca .

Dividends

The Corporation has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for corporate development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Corporation's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Nature of the Securities

The purchase of the Corporation's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Corporation's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Proposed Transactions

During the year, the Corporation announced the execution of non-binding letters of intent with respect to potential QT. These letters of intent were non-binding, and no definitive agreement has been executed as of the date of this MD&A. There can be no assurance that any such transaction will be completed.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the

Corporation. The Board of Directors of the Corporation has approved the financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Dated: April 21, 2026