



**MATADOR TECHNOLOGIES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – ANNUAL HIGHLIGHTS**

**FOR THE YEARS ENDED OCTOBER 31, 2025 AND OCTOBER 31, 2024 (EXPRESSED IN CANADIAN
DOLLARS, UNLESS STATED OTHERWISE)**

Matador Technologies Inc.
Interim Management's Discussion & Analysis - Annual Highlights
Years Ended October 31, 2025 and October 31, 2024
Discussion dated: February 26, 2026

INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") of Matador Technologies Inc. and its subsidiaries ("Matador" or the "Company") for the years ended October 31, 2025, and 2024, has been prepared to provide material updates to the business operations, liquidity, and capital resources of the Company.

This MD&A has been prepared in compliance with Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's audited consolidated financial statements for the years ended October 31, 2025, and October 31, 2024, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's audited consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

Accordingly, information contained herein is presented as of February 26, 2026, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Company and its operations can be obtained from the System for Electronic Documents Analysis and Retrieval ("SEDAR+") and is available for review under the Company's profile on the SEDAR+ website (www.sedarplus.com).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

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Inherent in forward-looking statements are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward- looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward- looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether because of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

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PART I – COMPANY AND HIGHLIGHTS

THE COMPANY

Matador Technologies Inc. (TSXV: MATA, OTCQB: MATAF, FSE: IU3) is a publicly listed, Bitcoin-first treasury company dedicated to bridging traditional finance with the emerging digital economy. The Company's core strategy centers on aggressively holding Bitcoin as its principal treasury reserve asset while building the infrastructure and products necessary to accelerate the adoption of the broader Bitcoin network. Matador aims to deliver outsized, long-term shareholder value through a combination of disciplined Bitcoin accumulation, innovation in Bitcoin-based technologies, and targeted investments in digital asset infrastructure—all while prioritizing capital efficiency.

A cornerstone of Matador's value creation model is the systematic expansion of its corporate treasury, driven by a stated corporate objective to accumulate 1,000 Bitcoin by the end of 2026. As of February 26, 2026, the Company holds approximately 175 Bitcoin and equivalents, representing 17.5% of its 1,000 Bitcoin target. To maximize its Bitcoin-per-share metrics, the Company employs strategic capital market initiatives and actively generates yield through sophisticated Bitcoin volatility strategies. Additionally, Matador maintains strategic international exposure through the option to subscribe to warrants that grant the right to acquire up to a 24% ownership stake in HODL Systems, a publicly traded Bitcoin treasury company listed in India. The execution of this investment is currently deferred pending further regulatory clarity regarding digital assets in the Indian jurisdiction. Once exercised, this positioning is intended to provide Matador with a global capital advantage and open cross-border arbitrage opportunities.

Matador's thesis is that Bitcoin is not only a superior treasury reserve asset, but also the ultimate foundation for a new wave of financial and cultural innovation. Operating as a launchpad for the Bitcoin ecosystem, the Company is focused on developing products, platforms, and partnerships that strengthen the utility, reach, and relevance of the network. This includes the rollout of its Digital Asset Platform, which leverages the Bitcoin network and Ordinals to deliver secure, tokenized real-world assets (such as gold) on-chain. Supported by strategic collaborations with industry leaders like UTXO Management, Matador is actively exploring Layer 2 solutions. By integrating traditional assets with Bitcoin-native technologies, Matador is helping transform Bitcoin from a simple store of value into a platform for scalable financial utility.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Operating Expenses (\$)	Total Loss and Comprehensive Loss (\$)	Basic and Diluted Loss Per Share (\$)
October 31, 2025	2,129,341	(3,246,196)	(0.05)
July 31, 2025	2,248,399	(520,017)	(0.00)
April 30, 2025	1,640,241	(2,542,235)	(0.03)
January 31, 2025	2,707,776	(5,084,333)	(0.06)
October 31, 2024	1,466,948	(1,667,718)	(0.03)
July 31, 2024	994,782	(1,232,173)	(0.01)
April 30, 2024	453,189	(1,052,356)	(0.02)
January 31, 2024	484,491	(484,491)	(0.01)

During the first half of the 2024 fiscal year (quarters ended January 31 and April 30, 2024), the Company's operating expenses were highly stable, averaging approximately \$470,000 per quarter. This reflected a low structural burn rate while operating as a private entity. However, beginning in the quarter ended July 31, 2024, and accelerating significantly into the quarter ended October 31, 2024 (where expenses reached \$1,466,948), the Company experienced a marked scale-up in costs. This volatility was driven by the initiation of substantial professional and consulting fees required to structure the reverse takeover of Scaling Capital 1 Corp. and prepare the Company for public markets.

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Throughout fiscal 2025, operating expenses remained consistently elevated above \$1.6 million per quarter. This represents a permanent structural shift in the Company's baseline overhead resulting from its new status as a reporting issuer and its formal change of business from a pure technology issuer to a hybrid technology and investment issuer. The quarter-over-quarter expense floor is now driven by public company regulatory requirements, higher D&O insurance premiums, and the ongoing execution of the digital asset treasury mandate. Furthermore, the elevated cost structure throughout the year reflects substantial professional, legal, and advisory fees incurred to structure the US\$100 million ATW Partners secured convertible note facility, prepare and file the CAD\$80 million base shelf prospectus, and engage the specialized capital markets support required to execute these complex capital initiatives. Finally, the Company recognized significant non-cash share-based compensation to align the management team with this expanded corporate mandate.

Beyond the structural increase in operating expenses, the quarter-over-quarter volatility in Total Comprehensive Loss during fiscal 2025 was heavily distorted by specific non-cash, non-operating adjustments:

- Quarter Ended January 31, 2025 (Q1 2025): The Company recorded an outsized comprehensive loss of \$5,084,333. While cash operating expenses peaked at \$2,707,776 due to finalizing the go-public transaction, the loss was heavily amplified by a one-time, non-cash listing expense of \$3,421,943 triggered by the December 2024 reverse takeover.
- Quarter Ended July 31, 2025 (Q3 2025): Despite maintaining high operating expenses of \$2,248,399, the comprehensive loss narrowed dramatically to \$520,017. This positive volatility demonstrates the impact of the Company's Bitcoin strategy, as unrealized mark-to-market revaluation gains on the expanding digital asset treasury significantly offset cash operating burn during the period.
- Quarter Ended October 31, 2025 (Q4 2025): Comprehensive loss expanded to \$3,246,196. While core operating expenses stabilized at \$2,129,341, the quarter was impacted by year-end adjustments, most notably a \$580,110 non-cash impairment loss recognized on holdings of Legacy and Uncommon Satoshis to reflect a contraction in numismatic Bitcoin market premiums.

BALANCE SHEET TRANSFORMATION AND TREASURY EXPANSION

As at October 31, 2025, the Company had total assets of \$15,201,921, representing a 141% increase compared to \$6,312,993 as at October 31, 2024. This significant growth was entirely driven by the aggressive execution of the Company's Bitcoin treasury strategy. Digital asset holdings grew from \$2,172,432 in 2024 to \$12,130,741 in 2025, fueled by \$8,814,371 in direct market purchases, \$2,326,969 in digital assets received as consideration for share issuances, and a net unrealized revaluation gain of \$1,159,029 at year-end.

LIQUIDITY AND CAPITAL DEPLOYMENT

As of October 31, 2025, the Company had total cash on hand of \$2,445,801 compared to \$3,911,102 for the year ended October 31, 2024. The 37% decrease in cash reflects a deliberate strategy to deploy fiat capital into digital assets. During the year, the Company successfully raised \$9,851,646 (net of issuance costs) through private placements and the concurrent financing associated with the Qualifying Transaction. These inflows were utilized to fund \$5,337,073 in operating activities and the aforementioned digital asset acquisitions. The Company also completely liquidated its legacy physical precious metals holdings, generating \$306,319 in cash proceeds, signaling a full strategic pivot to digital assets.

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PART II – REVIEW OF FINANCIAL RESULTS

SUMMARY OF ANNUAL FINANCIAL RESULTS

Year ended	Net Loss (\$)	Total Loss and Comprehensive Loss (\$)	Basic and Diluted Loss Per Share (\$)	Total Assets (\$)	Total Equity (\$)
October 31, 2025	(12,551,818)	(11,392,789)	(0.14)	15,201,921	14,838,825
October 31, 2024	(4,494,975)	(4,436,738)	(0.07)	6,312,993	6,230,783
October 31, 2023	(2,429,884)	(2,321,764)	(0.04)	2,466,874	2,412,424

During the year ended October 31, 2025, the Company recorded a net loss of \$12,551,818 (\$0.14 per basic and diluted share) compared to a net loss of \$4,494,975 (\$0.07 per share) for the year ended October 31, 2024, and a net loss of \$2,321,764 (\$0.04 per share) for the year ended October 31, 2023.

The substantial increase in net loss in 2025 is primarily attributable to three major factors: (1) a one-time, non-cash listing expense related to the reverse takeover, (2) significantly higher non-cash share-based compensation, and (3) increased cash operating expenses required to support the Company's transition to a publicly traded entity and its new digital asset treasury mandate. The increase in net loss from the 2023 fiscal year to the 2024 fiscal year was primarily driven by an increase in share-based compensation expense and the recognition of an impairment loss on its digital assets.

When accounting for the revaluation of the Company's digital assets, the total comprehensive loss for the year ended October 31, 2025, was \$11,392,789, compared to \$4,436,738 in the prior year, and \$2,321,764 for the year ended October 31, 2023.

OPERATING EXPENSES

Total operating expenses for the year ended October 31, 2025, were \$8,725,757, representing a 157% increase compared to \$3,399,410 for the year ended October 31, 2024, and a 259% increase from \$2,429,884 for the year ended October 31, 2023.

Management views a significant portion of the cash-based operating increases in 2025 as non-recurring, tied specifically to corporate transition activities and the Qualifying Transaction. The three-year trajectory demonstrates the transition from a private operating company in 2023 to a scaling, publicly traded Bitcoin treasury in 2025. A detailed breakdown of the primary drivers is as follows:

- **Professional Fees (\$1,685,545 in 2025 | \$426,455 in 2024 | \$449,714 in 2023):** Professional fees remained relatively flat between 2023 and 2024 during the Company's private operating phase. The 295% surge in 2025 was primarily driven by legal, audit, and advisory costs incurred during the reverse takeover of Scaling Capital 1 Corp., the structuring of the complex ATW Partners secured convertible note facility, and the regulatory requirements of transitioning the Company's core business to a digital asset holding structure.
- **Consulting Fees (\$2,011,110 in 2025 | \$454,807 in 2024 | \$935,099 in 2023):** Consulting fees decreased from 2023 to 2024 as the Company streamlined initial tech development costs. The subsequent 342% increase in 2025 reflects expanded executive management, capital markets advisory, and corporate structuring services required to execute the go-public transaction and scale the business. This includes \$869,385 paid to related parties (Hillcrest Merchant Partners Inc. and DASA Media LLC) for strategic oversight and capital markets advisory, up from \$375,974 in 2024.
- **Advertising and Promotion (\$862,713 in 2025 | \$49,826 in 2024 | \$143,339 in 2023):** Marketing spend contracted in 2024 before expanding significantly in 2025. The 2025 capital was deployed to build brand awareness for the Company's newly public status, communicate the Bitcoin treasury strategy to institutional and retail investors, and fund extensive investor relations campaigns throughout North America and Europe.

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- **General and Administrative (\$661,387 in 2025 | \$239,965 in 2024 | \$68,959 in 2023):** G&A expenses have demonstrated a consistent upward trajectory over the three-year period. This correlates directly with the structural costs of operating a public company, including higher directors and officers (D&O) insurance premiums which began scaling in 2024, elevated exchange and continuous disclosure filing fees, and general corporate administration.
- **Share-Based Compensation (\$3,505,002 in 2025 | \$2,229,047 in 2024 | \$805,809 in 2023):** This non-cash expense has scaled aggressively each year. The increases are due to the issuance and vesting of new incentive stock options, Restricted Share Units (RSUs), and Advisor Shares granted to align the interests of management, directors, and key consultants with long-term shareholder value creation leading up to, and following, the go-public event.

OTHER INCOME AND EXPENSES

- **Listing Expense (\$3,421,943 in 2025 | \$Nil in 2024 | \$Nil in 2023):** In connection with the reverse takeover of Scaling Capital 1 Corp. completed on December 9, 2024, the Company recorded a one-time, non-cash listing expense. This represents the difference between the fair value of the consideration given to acquire the public vehicle (\$4,192,851) and the net cash assets acquired (\$770,908).
- **Impairment of Digital Assets (\$580,110 in 2025 | \$1,221,997 in 2024 | \$Nil in 2023):** The Company held no digital assets subject to impairment in 2023. In 2024 and 2025, the Company recognized non-cash impairment losses on its holdings of Legacy and Uncommon Satoshis. This adjustment reflects an observable market-wide contraction in the premiums paid for numismatic Bitcoin assets, necessitating a write-down of these specific assets to their fair value less costs of disposal.
- **Revaluation Gain on Digital Assets (\$1,159,029 in 2025 | \$58,237 in 2024 | \$Nil in 2023):** Recorded through Other Comprehensive Income (OCI), this non-cash gain reflects the mark-to-market appreciation of the Company's liquid digital assets (primarily Bitcoin). The scaling of this gain from \$Nil in 2023, to \$58,237 in 2024, and exceeding \$1.1 million in 2025 underscores the rapid accumulation and early success of the Bitcoin treasury strategy.

KEY TAKEAWAYS

- **Structural Base Reset:** The three-year view clearly separates historic private-company burn from the new, permanently elevated structural baseline required to manage a publicly listed entity with complex debt facilities.
- **Strategic Capital Deployment:** The massive 2025 cost expansion is heavily weighted toward non-cash items (Listing Expense, SBC) and one-time professional scaling costs (ATW facility, prospectus filings), signaling that the operational foundation is now built for scalable future growth.

FOURTH QUARTER RESULTS

For the three months ended October 31, 2025 ("Q4 2025"), the Company recorded a total comprehensive loss of \$3,246,196, compared to a total comprehensive loss of \$1,667,718 for the three months ended October 31, 2024 ("Q4 2024").

Operating expenses during Q4 2025 were \$2,129,341, representing a substantial increase from \$1,466,948 in Q4 2024.

The quarter-over-quarter escalation in expenses and total loss is directly attributable to the finalization of the Company's go-public architecture and the aggressive expansion of its treasury strategy. Specifically, Q4 2025 carries the full burden of public company regulatory and structural overhead, whereas Q4 2024 represented the early stages of incurring legal and professional fees in preparation for the Qualifying Transaction. Furthermore, Q4 2025 was impacted by significant professional fees tied to the ATW Partners debt facility, alongside year-end non-cash adjustments including the \$580,110 impairment on the Satoshi portfolio.

PART III – FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2025, the Company had a working capital balance of \$2,708,084 (compared to \$4,058,351 at October 31, 2024), and total shareholders' equity of \$14,838,825 (October 31, 2024 – \$6,230,783).

While the Company has successfully raised capital to fund its transition, the execution of the ATW Partners secured convertible note facility (see *Subsequent Events*) has introduced ongoing debt service obligations and collateral requirements. Management continuously monitors its cash flow projections and digital asset valuations to ensure sufficient liquidity to meet operational, capital, and regulatory requirements. To secure the additional capital necessary to support operations and further treasury expansion, the Company intends to raise additional funds through equity or debt financing over the next 12 months.

The following summarizes and explains the Company's cash flow activities:

	Year Ended October 31, 2025 \$	Year Ended October 31, 2024 \$
Net cash used in operating activities	(5,337,073)	(1,090,024)
Net cash provided by financing activities	9,913,616	2,742,642
Net cash used in investing activities	(6,041,845)	-
Increase / (decrease) in cash	(1,465,301)	1,652,618

CASH FLOW

At October 31, 2025, the Company had cash and cash equivalents of \$2,445,801 (vs. \$3,911,102 at October 31, 2024), representing a net decrease of \$(1,465,301) for the year.

Operating Activities: Net cash used in operating activities of \$(5,337,073) was significantly impacted by the cash costs of the go-public transaction and scaling the business. This figure includes adjustments for major non-cash items, namely \$3,505,002 in share-based compensation, the \$3,421,943 listing expense, and \$580,110 in digital asset impairment. Working capital adjustments included a \$(539,994) increase in prepaid expenses (primarily insurance and retainers) and a \$280,888 increase in accounts payable.

Financing Activities: Net cash provided by financing activities was \$9,913,616. The Company successfully completed multiple unit offerings and concurrent financings, generating \$9,851,646 in net proceeds, supplemented by \$61,970 from the exercise of options and warrants.

Investing Activities: Net cash used in investing activities was \$(6,041,845), reflecting the Company's aggressive execution of its Bitcoin treasury mandate. The Company deployed \$(8,814,371) for the direct purchase of digital assets. This outflow was partially offset by \$1,774,847 in cash proceeds from the strategic disposition of certain digital assets, \$770,908 in cash acquired via the reverse takeover of Scaling Capital 1 Corp., and \$306,319 realized from the complete liquidation of the Company's physical precious metals inventory.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

PART IV – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's overall objective is to set policies that minimize risk without unduly affecting competitiveness and flexibility. To reduce the potentially adverse effects of market volatility and credit exposure, the Company has established specific risk management procedures.

CREDIT RISK

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument or asset custodian fails to meet its contractual obligations. The Company's maximum exposure to credit risk is limited to the carrying amount of its cash, term deposits, and digital assets.

While the Company mitigates credit risk on cash and term deposits by holding them with reputable Canadian financial institutions, it is subject to a significant concentration of counterparty risk regarding its digital assets. The Company's Bitcoin and Satoshi assets are held entirely with third-party custodians. To mitigate this custodian credit risk, management performs regular assessments of its custodians, evaluating their financial stability, regulatory compliance, insurance coverage, and internal security protocols to ensure the ongoing safeguarding of the Company's assets.

LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company monitors the maturity dates of existing accounts payable and accrued liabilities, loans payable, and commitments to mitigate this risk. As at October 31, 2025, the Company's financial liabilities are comprised of accounts payable and accrued liabilities totaling \$363,096 (October 31, 2024 - \$82,210), all of which are expected to mature within one year.

MARKET RISK – DIGITAL ASSET PRICE RISK

Market risk is the risk that the fair value or future cash flows of an asset will fluctuate due to changes in market prices. The Company is exposed to significant digital asset price risk as a result of its holdings in Bitcoin and Satoshis. The market prices of these digital assets are highly volatile and can be materially affected by macroeconomic factors, regulatory developments, and shifts in market supply and demand. As at October 31, 2025, the Company held digital assets with a total carrying value of \$12,130,741. A 10% increase or decrease in the market price of the Company's digital assets at the reporting date would result in a corresponding increase or decrease to comprehensive income (loss) of approximately \$1,213,074, assuming all other variables remain constant.

CUSTODIAL AND SECURITY RISKS OF DIGITAL ASSETS

The Company relies on a third-party qualified custodian to hold its Bitcoin treasury in offline cold storage. Despite institutional-grade security protocols, these assets remain subject to the risk of cyberattacks, hacking, unauthorized access, or operational failures. If the custodian suffers a security breach or experiences a loss of the cryptographic private keys required to access the wallets, the Company's digital assets could be permanently lost or stolen. Furthermore, unlike fiat bank accounts or traditional brokerage accounts, digital assets held by the Company or its custodians are not insured by the Canada Deposit Insurance Corporation (CDIC), the Canadian Investor Protection Fund (CIPF), or any similar governmental or regulatory insurance agency. While the custodian maintains commercial crime insurance, the Company does not carry its own standalone insurance policy to cover the loss or the theft of its digital assets. If a loss event occurs and the custodian's insurance is insufficient, denied, or exhausted by other clients, the Company would suffer a material and unrecoverable loss of capital.

PART V – RELATED PARTY TRANSACTIONS AND COMPENSATION

RELATED PARTY TRANSACTIONS

Hillcrest Merchant Partners Inc. and DASA Media LLC are related parties to the Company as they are controlled by members of the Company's key management personnel. During the year ended October 31, 2025, the Company paid \$869,385 (year ended October 31, 2024 – \$375,974) in consulting fees to these entities for executive management, capital markets advisory, and corporate administration services. These services were incurred in the normal course of operations.

EXECUTIVE COMPENSATION

Consulting fees paid directly to key management personnel (comprising the CEO and directors) for the year ended October 31, 2025, totaled \$890,262 (year ended October 31, 2024 – \$375,974). Additionally, share-based payments to key management personnel and the Board of Directors for the year ended October 31, 2025, were valued at \$1,437,851 (year ended October 31, 2024 – \$310,927) using the Black-Scholes valuation model.

PART VI – CAPITAL MANAGEMENT AND OUTSTANDING SECURITIES

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company considers its capital to be equity, comprising share capital, stock options, RSUs, PSUs, Advisor Shares, and the accumulated deficit. As at October 31, 2025, total equity was \$14,838,825 (October 31, 2024 – \$6,230,783).

Outstanding securities as at October 31, 2025:

Common Shares	107,105,101
Stock options	14,499,773
Restricted share units	44,196
Performance share units	3,000,000
Advisor shares	3,000,000
Warrants	6,828,208
Fully diluted shares	134,477,278

Outstanding securities as at February 26, 2026:

Common Shares	110,132,101
Stock options	15,949,773
Restricted share units	676,015
Performance share units	3,000,000
Advisor shares	3,000,000
Warrants	6,828,208
Fully diluted shares	139,586,097

PART VII – RISKS

RISKS AND UNCERTAINTIES

Given the nature of our business and current stage of development, prospective investors should carefully consider the specific and general risks involved in an investment in our securities. Key risk factors that could materially affect our business, results of operations, prospects, and financial condition include a history of operating losses, future capital needs, and the uncertainty of additional financing. Additionally, liquidity risk, the availability of capital resources, and share price volatility present challenges in maintaining financial stability and funding growth initiatives.

Global economic and financial market deterioration may impede access to capital or increase the cost of financing. Regulatory compliance risks, including potential legal and regulatory changes, could impact our ability to operate effectively across jurisdictions. The concentration of control within the Company and exposure to foreign currency and exchange rate fluctuations add to financial uncertainties.

We also face challenges related to product development, rapid technological changes, and dependence on technical infrastructure. The protection of intellectual property and compliance with privacy laws are crucial as we handle sensitive personal and financial information. Cybersecurity risks, network security vulnerabilities, and potential system failures could disrupt operations and impact customer confidence.

Market expansion, the ability to manage rapid growth, and competition may impact our business trajectory. Additionally, risk management, internal controls, marketing, and brand development remain critical for maintaining consumer trust. Improper or illegal use of our services, customer complaints, and negative publicity could affect brand reputation. Our reliance on key personnel, exposure to uninsured or underinsured losses, and potential theft or harm to personnel further contribute to operational risks.

Key risk factors include a history of operating losses, future capital needs, and the uncertainty of additional financing. Furthermore, as a digital asset treasury company, the Company is acutely exposed to fluctuations in cryptocurrency prices and regulatory uncertainty in the digital asset market. A significant or prolonged decline in the market price of Bitcoin could trigger margin calls or a breach of collateral requirements under the Company's ATW Facility (see *Subsequent Events*), which could force the liquidation of assets at unfavorable prices.

The trading, custody, and security of digital assets require robust safeguards to mitigate operational risks, including cybersecurity vulnerabilities and potential system failures. Finally, the market for our common shares may be subject to limited liquidity and increased price volatility, unrelated to our actual operating performance.

The market for our common shares may be limited, which could result in reduced liquidity and increased price volatility. As a result, investors may be unable to sell their shares at desired times or prices. A lack of active trading volume may contribute to significant fluctuations in the market price of our securities, unrelated to our actual operating performance or financial condition. Factors such as market perception, macroeconomic conditions, industry developments, and limited analyst coverage can amplify these price movements. Furthermore, broader market volatility or events impacting investor confidence may further depress our share price, increase our cost of capital, and reduce our ability to raise additional funds through equity financings. Any of these factors could materially and adversely affect the value of an investment in our securities.

Finally, there may be additional unknown or unforeseen risks that could materially impact our business operations, financial condition, and future growth. Our ability to secure and manage liquidity, maintain access to capital resources, and manage share price volatility will be key factors in sustaining and scaling our operations.

PART VIII – ACCOUNTING POLICIES, CRITICAL ACCOUNTING ESTIMATES AND INTERNAL CONTROLS

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of the audited financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported assets, liabilities, revenue and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

ESTIMATES

Valuation of digital assets: Matador holds digital assets, including Bitcoin, Ethereum, USDC, Tether and Satoshis, as part of its intangible assets. Bitcoin is measured at fair value using the quoted price on reputable exchanges. Satoshis are measured using the cost method, due to the lack of an active market available to reliably determine their fair value. Under this method, digital assets are recorded at their original purchase cost, minus any impairment losses. Since Satoshis have an indefinite life, no amortization is applied. If impairment indicators arise, the assets are evaluated against their recoverable amount, with any loss recognized in the statement of loss and comprehensive loss. Management assesses the recoverable amount of Satoshis by evaluating factors such as market developments, regulatory changes, and technological advancements that could impact their value. If impairment indicators arise, a detailed review is conducted, considering available market data and relevant economic conditions. Any impairment loss identified is recognized in the consolidated statement of loss and comprehensive loss.

Fair value measurement of stock-based compensation: Estimating fair value for stock options and other share based compensation requires determining the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of stock options and volatility while making assumptions about them. The assumptions and models used for estimating fair value are disclosed in Note 8 of the audited financial statements.

Management continuously reviews the assumptions and underlying data used in these estimates to ensure they reflect the best available information at the reporting date. However, due to inherent uncertainties, actual results may differ from these estimates, which could result in material adjustments in future financial periods.

PART IX - DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company 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 such 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 issuer 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 audited financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company'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 such 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.

PART X - SUBSEQUENT EVENTS

On November 3, 2025, the Company announced updated terms of its previously disclosed secured convertible note facility with ATW Partners (the "ATW Facility"), which provides for the issuance of senior secured convertible notes up to an aggregate principal amount of US\$100 million, secured by Bitcoin held by the Company.

On November 10, 2025, the Company closed the initial drawdown under the ATW Facility, issuing notes in the aggregate principal amount of US\$10.5 million and using the net proceeds to acquire approximately 92 Bitcoin for its treasury. These transactions occurred after the reporting date and therefore represent non-adjusting subsequent events under IAS 10. Had the initial drawdown occurred before the reporting date, the Company's borrowings would have increased by US\$10.5 million and its Bitcoin holdings would have increased by 92 Bitcoin.

In connection with the initial closing, the Company paid a cash placement fee of 5% and a capital markets advisory fee of 2.5% on the net proceeds. Additionally, the Company issued broker warrants equal to 5% of the initial tranche value. Transaction costs, including the fair value of the broker warrants measured under IFRS 2, have been allocated proportionately to the liability and equity components of the Notes. Costs allocated to the liability component are amortized over the term of the Notes, while costs allocated to the equity component are recognized as a reduction of equity. The proceeds of the Facility are restricted for the exclusive purpose of purchasing Bitcoin as part of the Company's treasury strategy, and the underlying Bitcoin collateral is recognized as a separate asset on the Statement of Financial Position.

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Discussion dated: February 26, 2026

In connection with the convertible note financing, the Company has incurred total expenses to date of USD\$1,778,458. This balance is comprised of a commitment fee of USD\$525,000, commissions and financing fees totaling USD\$773,125, legal fees of USD\$275,000, and accrued interest of USD\$205,333. Pursuant to the security provisions of the agreement, the Company is required to maintain pledged collateral equivalent to 150% of the value of the initial notes. As of the date of these financial statements, the Company holds 138 Bitcoin as collateral under this arrangement. The execution of this financing agreement has resulted in increased cash outflows related to non-recurring transaction costs and ongoing debt service obligations. While the facility provides a framework for strategic growth, management has determined that the Company will need to raise additional equity capital over the next 12 months to fulfill its operational requirements and meet its projected cash flow needs.

On December 22, 2025, the Company obtained a receipt from the Ontario Securities Commission for a final short form base shelf prospectus. This enables the Company to issue up to CAD\$80,000,000 in common shares, warrants, subscription receipts, debt securities, or units over a 25-month period to support strategic Bitcoin accumulation and general corporate purposes.

On January 9, 2026, the Company granted 631,818 RSUs to certain officers and consultants under its Omnibus Equity Incentive Plan. The RSUs are subject to a 12-month vesting period beginning January 8, 2026.

On February 3, 2026, the Company entered into an equity distribution agreement to establish an ATM equity program. Under this program, the Company may issue common shares from time to time at prevailing market prices to raise aggregate gross proceeds of up to CAD\$30,000,000. The program terminates on January 22, 2028, or upon reaching the maximum funding limit. Concurrently, the Company obtained a waiver and amendment under its ATW convertible note facility to permit this program.

On February 17, 2026, the Company granted 2,800,000 incentive stock options to certain directors, officers, and consultants (which includes the re-issuance of 1,350,000 options to the CEO). The options are exercisable at \$0.13 per share, possess a 10-year term expiring on February 17, 2036, and vest over a three-year period.