

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine months ended September 30, 2025 and 2024

Background

This management discussion and analysis (“**MD&A**”) of the financial position of Ostrom Climate Solutions Inc. (“**Ostrom**”, the “**Company**” and “**us**,” “**our**” or “**we**”) and results of its operations for the nine months ended September 30, 2025 is prepared as of November 25, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and the related notes thereto. The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All currency amounts are expressed in Canadian dollars, unless otherwise noted. This MD&A is prepared in conformity with National Instrument 51-102F1 and has been approved by the Board of Directors.

Forward-Looking statements

This MD&A includes forward-looking statements including in particular forward-looking statements regarding working capital, access to financing, the ability of the Company’s projects with recurring verifications to retain their validation status within the scope of changes in voluntary or regulated standards or guidance, the ability of counterparties to sale or purchase contracts to remain going concerns, and possible changes in greenhouse gas emissions regulation in the United States, Canada, Europe or other jurisdictions. Forward-looking Statements may be identified by the use of words such as “will”, “may”, “plan”, “could”, “should” and other similar wording or meanings. Where forward-looking statements are included, the material assumptions underlying them and the risk factors affecting them are referenced. Except for historical information contained in this MD&A, the following disclosures are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian provincial securities laws or are future oriented financial information and, as such, are based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note regarding the risks associated with forward-looking statements at the back of this MD&A.

The Company does not intend, and does not intend to assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or circumstances or any other events affecting such statements or information other than as required by applicable law. Where a material change to forward-looking statements occurs and its disclosure is required by applicable law, that material change is disclosed as soon as practicable in a news release and material change report and, when applicable, is included with future MD&A and other continuous disclosure documents. All material changes to forward-looking statements are made available on SEDAR at www.sedar.com.

Description of the business

The Company was incorporated on July 6, 2005 under the Business Corporations Act (BC). The Company was classified as a Capital Pool Company and completed an initial public offering and commenced trading on the TSX Venture Exchange (“**TSX-V**”) on April 25, 2006, currently trading under the symbol “**COO**”. The Company’s head office, principal address, and registered and records office is located 380 – 4111 Hastings Street, Burnaby, British Columbia, V5C 2J3, Canada.

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Since inception, Ostrom Climate Solutions has delivered over 10 million tonnes of carbon offsets across multiple jurisdictions, standards, and project types. This track record highlights the Company's ability to navigate complex environmental and regulatory frameworks, reinforcing its leadership position in the global carbon market.

Over the past year, both voluntary and compliance carbon markets have faced volatile conditions, specifically macroeconomic uncertainty, shifting regulatory landscapes, and evolving buyer preferences toward direct project origination. This broader market turbulence has seen changes in carbon credit pricing, transaction volumes, and capital allocation across the sector, whilst in domestic markets, recent developments affecting the British Columbia Output Based Pricing System have created favourable trading conditions and opportunities for the Company's VER trading business. In the face of changing market conditions, Ostrom's continued approach toward ownership and development of high-quality, compliance-aligned carbon projects positions the Company to navigate this volatility prudently while building scalable, long-term value; whilst taking advantage of current domestic VER trading opportunities as they present themselves to the Company.

With the voluntary carbon market projected to reach \$1.1 trillion by 2050 and compliance markets expected to drive global carbon markets to approximately \$2.7 trillion by 2028, Ostrom is strategically positioned to capitalize on both sectors. The Company's evolving business model emphasizes ownership and control over high-integrity carbon projects, enabling it to secure recurring revenues and deliver superior returns on invested capital.

Ostrom's commercial strategy is anchored in three redefined core business lines:

- *Carbon Project Development:*
Formerly referred to as International Land Use, this division leads development of premium offset projects, including REDD+, Improved Forest Management, and Climate-Smart Agriculture initiatives. Leveraging advanced geospatial analysis and modeling, the Company is pioneering scalable projects, such as methane-reduction initiatives in rice supply chains.
- *Carbon Intelligence Services:*
Building on its deep Canadian market experience, this business line delivers end-to-end carbon management solutions including project feasibility, MRV frameworks, and policy analysis tailored to both regulated and voluntary markets.
- *Net Zero Solutions:*
This segment focuses on supporting corporate clients in achieving their Net Zero goals through tailored emission reduction and offset integration strategies, helping to manage both operational emissions and residual impact.

The Company's evolution from a carbon management consultancy to a lead equity partner in carbon projects enables greater control over project quality, scalability, and financial outcomes. Ostrom's project portfolio includes Nature-Based Solutions such as:

- Improved Forest Management
- Avoided Planned Deforestation
- Blue Carbon Ecosystem Restoration
- Biochar and Bio-Fuels for soil health and renewable energy transition

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- **Climate Smart Agriculture**

As a subset of global carbon markets, the Carbon Dioxide Removal market is also projected to experience substantial growth, potentially reaching \$100 billion annually between 2030 and 2035. In alignment with these market dynamics, Ostrom is prioritizing the development of high-integrity carbon removal projects, including forest carbon initiatives and expanding into complementary nature-based solutions such as biochar.

In Canada, Ostrom is uniquely positioned to capitalize on the newly implemented British Columbia Output-Based Pricing System, leveraging its established operational presence and deep expertise to support regulated entities in meeting compliance obligations through credible, verifiable carbon credits.

Ostrom's trading and technical consulting businesses naturally experience cyclical fluctuations tied to broader carbon market dynamics. However, the Company's strategic pivot toward project ownership and engagement in compliance markets is designed to reduce earnings volatility over time while preserving flexibility to capitalize on market rebounds through its advisory platforms.

To support these initiatives, Ostrom is actively engaging with strategic financing partners to secure long-term revenue streams and accelerate project deployment across key geographies, especially with regard to Ostrom's flagship UPRIS rice methane reduction project in the Philippines (the "**Smart-Rice Project**"). This agreement not only validates the scalability and integrity of Ostrom's project methodology but also signals growing institutional appetite for high-quality, nature-based carbon removals.

By aligning its operational focus with evolving demands across voluntary and compliance markets, Ostrom aims to deliver scalable environmental impact while building sustainable shareholder value.

Developments during the three months ended September 30, 2025

- On July 21st, 2025, the Company announced that Tejinder Virk stepped down as Chief Executive Officer and from the Company's Board of Directors and that Navdeep Dhaliwal, Executive Chairman, assumed CEO responsibilities to ensure continuity and maintain focus on the Company's strategic priorities.
- On August 29th, 2025, the Company announced the results of its annual general meeting (AGM) where the number of directors was fixed at four: Navdeep Dhaliwal (Executive Chairman & CEO), Robert Christopher Morris (Chair of Audit Committee & Director), Tar Deol (Director) and Colin Haddock (Director). The shareholders ratified and approved the Company's 10% rolling stock option plan and the Board of Directors reappointed Navdeep Dhaliwal as Chairman & Chief Executive Officer and Trevor Scott as Chief Financial Officer.
- Between July 2nd 2025 and September 30th 2025, the Company has concluded several purchases and sales of VERs with third party for total revenues exceeding \$11 million, of which approximately \$6.875 million relates to deferred revenue in respect of the purchase and sale of VERs for which delivery of said VERs had not yet taken place by September 30th, 2025. In respect of the transactions giving rise to the aforementioned deferred revenue, the Company held VER inventories of approximately \$6.8m at September 30th, 2025.

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General Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements have been prepared on a basis consistent with the accounting policies applied for the year ending December 31, 2024 and follow the same accounting policies and methods of application as the 2024 annual consolidated financial statements. They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected notes are included that are significant to understanding the Company's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2024. These condensed consolidated interim financial statements were approved by the Board of Directors on November 25, 2025.

Selected Quarterly Information

The following table sets forth selected financial information for the Company for the 3rd quarter ended September 30, 2025, and year ended December 31, 2024, with quarterly comparatives to the three months ended September 30, 2024.

As at	September 30, 2025	December 31, 2024
Total assets	7,742,274	1,607,190
Non-current financial liabilities	309,517	308,507

For the nine months ended Sep 30,	2025	2024
Revenues	7,609,170	1,894,630
Net Loss from continued operations	(1,348,723)	(3,205,896)
Total net loss for the period	(1,348,723)	(3,205,896)
Loss from continued operations per share – basic and diluted	(0.012)	(0.032)
Loss per share – basic and diluted	(0.012)	(0.032)
Weighted average number of common shares outstanding	114,091,113	99,803,860

*2025 vs 2024**Total Assets*

Total assets increased from \$1,607,190 as of December 31, 2024, to \$7,742,274 as of September 30, 2025, representing an increase of \$6,135,084 or approximately 382%. This increase is primarily attributable to a \$6,843,737 increase in Inventory holdings related to the purchase of VERs for onward sale. Total assets were partially offset by a decrease of \$258,274 in cash, resulting primarily from cash utilized in settling debt and for the ongoing funding the Company's Smart-Rice Project, as well as a decrease of \$425,623 in Right-of-use asset related to the impairment of the office lease.

Non-Current Financial Liabilities

Non-current financial liabilities increased to \$309,517 as of Sep 30, 2025, from \$308,507 as of December 31, 2024, an increase of \$1,010 or approximately 0.3%. The rise in non-current financial liabilities is mainly due to the accretion of its long term convertible debt.

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*Results of Operations**Revenues*

Revenues for the nine months ended September 30, 2025, were \$ 7,609,170, a \$5,714,540 increase from \$1,894,630 in the nine months ended September 30, 2024, approximately a 302% increase. The increase in revenue is primarily driven by an increase in VER sales of \$5,480,903, and an increase of \$233,637 in advisory and consulting revenue compared to the prior year period.

Net Loss from Continued Operations

The net loss from continued operations decreased to \$1,348,723 for the quarter ended Sep 30, 2025, compared to a loss of \$3,205,896 for Q3 2024, representing a decrease of \$1,857,173 or approximately 58%. This decrease in net loss is primarily due to the increase in revenue and gross profit and reduction in expenses such as salaries, consulting and professional fees and research and development, resulting from a strategic reduction in the company's workforce and expenses in 2025.

Summary of Quarterly Results

The following table provides selected quarterly unaudited financial data for the eight most recently completed interim quarters:

	Sep 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	6,115,005	860,202	633,964	86,207	156,247	578,123	926,719	2,561,939
Income (loss) for the period	50,742	(683,108)	(716,357)	(1,373,756)	(1,268,728)	(856,934)	(1,080,234)	(836,222)
Basic and diluted income (loss) per share	0.0004	(0.006)	(0.006)	(0.012)	(0.012)	(0.009)	(0.011)	(0.010)

Summary of Results During Prior Eight Quarters

In the third quarter of 2025, the Company reported revenue of \$6,115,005, a significant increase from the \$860,202 reported in Q2 2025. The increase is primarily attributable to recent VER trading activity in respect of several large VER purchase and sale transactions by the Company. Generally, the fluctuation in the Company's quarterly revenues is influenced by the timing of transaction executions within VER sales contracts, as well as the provision and invoicing of advisory services. Revenues reported in Q3 include the recognition of revenue from VER sale agreements to which the Company earns commission revenue. In addition, revenues from sales of VERs and consulting services can be variably dependent on seasonal demand from customers as well as dependent on when deferred revenues are recognized.

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Results of Operations – For the quarters ended September 30, 2025 and 2024

The results of operations for the three months ended September 30, 2025 and 2024 are summarized below:

September 30,	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Revenue				
Sale of VER units	\$ 5,917,396	\$ 153,835	\$ 6,629,916	\$ 1,149,013
Consulting and advisory services	197,608	235,953	979,254	745,617
Total revenue	6,115,004	389,788	7,609,170	1,894,630
Cost of sales	(5,006,482)	(233,541)	(5,902,546)	(1,225,838)
Gross profit	1,108,522	156,247	1,706,624	668,792
Operating expenses	(626,318)	(1,388,767)	(2,495,586)	(3,785,890)
Profit/(Loss) before other items	482,204	(1,232,520)	(788,962)	(3,117,098)
Other income and (expenses)	(431,462)	(36,208)	(559,761)	(88,798)
Net profit/(loss) for the period (IFRS)	50,742	(1,268,728)	(1,348,723)	(3,205,896)
Add back: Share-based compensation expense	42,323	49,151	181,294	113,111
Add-back: Consulting fees (intended for share settlement)	17,000	-	17,000	-
Add back: Smart-Rice R&D expenses expensed during the year	130,033	374,556	565,555	1,072,629
Adjusted net loss (non-IFRS measure)	240,098	(845,021)	(584,874)	(2,020,156)

Management believes that Adjusted Net Income, which excludes project-related research and development (R&D) expenses, share-based compensation, consulting fees intended to be settled in shares, and restructuring costs, provides a more meaningful measure of the Company's underlying operating performance.

These adjustments are intended to isolate the impact of:

- Investments made to develop long-term carbon assets (such as the Smart-Rice Project), and
- Non-cash expenses associated with stock option grants, consulting and milestone bonuses planned for settlement through equity issuance.

Management believes that excluding these items better reflects the Company's recurring cash operating performance and provides investors and other stakeholders with additional insight into Ostrom's ability to generate sustainable earnings from its core business activities.

Adjusted Net Income does not have a standardized meaning under IFRS and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

The results of operations for the quarters ended September 30, 2025 and 2024 are summarized below:

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Revenue

Sale of VER units increased by \$5,480,903 in Q3 2025 compared to Q3 2024 primarily driven by the introduction of the B.C. Output-Based Pricing System (OBPS). The Company's carbon consulting and advisory services revenue increased by \$233,637 for the quarter ended September 30, 2025, compared to 2024 mainly due to the completion of certain performance milestones from projects in progress throughout 2025.

For the three months ended Sep 30, 2025, total revenue increased significantly to \$6,115,004 from \$389,788 in the same period in 2024, representing an increase of \$5,725,216 or 1,469%. This increase was primarily driven by:

- **Sale of VER units:** Revenue from the sale of VER units increased to \$5,917,396 in 2025 from \$153,835 in 2024, reflecting an increase of \$5,763,561 or approximately 3,747%. This growth is attributable to higher sales volumes with the introduction of the B.C. Output-Based Pricing System (OBPS). Under the OBPS, large industrial emitters that exceed provincial emissions benchmarks are required to either remit carbon-pricing payments or purchase eligible offsets to meet their compliance obligations. Because offsets generally represent a more cost-effective alternative to paying the full carbon price, the implementation of the OBPS created a new, compliance-driven source of demand. This regulatory change expanded the customer base, supported higher sales volumes, and provided greater price stability for provincially eligible carbon offsets.
- **Consulting and Advisory Services:** Revenue from consulting and advisory services saw a decrease, falling to \$197,608 in 2025 from \$235,953 in Q3 2024, a decrease of \$38,345 or approximately 16%.

Cost of sales and gross profit

Over the quarter, cost of sales climbed by \$4,676,708 compared to Q3 2024, in line with the increase in VER revenue.

The cost of sales for the three months ended September 30, 2025, was \$ 5,006,482, compared to \$ 233,541 in the same period in 2024, representing an increase of \$4,772,941 or approximately 2,044%. The increase in cost of sales aligns with the growth in revenues and is driven by the increased cost of producing or procuring VER units and delivering consulting services. The proportionate increase in cost of sales, is higher than the increase in revenue, indicating a decline in the gross profit margin for the period.

Operating expenses

During the three months ended September 30, 2025 and 2024, operating expenses were \$626,318 and \$1,388,767, respectively. Significant changes in operating expenditures in 2025 vs 2024 are categorized in the table below:

Operating Expenses	Quarter ended Sep 30, 2025 Increase (decrease) in expense	Comment
Amortization of right-of-use asset	(20,246)	Reflects amortization of the capitalized office lease, which commenced in Q1 2024 under IFRS.
Consulting fees	(116,554)	Includes fees paid to the Chairman, CEO, and CFO.
Salaries, management fees and benefits	(221,372)	Decrease relates to significant reductions in personnel since the prior period.
Professional, investor, and agent fees	(76,511)	Decrease was mainly due to the decrease in legal fees in 2025.
Selling, general, and administrative	(89,854)	Decrease related to strategic reduction in the Company's expenses.
Share-based payments	(6,828)	Refer to forfeitures during the period

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Research and development	(244,523)	These are the Company's non-development labour and research costs related to feasibility studies as part of Smart-Rice Project in the Philippines. The reduction is due primarily to reductions in personnel.
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Other income and expenses

During the quarter ended September 30, 2025, other income and expenses resulted in a net other expense of \$431,462 compared to a net other expense of \$36,208 in Q3 2024. Significant changes in other income and expenses in 2025 vs 2024 are categories in the table below:

Other income and expenses	Quarter ended September 30, 2025 Increase (decrease) in net other expense	Comment
Interest income/expense	\$ 11,975	Mainly due the interest on promissory notes.
Finance costs	1,459	Finance costs are slightly higher in Q2 2025 due to the accretion expense of the new right-of-use asset.
Impairment of ROU asset	364,820	Impairment of the office lease agreement in Q3 2025.

Liquidity and Capital Resources

The Company's operating, investing, and financing activities for the quarter ended September 30, 2025, resulted in a decrease in cash of \$258,274 (Nine months ended September 30, 2024: decrease of \$830,909) from continuing operations.

As of September 30, 2025, the Company had an available cash balance of \$292,436 (December 31, 2024: \$550,710) to settle current liabilities of \$11,715,806 (December 31, 2024: \$4,381,922). The Company's current monetary assets of \$532,860 (consisting of cash and receivables) are exceeded by its current monetary liabilities of \$1,693,729 (consisting of payables & accrued liabilities and short-term provisions and other liabilities) by \$1,160,869, and down \$157,527 from December 31, 2024.

The Company's operating cash requirements are continuously monitored by management. As factors impacting cash requirements change, liquidity risks may necessitate the need for the Company to raise capital by issuing equity or obtaining debt financing.

The Company's current liabilities mature as follows:

1. Accounts payables and accrued liabilities of \$1,293,929 (December 31, 2024: \$1,602,044) with 29% overdue and 71% due within three months. Payables sixty days past their invoice date are considered overdue.
2. Deferred revenues of \$9,287,324 (December 31, 2024: \$1,834,247) to be recognized within the next 12 months.
3. The remaining \$249,212 of another liability, originally a past future purchase consideration, remains payable, and is considered overdue.
4. Convertible debentures of \$595,024 are due within the next 12 months.

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5. Lease liabilities of \$139,729 are due within the next 12 months.
6. Promissory notes payable of \$150,588 are due within the next 12 months.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

While the Company has made great strides in dealing with liquidity issues, it can experience cash flow and working capital difficulties on a year-to-year basis. Despite the significant improvement in cash generation and liquidity over the 3rd quarter, the Company continues working to address cash flow improvements. Specifically, the Company has been working on addressing the following: (i) diversification of its revenue streams, including developing carbon offset projects with long-term revenue; (ii) paying down, reducing or removing debt from its balance sheet, and (iii) eliminating or delaying cash outflows and expenditures where practical and necessary.

The Company will continue to (i) secure business or equity financing transactions which would improve its immediate financial and working capital position, (ii) maximize its generation of additional cash revenues from customers and (iii) repay remaining debt to its debtholders.

Related Party Transactions

Related parties and related party transactions are summarized below and include transactions with key management personnel of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company. As at September 30, 2025, key management personnel were:

Key management	Position
Navdeep Dhaliwal	Executive Chairman, Director and Chief Executive Officer (appointed July 21st, 2023)
Tejinder Virk	Chief Executive Officer, Director (resigned on July 21 st , 2025)
Colin Haddock	Director (appointed on April 30 th , 2025)
Trevor Scott	Chief Financial Officer (appointed on April 30 th , 2025)
Christopher Morris	Director (appointed November 6, 2023)
Tarlochan Deol	Director (appointed June 25, 2024)
Phil Cull	Former Chief Operating Officer (COO), Director and Corporate Secretary (resigned on March 7, 2025)
Petrina Ooi	Former Director (resigned on May 22, 2024)
Guy O'loughnane	Former Director (resigned on May 22, 2024)

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Key management compensation

Remuneration attributable to key management and/or entities controlled by key management or directors is summarized as follows:

September 30,	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Salaries, management fees and benefits				
Phil Cull	\$ -	\$ 46,449	\$ -	\$ 176,704
Consulting fees				
NLX (Director in common)	18,750	18,750	56,250	56,250
Tejinder Virk	4,167	21,718	29,167	28,384
Navdeep Dhaliwal	19,998	21,718	59,994	28,384
RCM Financial Services Ltd. (Director in common)	-	15,598	32,656	63,598
Farm Lane Holdings (Director in common)	2,500	-	17,500	-
Trevor Scott	19,998	-	39,996	-
Share-based compensation				
Tejinder Virk	7,568	9,452	35,739	14,219
Navdeep Dhaliwal	7,568	9,452	35,739	14,219
RCM Financial Services Ltd. (Director in common)	4,210	1,890	20,852	3,534
Total	\$ 84,759	\$ 145,025	\$ 327,893	\$ 385,293

Other related party transactions

During the quarters ended September 30, 2025 and 2024, other related party transactions consisted of the following:

	September 30, 2025	September 30, 2024
Sub-leasing of office space, included in other income	-	\$ 9,600

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Related party balances

As at September 30, 2025 and 2024, the Company had the following balances outstanding with related parties:

	September 30, 2025	December 31, 2024
Due to key management or companies related to key management, included in accounts payable and accrued liabilities, as well as other liabilities	\$ 520,007	\$ 521,756
Due from key management, included in accounts and other receivables	-	5,871
Convertible debentures held by WBZ GmbH I, controlled by former directors Alexander Zang and Eduard Weber-Bemnet	495,024	485,565
Convertible debentures held by Guy O'loughnane, a former Director of the Company	350,000	350,000
Accrued interest on convertible debenture held by WBZ GmbH	59,568	40,169
Accrued interest on convertible debenture held by Guy O'loughnane	\$ 6,150	\$ 6,760

Except as disclosed above, the Company does not have any ongoing contractual or other commitments resulting from transactions with related parties.

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Financial Risk Management*Fair Values*

The Company's financial instruments are classified as follows. Unless otherwise disclosed their carrying values approximate their fair values due to the short-term nature of these instruments.

Sep 30, 2025	Amortized cost (financial assets)	Fair Value through Profit or Loss	Amortized cost (financial liabilities)
Financial assets			
Cash	\$ 292,436	\$ -	\$ -
Accounts receivable	240,424	-	-
Deposits	71,491	-	-
Financial liabilities			
Accounts payable and accrued liabilities	-	-	1,293,929
Promissory notes payable	-	-	150,588
Provision	-	-	308,729
Convertible debentures	-	-	845,024
Lease liability	-	-	449,469
	\$ 604,351	\$ -	\$ 3,047,739

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

At September 30, 2025, the Company does not have any financial assets or liabilities measured at fair value.

a) *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk to its financial assets is summarized below:

As at September 30,	2025
Cash	\$ 292,436
Accounts receivable	240,424
	\$ 532,860

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Cash

The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Management assesses credit risk of cash as very low.

Accounts receivable

The majority of the Company's accounts receivables consists of amounts due from customers from completed sales. The Company monitors its accounts receivables through standard credit and reference checks.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As of September 30, 2025, the Company had a cash balance of \$292,436 to settle current liabilities of \$11,715,806.

The Company is actively implementing strategies to manage and mitigate these risks, including tightening credit terms, enhancing inventory management, and exploring options for refinancing or securing additional funding through its carbon development projects. Furthermore, the Company is engaged in rigorous cash flow management practices to ensure that critical obligations are prioritized and that operations can continue without any disruption.

Continued monitoring of the Company's liquidity status is crucial, and it is committed to taking necessary actions to address this challenge to maintain the financial health and operational stability of its business. Management is focused on both short-term measures and long-term strategies to improve its working capital position.

The table below summarizes the maturity profile of the Company's financial liabilities:

September 30, 2025	Current Within 1 year	Non-current 1-5 years	Non-current 5 years - beyond
Financial liabilities			
Accounts payable and accrued liabilities	\$ 292,436	\$ -	\$ -
Promissory notes payable	15,598	134,990	-
Provisions	249,212	59,517	-
Convertible debentures	595,024	250,000	-
Lease liability	139,729	309,740	-

c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, other price risk, geopolitical risk, carbon standards risk, and jurisdiction carbon treatment risk.

(i) Foreign Currency Risk

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Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is exposed to foreign currency risk on the cash, accounts receivable, accounts payable and accrued liabilities balances denominated in US dollars and Philippine pesos. As of September 30, 2025, the Company had net monetary liabilities of \$36,994 held in US dollars, and net monetary liability of PHP 1,149,743 held in Philippine pesos. A fluctuation in the exchange rates between the Canadian and US dollar of 10% would result in \$5,148 change in the profit and loss of the Company. A fluctuation in the exchange rates between the Canadian dollar and Philippine peso of 10% would result in \$2,746 change in the profit and loss of the Company.

Management maintains cash accounts denominated in US dollars to complete foreign currency transactions and considers this practice adequate to mitigate significant foreign currency fluctuations for US dollar transactions.

For the three and nine months ended September 30, 2025, a significant proportion of the Company's sales commitments were in foreign currencies. The Company did not engage in hedging contracts to manage exposure to foreign exchange risk in 2024 or for the three and nine months ended September 30, 2025, but may elect to do so in the future.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has cash balances, accounts receivable, other receivables and accounts payables and accrued liabilities that are not subject to interest rate risk due to their short-term to maturity. The Company does not rely on interest income from cash accounts or short-term loans to maintain operations. There is minimal interest rate risk on interest bearing debt, as the Company's convertible debentures and provisions are not subject to floating interest rates.

(iii) Price Risk

The Company's finished goods inventory may be exposed to price risk with respect to voluntary carbon credit prices. Carbon credit price risk is defined as the potential adverse impact on the Company's earnings due to movements in price for carbon offsets in the voluntary market. Most of the Company's inventory and VER unit production for 2025 is committed to customers under contract. Price risk at the present time is not material to the Company. If the Company were to carry inventory in the future beyond its sales requirements, the price risk to the Company relating to fluctuations in the price of carbon credits could be material.

(iv) Geopolitical Risk

The Company's operations and financial results are subject to risks arising from political instability and changes in government policies across the countries in which it operates. Geopolitical tensions can disrupt supply chains, alter trade routes, and impact market access. These conditions may cause fluctuations in commodity prices and currency exchange rates, thereby affecting the Company's profitability and financial position. The Company continuously monitors these risks and employ strategic planning to mitigate potential adverse effects.

(v) Carbon Standards Risk

The international shift towards stricter carbon emission standards poses a significant risk to the Company's operational practices and cost structures. As global regulations evolve to address climate change, the

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Company's compliance with these changing standards requires substantial investment in technology and process adaptation. Non-compliance with these standards could result in financial penalties, loss of market confidence, and reputational damage. The Company is actively investing in sustainable technologies and practices to align with these evolving standards and minimize financial impacts.

(vi) *Jurisdiction Carbon Treatment Risk*

The Company's business is exposed to risks associated with varying carbon regulation treatments across different jurisdictions. These include risks related to carbon pricing mechanisms, such as taxes and emissions trading systems, and regulatory changes that affect how carbon emissions are reported and penalized. The divergent approaches can complicate operational planning and lead to inefficiencies and increased costs. The Company's strategy includes robust regulatory compliance frameworks and engagement with policymakers to anticipate and influence regulatory developments. Additionally, the Company assesses its exposure to carbon pricing mechanisms as part of its ongoing risk management processes.

Off-Balance Sheet Arrangements

None.

Proposed Transactions

None.

Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As of September 30, 2025, the Company had 114,091,113 common shares issued and outstanding. In addition, it also has 16,883,460 warrants and 3,283,333 share options outstanding.

As at November 28, 2025, the Company had 114,091,113 common shares issued and outstanding. In addition, it also has 16,883,460 warrants and 2,033,333 share options outstanding.

Subsequent Events

None.

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Cautionary Note Regarding Forward Looking Statements

CERTAIN OF THE STATEMENTS AND INFORMATION IN THIS MD&A CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND “FORWARD-LOOKING INFORMATION” WITHIN THE MEANING OF APPLICABLE CANADIAN PROVINCIAL SECURITIES LAWS RELATING TO THE COMPANY AND ITS OPERATIONS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT MAY BE FORWARD-LOOKING STATEMENTS. WHEN USED IN THIS MD&A THE WORDS “BELIEVES”, “EXPECTS”, “INTENDS”, “PLANS”, “FORECAST”, “OBJECTIVE”, “OUTLOOK”, “PROJECTED” “ANTICIPATED”, “BUDGET”, “LIKELY” AND SIMILAR WORDS OR EXPRESSIONS IDENTIFY FORWARD-LOOKING INFORMATION OR STATEMENTS. THESE FORWARD-LOOKING STATEMENTS OR INFORMATION RELATE TO, AMONG OTHER THINGS: WORKING CAPITAL, ACCESS TO FINANCING, THE ABILITY OF COUNTERPARTIES TO SALE OR PURCHASE CONTRACTS TO REMAIN GOING CONCERNS AND GREENHOUSE GAS EMISSIONS REGULATION IN THE UNITED STATES, CANADA, EUROPE OR OTHER JURISDICTIONS.

THESE STATEMENTS REFLECT THE COMPANY’S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE NECESSARILY BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES THAT ARE DISCLOSED IN THOSE PORTIONS OF THE MD&A DEALING WITH THEM AND, WHILE CONSIDERED REASONABLE BY THE COMPANY, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, POLITICAL AND SOCIAL UNCERTAINTIES AND CONTINGENCIES. MANY FACTORS, KNOWN AND UNKNOWN, COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT ARE OR MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS CONTAINED IN THIS MD&A AND THE COMPANY HAS MADE ASSUMPTIONS AND ESTIMATES BASED ON OR RELATED TO MANY OF THESE FACTORS. SUCH FACTORS MAY INCLUDE: THE ENVIRONMENT FOR BORROWING AND LENDING, POSSIBLE DOWNTURN IN BRITISH COLUMBIA’S RESOURCE ECONOMY, THE POSSIBLE RECESSION OF THE NORTH AMERICAN ECONOMY AND REDUCTION IN DEMAND FOR PRODUCTS AND SERVICES RELATED TO SUSTAINABILITY AND ENVIRONMENTAL PERFORMANCE, THE PERFORMANCE OF THE VENTURE MARKET FOR SECURITIES, WHETHER THE INTERNATIONAL COMMUNITY WILL RALLY AROUND REDD PROJECTS AS A WAY TO PROTECT ENDANGERED RAINFORESTS WITHIN THE MANAGEMENT OF CLIMATE CHANGE, THE STABILITY OF GOVERNMENT AND THE RULE OF LAW IN LESS DEVELOPED COUNTRIES, SPECIFICALLY THE DEMOCRATIC REPUBLIC OF THE CONGO, THE ABILITY OF THE COMPANY’S PROJECTS WITH RECURRING VERIFICATIONS TO RETAIN THEIR VALIDATION STATUS WITHIN THE SCOPE OF POTENTIAL CHANGES IN VOLUNTARY OR REGULATED STANDARDS OR GUIDANCE, AND POSSIBLE CHANGES IN GREENHOUSE GAS EMISSIONS REGULATION IN THE UNITED STATES, CANADA, EUROPE OR OTHER JURISDICTIONS.