

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") is dated April 20, 2026 and is a review of Questor Technology Inc. ("Questor" or "the Company") financial condition and results of operations prepared in accordance with IFRS[®] Accounting Standards ("IFRS"). This MD&A should be read in conjunction with the audited consolidated financial statements and notes of Questor as of December 31, 2025. This MD&A contains definitions of certain non-IFRS financial measures, included under the "Non-GAAP Financial Measures" section of this MD&A. Readers are cautioned that these measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A. Readers should also refer to the forward-looking information or statements included in this MD&A. See the legal advisory related to this in the *Forward-Looking Statements* section of this MD&A.

QUESTOR'S BUSINESS OVERVIEW

Questor Technology Inc., incorporated in Canada under the Business Corporations Act (Alberta) is an environmental emissions reduction technology company founded in 1994, with global operations. The Company is focused on clean air technologies that safely and cost effectively improve air quality, support energy efficiency and greenhouse gas emission reductions. The Company designs, manufactures and services high efficiency clean combustion systems that destroy harmful pollutants, including Methane, Hydrogen Sulfide gas, Volatile Organic Hydrocarbons, Hazardous Air Pollutants and BTEX (benzene, toluene, ethylbenzene and xylene) gases within waste gas streams at >99.99 percent efficiency per its ISO 14034 Certification. This enables its clients to meet emission regulations, reduce greenhouse gas emissions, address community concerns and improve safety at industrial sites.

The Company also has proprietary heat to power generation technology and is currently targeting new markets including landfill biogas, syngas, waste engine exhaust, geothermal and solar, cement plant waste heat in addition to a wide variety of oil and gas projects. The combination of Questor's clean combustion and power generation technologies can help clients achieve net-zero emission targets for minimal cost. The Company is also doing research and development on data solutions to deliver an integrated system that amalgamates all the emission detection data available to demonstrate a clear picture of the site's emission profile.

The Company's common shares are traded on the TSX Venture Exchange under the symbol "QST". The address of the Company's corporate and registered office is 1920, 707 – 8th Avenue S.W. Calgary, Alberta, Canada, T2P 1H5.

CONSOLIDATED FINANCIAL RESULTS

For the	Three months ended December 31,		Twelve months ended December 31,	
(Stated in CDN \$)	2025	2024	2025	2024
Revenue	730,527	1,775,892	6,795,952	4,520,580
Gross profit	50,863	595,405	2,658,728	1,233,410
Adjusted EBITDA ⁽¹⁾	(687,806)	5,246	(324,024)	(1,450,452)
Loss for the period	(1,076,939)	(1,041,393)	(1,622,408)	(3,233,997)
Loss per share - basic and diluted	(0.04)	(0.04)	(0.06)	(0.12)

As at	December 31, 2025	December 31, 2024
(Stated in CDN \$)		
Working capital ⁽²⁾	3,877,399	7,570,934
Total assets	22,726,153	24,090,332
Total equity	19,717,988	21,110,076

⁽¹⁾ Non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A.

⁽²⁾ Working capital is defined as total current assets less total current liabilities.

Revenue for the three and twelve months ended December 31, 2025 was \$0.7 million and \$6.8 million compared to \$1.8 million and \$4.5 million for the same periods in 2024. The increase in revenue for the twelve months ended December 31, 2025 compared to prior year period is primarily driven by the growth in international equipment sales, commensurate with the Company's strategic focus on diversifying revenue streams globally. Questor's efforts have been concentrated in regions that promote sustainable energy development, where favourable conditions align with environmental and social responsibility. Fourth quarter revenue declined compared to the same period last year, primarily due to longer sales cycles for international projects and low utilization rates of the rental units in the United States. Commissioning of clean combustion units delivered to Iraq, Libya, and Nigeria has also been postponed to the first half of 2026 as those projects have experienced schedule slippage.

Gross profit as a percentage of revenue for the three and twelve months ended December 31, 2025 was 7 percent and 39 percent compared to 34 percent and 27 percent for the same periods in 2024. The reduction for three months ended December 31, 2025 compared to the prior year period is due to lower sales volumes, reflecting the extended closing timelines associated with international projects and low utilization of the rental units in the United States. In addition, fixed operating costs remained consistent with the prior period, which further placed downward pressure on margin during the period. The gross profit margin for the twelve months ended December 31, 2025 improved compared to the same period in the prior year, mainly reflecting higher margins on equipment sales driven by the sale of units previously utilized in the rental fleet.

Adjusted EBITDA for the three and twelve months ended December 31, 2025 was negative \$0.7 million and negative \$0.3 million, compared to nil and negative \$1.5 million for the same periods in 2024. The increase in Adjusted EBITDA for the twelve months ended December 31, 2025, compared to the

prior year periods, was driven by higher international equipment sales revenue with improved margins, combined with the Company's ongoing focus on cost management and operational efficiency. Adjusted EBITDA for the fourth quarter declined compared to the same period in the prior year, primarily due to lower sales and rental activity, reflecting extended sales cycles for international projects and low utilization rates of the rental units in the United States.

2025 HIGHLIGHTS AND SUBSEQUENT EVENTS

In 2020, the Company received a \$966,186 interest-free loan from Western Diversification. As at December 31, 2025, the loan was fully repaid.

On February 9, 2024, Questor commenced Normal Course Issuer Bid ("NCIB") allowing Questor to purchase a maximum of 1,400,000 common shares over the 12-month period for cancellation. The Company's NCIB expired and was formally concluded on February 7, 2025. As a result of the NCIB, which was active from February 9, 2024 to February 7, 2025, the Company repurchased and cancelled a total of 731,500 shares at a weighted average price of \$0.47 per share.

In the first quarter of 2025, Questor received a \$0.9 million purchase order to supply clean combustion solutions for managing railcar vapours at Caltrax Inc.'s Calgary facility. In the second quarter, the Company was awarded a \$2.4 million contract in Iraq, representing its second unit in the Middle East and North Africa region. In the third quarter, Questor secured a \$9 million, three-year rental contract in Mexico for clean combustion solutions. While utilization and related revenue from Mexico contract have been below expectations to date, the market continues to present strong potential.

The construction of the 1500kW waste-heat-to-power prototype is nearing completion, with final testing currently underway. Commissioning is scheduled to begin in Q2 2026. Meanwhile, Questor is advancing negotiations and preparations for the prototype's field demonstration, with the field deployment expected in the second half of 2026.

In February 2026, the Company received \$784,634 in cash related to the Emission RX litigation, consisting of a \$150,000 court-ordered fine and \$634,634 of solicitor-client costs awarded by the Court of King's Bench, gross of the costs of the appeal. In April 2026, the Company received \$151,494.97 as the balance of the costs award for the Court of King's Bench of Alberta contempt proceedings, as well as an additional \$345,000 related to the costs of the application to compel production of documents.

MARKET OUTLOOK

Amid ongoing global political and economic uncertainty, the European Union's evolving climate policy framework is accelerating demand for credible, verifiable methane reduction technologies. In 2024, global gas flaring reached approximately 151 billion cubic metres, or 14.6 billion standard cubic feet per day, the highest level since 2007, wasting an estimated USD \$63 billion in energy. Against this backdrop, regulatory and market expectations are shifting decisively. While methane is not currently within the scope of the European Union's Carbon Border Adjustment Mechanism ("CBAM"), which addresses embedded carbon dioxide emissions in select industrial goods beginning in 2026, methane emissions from oil and gas are now governed through a separate and complementary legal framework. Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector, which entered into force in August 2024, introduces mandatory measurement, reporting, and verification requirements, a ban on routine venting and flaring, and methane transparency obligations that extend to imported crude oil and natural gas. Beginning in 2027, EU importers will be required to demonstrate that upstream methane emissions associated with their supply chains are monitored and verified to standards equivalent to those applied to EU producers, with methane intensity requirements tightening toward 2030.

These developments reflect a structural change in how emissions performance is measured, verified, and valued. Methane reduction is no longer addressed through voluntary commitments or self-reported data alone. Advances in monitoring, combined with enforceable regulation, are making independently verified performance an increasingly important prerequisite for market access and long-term competitiveness. More than 150 countries have joined the Global Methane Pledge, committing to a 30 percent reduction in methane emissions by 2030, yet the International Energy Agency estimates that only five percent of global oil and gas production currently meets near-zero methane emissions standards. The gap between policy ambition and operational reality is creating sustained demand for scalable, demonstrably effective technologies such as those offered by Questor.

This dynamic is particularly evident in the Middle East and North Africa ("MENA") region, where a small number of producing countries account for more than 30 percent of global flared volumes while producing approximately 10 percent of the world's oil. In markets such as Iraq and other emerging producers, routine flaring and venting are not always explicitly prohibited by statute; however, operators are increasingly compelled, through environmental legislation, contractual obligations, and national policy targets, to demonstrate real and measurable emissions reductions. This environment supports long-term, structural demand for methane abatement and high efficiency combustion solutions that is largely independent of short-term political volatility. Recent regulatory developments in the United Arab Emirates, including the introduction of legally enforceable greenhouse gas measurement, reporting, and verification requirements, further reinforce the regional shift toward validated emissions performance across both operators and service providers.

Questor is seeing opportunities emerge across these markets. Units deployed in Iraq, Nigeria, and Mexico have been installed as demonstration projects to validate a low-cost, highly effective solution capable of supporting national energy transition goals, improving air quality, and addressing local community concerns. In Mexico, deployment has progressed more slowly than originally anticipated; however, recent developments have strengthened the long-term opportunity. The Company is engaged in discussions with Pemex regarding the elimination of flares and the use of recovered waste heat to generate electricity for adjacent communities. This integrated approach, combining methane abatement with local power generation, underscores the potential for emissions reduction solutions that deliver both environmental and social benefits.

Questor's ISO 14034 certified clean combustion system achieves greater than 99.99 percent combustion efficiency. The Company remains the only provider in the enclosed combustion industry globally to hold ISO 14034 verification, an increasingly material distinction as EU methane import requirements take effect and international and national oil companies place growing emphasis on independently verified, third party validated

performance. In parallel, Questor continues to advance its 1.5 MW Organic Rankine Cycle waste-heat-to-power technology, with field demonstration targeted for 2026, subject to final testing outcomes.

While international expansion introduces variability in execution timing, reflecting geopolitical conditions, logistics, permitting, and counterparty readiness, the underlying demand signal remains intact. During the year, Questor delivered multiple international units in record time, demonstrating its ability to execute efficiently even in complex operating environments. The Company has completed start-up of its Libya installation for TotalEnergies and SLB and is currently mobilizing to Nigeria to complete start-up activities there. Commissioning of the Iraq installation is expected to proceed, subject to the resolution of the ongoing regional conflict.

Our strategic priorities remain clear: executing on the international contract backlog to establish reference installations; expanding recurring aftermarket and service revenue from a growing installed base; and leveraging durable regulatory signals, particularly the EU's methane import requirements, to support disciplined regional expansion. With a debt free balance sheet, a differentiated and independently verified technology platform, favourable structural regulatory tailwinds, and equipment available in inventory to meet growing demand, Questor is well positioned to convert early international deployments into sustained, recurring revenue over time, notwithstanding variability in project timing.

FOURTH QUARTER FINANCIAL OVERVIEW

For the	Three months ended December 31,		Twelve months ended December 31,	
(Stated in CDN \$)	2025	2024	2025	2024
Revenue	730,527	1,775,892	6,795,952	4,520,580
Cost of sales	679,664	1,180,487	4,137,224	3,287,170
Adjusted EBITDA ⁽¹⁾	(687,806)	5,246	(324,024)	(1,450,452)
Gross profit	50,863	595,405	2,658,728	1,233,410
Percent of gross profit to revenue	7	34	39	27

⁽¹⁾ Non-GAAP financial measure. Refer to "Non-GAAP Financial Measures" section at the end of this MD&A.

REVENUE

Revenue for the three and twelve months ended December 31, 2025 is comprised of:

Equipment Sales

Equipment sales revenue for the three and twelve months ended December 31, 2025 was \$0.4 million and \$5.5 million, compared to \$1.4 million and \$2.4 million for the same periods in 2024. The significant increase in revenue for the twelve months ended December 31, 2025 was primarily driven by the growth in international equipment sales, reflecting the Company's strategic focus on diversifying revenue streams globally. Fourth quarter revenue declined compared to the same period last year, primarily due to longer sales cycles for international projects.

Equipment Rentals

Equipment rental revenue for the three and twelve months ended December 31, 2025, was \$0.3 million and \$1.3 million compared to \$0.3 million and \$2.1 million for the same periods in 2024. The reduction of the rental revenue in 2025 compared to the previous year is low utilization rates of the rental units in the United States and Mexico.

ADJUSTED EBITDA

Adjusted EBITDA for the three and twelve months ended December 31, 2025 was negative \$0.7 million and negative \$0.3 million, compared to nil and negative \$1.5 million for the same periods in 2024. The increase in Adjusted EBITDA for the twelve months ended December 31, 2025, compared to the prior-year period, was driven by higher international equipment sales revenue with improved margins, combined with the Company's ongoing focus on cost management and operational efficiency. Adjusted EBITDA for the fourth quarter declined compared to the same period in the prior year, primarily due to lower sales and rental activity, reflecting extended sales cycles for international projects and low utilization rates of the rental units in the United States.

GROSS PROFIT

Gross profit as a percentage of revenue for the three and twelve months ended December 31, 2025 was 7 percent and 39 percent compared to 34 percent and 27 percent for the same periods in 2024. The reduction for three months ended December 31, 2025 compared to the prior period is due to lower sales volumes, reflecting the extended closing timelines associated with international projects and low utilization of the rental units in the United States. In addition, fixed operating costs remained consistent with prior period, which further placed downward pressure on margin during the period. The gross profit margin for the twelve months ended December 31, 2025, improved compared to the same period in the prior year, mainly reflecting higher margins on equipment sales driven by the sale of units previously utilized in the rental fleet.

CORPORATE COSTS

For the (Stated in CDN \$)	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
Gross profit	50,863	595,405	2,658,728	1,233,410
Less corporate costs:				
Administration expenses	860,513	989,453	3,410,685	3,554,844
Research and development expenses	52,368	(227,749)	250,356	57,117
Stock-based compensation	93,839	78,059	276,127	248,907
Depreciation expenses	21,505	25,834	85,138	111,185
Amortization of intangible assets	-	373	-	2,077
Impairment of non-financial assets (reversal)	-	(82,663)	(128,446)	(82,663)
Net foreign exchange (gains) losses	29,985	(112,770)	168,388	(225,901)
Other expense (income)	60,412	71,544	183,731	(97,056)
Loss before tax	(1,067,759)	(146,676)	(1,587,251)	(2,335,100)
Income tax expense	9,180	894,717	35,157	898,897
Loss for the period	(1,076,939)	(1,041,393)	(1,622,408)	(3,233,997)

Administration Expenses

Administration expenses for the three and twelve months ended December 31, 2025, were \$0.9 million and \$3.4 million compared to \$1.0 million and \$3.6 million for the same periods in 2024. Administration expenses for the three and twelve months ended December 31, 2025 are lower compared to the same periods in 2024 due to lower employee and a third-party consulting related costs.

Research and development expenses

Research and development expenses were \$0.3 million for the twelve months ended December 31, 2025, compared to \$0.1 million in 2024. The increase is primarily due to the absence of an offset from a government grant provided by Sustainable Development Technology Canada that reduced expenses in the prior year.

Share-based payments

Share-based payments for the three and twelve months ended December 31, 2025 were consistent with the respective prior periods.

Depreciation

Depreciation is consistent year over year as there have been no significant capital additions in 2025.

Amortization of intangible assets

Amortization of intangible assets was nil for the three and twelve months ended December 31, 2025 as previously developed ORC (Organic Rankin Cycle) technology is fully amortized and the amortization of the technology currently under development has not yet commenced.

Net foreign exchange (gains) losses

Foreign exchange gains and losses for the Company fluctuate primarily based on the change in the US dollar relative to the CDN dollar.

Other expense (income)

Other expense is primarily comprised of costs to pursue contempt of court application in the Emissions Rx lawsuit which is described further in the annual consolidated financial statements and this MD&A, partially offset with interest income.

Income tax expense

For the twelve months ended December 31, 2025, the Company had income tax expense of nil compared to an income tax expense of \$0.9 million for the same period in 2024. The decrease in the income tax expense is primary due to a higher valuation allowance recorded against deferred tax assets in 2024. The Company intends to maintain a full valuation allowance on its deferred tax assets until there is adequate evidence to justify reversing all or a portion of these allowances.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash, short-term investments and debt management, which includes monitoring forecasts of the Company's cash and cash equivalents on the basis of projected cash flow. The Company has positive net working capital of \$3.9 million as at December 31, 2025 (December 31, 2024 - \$7.6 million).

The Company has invested in Canadian redeemable guaranteed investment certificates and US dollar redeemable term deposits with varying maturity dates from 91 days to one year. Interest is paid at maturity and ranges from a fixed annual rate of 2.37 to 5.18 percent.

The Company has a \$300,000 letter of credit guarantee facility for use with suppliers and a general security for corporate card credit program of CDN\$100,000 and USD\$40,000. There are no standby fees and no specified facility expiration or renewal date. As at December 31, 2025, the Company holds CDN\$400,000 (2024 - CDN\$200,000) and USD\$40,000 (2024 - USD \$40,000) of cash in one-year redeemable term deposits which will expire in January 2026 and July 2026, as general security for its corporate credit card program and letter of credit facility.

Cash flow for the (Stated in CDN \$)	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating activities	(291,028)	(824,170)	1,086,156	(1,837,504)
Investing activities	996,529	1,571,468	(2,425,039)	2,240,702
Financing activities	(146,899)	1,180,079	(568,622)	472,363
Net increase (decrease) in cash	558,602	1,927,377	(1,907,505)	875,561

Operating Activities

The Company had a cash outflow from operations of \$0.3 million and cash inflow of \$1.1 million for the three and twelve months ended December 31, 2025, compared to cash outflow of \$0.8 million and \$1.8 million for the same periods in 2024. The cash flow improved for the three and twelve months ended December 31, 2025 compared to the same periods in 2024 mainly due to significant increase in revenue driven by growth in international equipment sales and rollout of rental activities in Mexico.

Investing Activities

During the three and twelve months ended December 31, 2025, the Company invested \$0.6 million and \$3.1 million in the development of the Company's waste-heat-to-power research and development project, and redeemed net \$1.6 million and \$0.7 million cash respectively upon the maturity of the part of its highly liquid short-term investments.

Financing Activities

Cash used in financing activities for the three and twelve months ended December 31, 2025 of \$0.1 million and \$0.6 million is comprised of lease payments on office and shop space, NCIB share repurchases and repayments of the interest-free Western Diversification loan received during COVID, was fully repaid in 2025.

SHARE CAPITAL

On February 9, 2024, Questor commenced Normal Course Issuer Bid ("NCIB") allowing Questor to purchase a maximum of 1,400,000 common shares over the 12-month period for cancellation. The Company's NCIB expired and was formally concluded on February 7, 2025. As a result of the NCIB, which was active from February 9, 2024 to February 7, 2025, the Company repurchased and cancelled a total of 731,500 shares at a weighted average price of \$0.47 per share.

The Company has share-based payment plans comprising of restricted, performance and deferred share unit plans as well as a stock option plan. The maximum number of equity-based compensation units in aggregate under these plans that may be reserved for issuance shall not exceed 10 percent of the outstanding common shares of the Company. As at the date of this MD&A, there were 1,195,214 share-based payments issued and outstanding.

SUMMARY OF QUARTERLY RESULTS

For the three and twelve months ended	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
<i>(CND\$ '000's except amounts per share)</i>								
Revenue	731	683	3,023	2,359	1,776	1,143	870	732
Gross profit (loss)	51	(162)	1,590	1,180	595	384	42	212
(Loss) profit for the period	(1,077)	(1,259)	363	350	(1,041)	(589)	(966)	(637)
Per share – basic and diluted	(0.04)	(0.05)	0.01	0.01	(0.04)	(0.02)	(0.03)	(0.02)

COMMITMENTS AND CONTINGENCIES

As at December 31, 2025	1 Year	2-5 Years	Total
Trade payables, accrued liabilities	\$1,698,657	\$ -	\$1,698,657
Lease obligations (principal and interest)	262,842	714,200	977,042
Lease obligations (operating costs and property tax) ⁽¹⁾	200,183	648,010	848,193
	\$ 2,161,682	\$ 1,362,210	\$3,523,892

⁽¹⁾The Company is required under its lease commitments to pay annual operating costs. The amounts can vary each year based on inflation.

As at December 31, 2024	1 Year	2-5 Years	Total
Trade payables, accrued liabilities	\$1,565,046	\$ -	\$1,565,046
Purchase commitments ⁽¹⁾	122,541	-	122,541
Lease obligations (principal and interest)	215,938	915,375	1,131,313
Lease obligations (operating costs, insurance and property tax) ⁽²⁾	189,226	804,486	993,712
Repayable government assistance	322,987	-	322,987
	\$ 2,415,738	\$ 1,719,861	\$4,135,599

⁽¹⁾Purchase commitments for materials required to build the 1500kW prototype unit for its waste-heat-to-power-research and development project.

⁽²⁾The Company is required under its lease commitments to pay annual operating costs. The amounts can vary each year based on inflation.

The Company filed a claim against three former employees and their company, Emission Rx. The three former employees left the Company over a period of two months, in 2018. After the former employees left, the Company learned that the former employees had incorporated Emission Rx on November 14, 2017, several months prior to their departures, and had developed a low-pressure burner technology which they then marketed and sold through Emission Rx. The Company sought injunctive relief to prevent Emission Rx from competing in the market against the Company and infringing the Company's intellectual property.

The Company asserts ownership of Emission Rx's LP Burner Technology, through: (i) the terms of the employment agreements signed by the three former employees; or (ii) the application of the common law. In June 2024, the Court of King's Bench of Alberta held the former employees in contempt of court for withholding and giving false sworn evidence to the Court. In August 2025, the Court of Appeal of Alberta upheld the contempt finding. The "sanction" or "penalty" phase of the contempt hearing was heard in December 2025. In January 2026, the Court of King's Bench of Alberta issued its sanction decision, fining the former employees \$150,000 plus solicitor-client costs of the contempt proceedings.

The litigation is ongoing. Notwithstanding the uncertainty as to the outcome, based on the information currently available, the Company does not believe the outcome of this litigation will have a material adverse effect on its consolidated financial position.

From time to time, the Company is also subject to other legal proceedings, settlements, investigations, claims and actions arising in the normal course of business. While the final outcome of such actions and proceedings cannot be predicted with certainty, the Company believes that the resolution of such matters will not have a material impact on the Company's financial position or results of operations as at December 31, 2025.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, investments, deposits, trade, contract assets and other receivables, trade payables, accrued liabilities and provisions and a repayable government grant. The Company did not hold any derivative financial instruments during the year.

Fair values

IFRS establishes a three-level hierarchy that prioritizes the inputs relative to the valuation techniques used to measure fair value. Fair values of assets and liabilities included in Level 1 of the hierarchy are determined by reference to quoted prices in active markets for identical assets and liabilities. Fair value of assets and liabilities in Level 2 are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Fair value of assets and liabilities in Level 3 are determined based on inputs that are unobservable and significant to the overall fair value measurement. Accordingly, the Company has categorized its financial instruments carried at fair value into one of three different levels depending on the observability of the inputs employed in the measurement.

As at December 31, 2025 there were no significant differences between the carrying amounts of the current financial assets and current financial liabilities recognized in the Company's consolidated financial statements and their estimated fair values due to their short period to maturity. Judgment is required in interpreting market data to develop the estimates of fair value. These estimates are not necessarily indicative of the amounts we could realize in current markets.

Credit risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. A substantial amount of the Company's trade and contract receivables, which relate to the Company's revenues, are with customers in the oil and gas industry, and are subject to normal industry credit risks. The Company mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. Payment terms with customers vary by contract. Standard payment terms are 30 days from the invoice date. The maximum exposure to credit risk of cash, trade receivables, unbilled contract assets and other receivables is their respective carrying values.

The Company's aged trade, contract assets and other receivables net of allowance at December 31, 2025 and 2024 are as follows:

For the years ended December 31,	2025	2024
Current ⁽¹⁾	\$877,242	\$1,281,592
31 – 60 days	199,094	286,464
61 – 90 days	72,058	66,022
Greater than 90 days	184,525	310,877
Total trade, contract assets and other receivables. Net of allowance	\$1,332,919	\$1,944,955

⁽¹⁾Contract assets of \$509,528 (2024 - \$800,529) comprises \$470,854 of unbilled accounts receivable related to customer equipment sales contracts, which is included in the current receivable balance above, and deferred costs exceeding the percentage of completion on custom equipment sales contracts of \$38,674 (2024 - \$207,885) which are not incorporated herein.

IFRS 9, Financial Instruments, requires an entity to estimate its expected credit loss for all trade accounts receivable and contract assets even when they are not past due based on the expectation that certain receivables and contract assets will be uncollectible. For accounts receivable and contract assets, a loss allowance matrix is utilized to measure expected credit losses. The matrix contemplates historical credit losses by age of receivables, adjusted for any forward-looking information and management expectations. The total expected credit loss allowance as at December 31, 2025 and 2024, to receivables not specifically provided for is \$24,692.

The Company is also exposed to the risk of dependence on a few customers for a significant amount of the Company's revenue. The Company notes that equipment sales revenue, which comprises a significant portion of total revenue, generally relates to a small number of customers each year but these customers change each year. The Company bills and collects equipment revenue throughout the contract which reduces collection risk. There

is a concentration of equipment sales and equipment rental and related service revenue that is associated with the equipment and rental revenue. For the year ended December 31, 2025, there were four customers who represented 74 percent of total revenue (2024 – four customers who represented 60 percent).

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investments, operating cash flows, existing or new credit facilities and new share equity. The Company monitors its liquidity to ensure it has sufficient funds to complete planned capital and other expenditures. The Company mitigates liquidity risk by maintaining adequate banking and credit facilities and monitoring its forecast and actual cash flows. The Company may also adjust its capital spending to maintain liquidity. See Note 19 for further details on the Company's capital structure and Note 22 for contractual maturities of financial liabilities. The Company has positive net working capital as at December 31, 2025 of \$3,877,399 (2024 - \$7,570,934).

Foreign currency risk

The Company is exposed to foreign exchange risk associated with foreign operations where assets, liabilities, revenue and costs are denominated in USD. The impact of this exposure is recorded as a cumulative translation adjustment in other comprehensive income (loss). The net exchange difference in 2025 is a loss of \$23,838 (2024 - gain of \$60,716).

The Company is also exposed to the impact of foreign currency fluctuations in its Canadian operations on sales and purchases of products and services from vendors primarily in the United States which resulted in a foreign exchange loss of \$168,388 for the year ended December 31, 2025 (2024 – gain of \$225,901). The Company mitigates some of the foreign currency risk by keeping a US dollar bank account to receive US payments and fund US dollar purchases in the Canadian entity.

Assuming all other variables remain constant, a fluctuation of +/- 1 percent in the exchange rate between the Canadian dollar and the foreign currencies would impact net income (loss) before tax by approximately \$14,805 (2024 - \$14,177).

RELATED-PARTY TRANSACTIONS

The Company defines key management personnel as being the members of the Board of Directors, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), VP Operations and Engineering ("VP"). In addition to their salaries and directors' fees, the Company also provides non-cash benefits including participation in the Company's stock option, RSU, PSU and DSU plans. Total expense for the year ended December 31, 2025 including salaries, director fees, benefits and share-based compensation, termination pay and signing bonuses is \$853,089 (2024 - \$996,961).

Employment terms agreed between the Company and the CEO have a severance clause of eighteen months annual base salary, entitlement to any unpaid annual base salary and all accrued but unpaid bonuses and vacation pay through to the date of termination and accelerated vesting of any share options not then exercisable but which would have become exercisable within six months of the date of termination. In the event of a change of control, all share options that are not then exercisable shall vest immediately and become exercisable.

Employment terms with the CFO include severance benefits in the event of termination without cause in the amount of six months of annual base salary plus an additional one month of base salary for each full year of service, up to a maximum of twelve months of base salary.

ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

The Company's material accounting policies and future accounting pronouncements are included in the Annual Consolidated Financial Statements for the year ended December 31, 2025.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses and the disclosure of contingencies. Actual results may differ significantly from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical estimates and judgements made in the preparation of the consolidated financial statements are outlined below:

Revenue recognition

Revenues are recorded when products have been delivered or services have been performed, the amount of revenue can be reliably measured and collectability is reasonably assured. Customer creditworthiness is assessed prior to agreement signing, as well as throughout the contract duration.

Equipment sales revenue for custom units is recognized based on performance over-time. Performance is measured primarily based on the milestones achieved throughout the contract which approximates the value to the customer relative to the total expected value. Where the outcome of performance obligations cannot be reliably measured, contract revenue is either deferred on the consolidated statements of financial position or recognized in the current year to the extent that costs have been incurred until such time that the outcome of the performance obligations can be reasonably measured. Critical judgement is required to assess whether there is an alternative use for the input materials before the commencement of the manufacturing process. Critical estimation assumptions are required to estimate total contract costs, which are recognized as expenses in the year in which they are incurred.

Componentization and useful lives of property and equipment and intangible assets

Amounts recorded for depreciation and amortization expense are based on the Company's componentization of its property and equipment and intangible assets and management's estimates of the useful life, pattern of consumption of future economic benefits and residual value of the Company's property and equipment and intangible assets. These estimates affect the carrying amount of property and equipment and intangible assets.

Determining cash generating units

For the purpose of assessing impairment of non-financial assets, the Company must determine its cash-generating units (CGUs). Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash flows. The determination of a CGU is based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

Impairment of non-financial assets

The determination of whether indicators of impairment exist is based on management's judgment of whether there are internal and external factors that would indicate that a non-financial asset is impaired. Intangible assets that are not yet available for use are tested for impairment annually, irrespective of whether there is any indication of impairment. Such impairment test is performed by comparing the carrying amount of the asset with its recoverable amount. The recoverable amounts used for impairment calculations may require estimates of future net cash flows related to the assets or CGU's, probability of successful contract proposals and estimates of discount rates applied to these cash flows, or consideration of the Company's market capitalization as compared to the CGU's carrying amount. The Company also assesses whether there are circumstances that indicate that previously impaired assets are now recoverable and need to be increased to their original carrying values.

Impairment of inventories

The Company regularly reviews the nature and quantities of inventory on hand and evaluates the net realizable value of items based on historical usage patterns, known changes to equipment or processes and customer demand for specific products. Significant or unanticipated changes in business conditions could impact the magnitude and timing of impairment recognized.

Share-based payments

The Company's share-based compensation expense is subject to measurement uncertainty as a result of estimates and assumptions related to the expected performance multiplier, forfeiture rates, expected life, and underlying volatility of the price of the Company's common shares.

Taxation

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in Canadian and foreign tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management monitors current and potential changes to Canadian and foreign tax laws and bases its estimates on the best available information at each reporting date. The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Allowance for doubtful accounts

The Company's trade and other receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime expected credit losses (ECL) on receivables for which there has been a significant increase in credit risk since initial recognition. The Company measures loss allowances based on historical experience and including forecasted economic conditions. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions.

Provisions and contingencies

The Company is required to exercise judgment in assessing whether the criteria for recognition of a provision or a contingency has been met. The Company considers whether a present obligation exists, the probability of loss, and if a reliable estimate can be formulated. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgment to assess the likelihood of the occurrence of one or more future events.

Right-of-use assets and lease liabilities

Lease liabilities and ROU assets require the use of judgment and estimates which are applied in determining the term of a lease, appropriate discount rates, whether an arrangement contains a lease, whether there are any indicators of impairment for ROU assets and whether any ROU assets should be grouped with other long-lived assets for impairment testing.

Capitalization of research and development costs

Determining the commencement of capitalization of development costs requires critical judgement to determine when the criteria for capitalization in accordance with IFRS has been met.

Government grants

The recovery of government grants requires judgement to determine when reasonable assurance exists that the Company has met the conditions contained in the applicable agreements.

BUSINESS RISKS

The business of Questor is subject to certain risks and uncertainties. Prior to making any investment decision regarding Questor, investors should carefully consider, among other things, the risk factors set out below.

Volatility of Industry Conditions

The demand, pricing and terms for the Company's services largely depend upon the level of activity and expenditures made by oil and gas companies on exploration, development and production activities in North America, Middle East, Latin America, and Africa. Expenditures by oil and gas companies are typically directly related to the demand for, and price of, oil and gas.

In addition to current and expected future oil and gas prices, the level of expenditures made by oil and gas companies is influenced by numerous factors over which the Company has no control, including but not limited to: general economic conditions; the cost of exploring for, producing and delivering oil and gas; the expected rates of current production; the discovery rates of new oil and gas reserves; cost and availability of drilling equipment; availability of pipeline and other oil and gas transportation capacity; natural gas storage levels; political, regulatory and economic conditions; taxation and royalty changes; government regulation; environmental regulation; ability of oil and gas companies to obtain credit, equity capital or debt financing; and currency fluctuations. A material decline in global oil and natural gas prices or North American activity levels as a result of any of the above factors could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Equipment Levels

The quantity of oilfield service equipment does not always correlate with the level of actual demand for that equipment due to the long-life nature of the equipment and the lag between when a decision to build additional equipment is made and when the equipment is placed into service. Periods of high demand often spur increased capital expenditures on equipment, and those capital expenditures may add capacity that exceeds actual demand. Such capital overbuild could cause the Company's competitors to reduce pricing leading to decreased rates generally in the oilfield services industry, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Competition

Each of the markets in which the Company participates is competitive. To be successful, a service provider must provide services that meet the specific needs of its customers at competitive prices. The principal competitive factors within the Company's operating markets are product and service quality and availability, technical knowledge and experience, and safety reputation and price. The Company may compete with large national and multinational companies that have extensive financial and other resources. These companies offer a wide range of services in all geographic regions in which the Company operates. In addition, the Company competes with regional competitors. As a result of competition, the Company may suffer from a significant reduction in revenue or be unable to pursue additional business opportunities.

Federal, State and Provincial Legislative and Regulatory Initiatives

The operations of the Company's customers are also subject to or impacted by a wide array of regulations in the jurisdictions in which they operate. As a result of changes in regulations and laws, customers' operations could be disrupted or curtailed by governmental authorities. The cost of compliance with applicable regulations may cause customers to discontinue or limit their operations and may discourage companies from continuing development activities.

Environmental Laws and Regulations

The Company is subject to increasingly stringent and complex laws and regulations relating to the protection of workers and the environment, including laws and regulations governing occupational safety standards, air emissions, and waste management. The Company incurs and expects to continue to incur managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws and regulations could lead to loss of accreditation, damage to the Company's social license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Changes to environmental regulations relating to climate change could impact the demand for, formulation or quality of the Company's products, or could require increased capital expenditures, operating expenses, abandonment and reclamation obligations and distribution costs, which may not be recoverable in the market and which could result in current operations or growth projects becoming less profitable or uneconomic.

Operational Risks

The Company's operations are subject to hazards such as equipment malfunction and failures, and natural disasters which can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment.

Reputational

Maintaining a positive reputation in the eyes of its customers, regulators, communities and the general public is an important aspect of the implementation of the Company's business strategy. The Company's reputation may be adversely impacted by the actions and activities it undertakes, as well as the activities of its employees. In addition, the Company's reputation could be affected by the actions and activities of other companies operating in the energy industry and by general public perceptions of the energy industry, over which the Company has no control.

Management Stewardship

The successful operation of the Company's business depends upon the abilities, expertise, judgment, discretion, integrity and good faith of its key employees. If the Company lost the services of one or more of its executive officers or key employees, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

New Technologies and Customer Expectations

The ability of the Company to meet its customers' performance and cost expectations will depend upon continuous improvements in operating

equipment and proprietary technology. There can be no assurance that the Company will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand.

Intellectual Property

The success and ability of the Company to compete depends heavily on its proprietary technology. The Company currently relies on intellectual property rights and other contractual or proprietary rights, including (without limitation) copyright, trademark laws, trade secrets, confidentiality procedures, contractual provisions, licenses and patents to protect its proprietary technology. The Company may have to engage in litigation in order to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This kind of litigation can be time-consuming and expensive, regardless of whether the Company is successful. The process of seeking patent protection can itself be time consuming and expensive, and there can be no assurance that any patent applications of the Company or such third parties will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Company.

Cybersecurity

Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow. Cybersecurity attacks could include, but are not limited to, malicious software, attempts to gain unauthorized access to data and the unauthorized release, corruption or loss of data and personal information, account takeovers, and other electronic security breaches that could lead to disruptions in the Company's critical systems. Risks associated with these attacks include, among other things, loss of intellectual property, disruption of the Company's and the Company's customers' business operations and safety procedures, loss or damage to the Company's data delivery systems, unauthorized disclosure of personal information and increased costs to prevent, respond to or mitigate cybersecurity events. Although the Company uses various procedures and controls to mitigate its exposure to such risk, cybersecurity attacks are evolving and unpredictable. The occurrence of such an attack could go unnoticed for a period of time. Any such attack could have a material adverse effect on the Company's business, financial condition and results of operations.

Sources, Pricing and Availability of Raw Materials, Components and Parts

The Company sources its raw materials, such as components and parts. The Company's current suppliers may be unable to provide the necessary raw materials and components at a price acceptable to the Company or otherwise fail to deliver products in the quantities required. In addition, the imposition of tariffs, trade restrictions, or changes in trade policies could increase input costs or disrupt supply chains. Any resulting cost increases or delays in the provision of services could have a material adverse effect on its business, financial condition, results of operations and cash flows.

Employees

The Company's growth could be limited due to its inability to find qualified workers as and when needed. Shortages of qualified personnel have occurred in the past during periods of high demand. The Company's success depends on its ability to continue to employ and retain qualified technical personnel. If the Company is unable to, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

NON-GAAP FINANCIAL MEASURES

The Company views Adjusted EBITDA as the key financial measure for the underlying operating performance of the Company and considers it to be useful supplemental measure to our analysts, investors and other users.

Adjusted EBITDA does not have any standardized meaning as prescribed by IFRS and therefore is considered non-GAAP measure and may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA is defined as net income or loss for the period less interest, taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, impairment charges and gains and losses that are extraordinary or non-recurring. Adjusted EBITDA is presented because it gives an indication of the results from the Company's principal business activities prior to consideration of how its activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges. Adjusted EBITDA was calculated as follows:

	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
<i>(Stated in CDN \$)</i>				
Loss for the period:	(1,076,939)	(1,041,393)	(1,622,408)	(3,233,997)
Add back (deduct):				
Income taxes expense	9,180	894,717	35,157	898,897
Interest income	(23,231)	(51,213)	(127,683)	(326,184)
Depreciation of property and equipment and right-of-use assets ⁽¹⁾	246,088	300,443	1,041,569	1,263,930
Reversal of impairment of non-financial assets	-	(82,663)	(128,446)	(82,663)
Amortization of intangible assets	-	373	-	2,077
Net foreign exchange losses (gains)	29,985	(112,770)	168,388	(225,901)
Loss on disposal of property and equipment	33,272	19,693	33,272	4,482
Stock based compensation	93,839	78,059	276,127	248,907
Adjusted EBITDA	(687,806)	5,246	(324,024)	(1,450,452)

⁽¹⁾ Includes depreciation presented as a part of cost of sales

ADVISORIES-FORWARD LOOKING STATEMENTS

In order to provide the Company shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of the Company's plans and future operations, certain statements contained in this MD&A, including statements that contain words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements with respect to expected operating strategies and targets, capital expenditure programs, future financial resources, use of funds, anticipated equipment utilization levels, future oil and natural gas well activity in each of the Company's operating jurisdictions, results of acquisitions, the impact of environmental regulations and economic reforms and sanctions on the Company's business, future costs or potential liabilities, projections of market prices and costs and customer demand, supply and demand for the Company's products and services, expectations regarding the Company's ability to maintain its competitive position, anticipated benefits of the Company's competitive position, expectations regarding the Company's ability to raise capital, treatment under government regulatory regimes, commodity prices, anticipated outcomes of specific events, trends in, and the growth prospects of, the global energy industry, the Company's growth prospects including, without limitation, its international growth strategy and prospects, and the impact of changes in accounting policies and standards on the Company and its financial statements. These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, the Company's expectations for its current and prospective customers' capital budgets and geographical areas of focus, the Company's existing contracts and the status of current negotiations with key customers and suppliers, the effect unconventional gas projects have had on supply and demand fundamentals for natural gas and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Forward-looking statements are subject to several known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include: general economic conditions in Canada and globally; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; competition; liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations; changes in legislation and the regulatory environment; sourcing, pricing and availability of raw materials, components, parts, equipment, suppliers, facilities and skilled personnel; the ability to integrate technological advances and match advances by competitors; the availability of capital on satisfactory terms; intellectual property risks; uncertainties in weather and temperature affecting the duration of the service periods and the activities that can be completed; dependence on, and concentration of, major customers; the creditworthiness and performance by the Company's counterparties and customers; liabilities and risks associated with prior operations; the effect of accounting pronouncements issued periodically; failure to realize anticipated benefits of acquisitions and dispositions; and currency exchange rate risk. Further information about these and other risks and uncertainties may be found under "Business Risks" above.

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. These statements speak only as at the respective date of this MD&A or the document incorporated by reference herein. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws.

ADDITIONAL INFORMATION

Further information regarding Questor Technology Inc. can be accessed on the Company's website at www.questortech.com and at www.sedarplus.ca.