

**Bitcoin Treasury Corporation (formerly 2680083 Alberta Ltd.)**  
**Management Discussion and Analysis**  
**For the year ended December 31, 2025**

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**The date of this MD&A is April 15, 2026.**

The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of Bitcoin Treasury Corporation (the “Company” or “BTCT”) for the year ended December 31, 2025 should be read in conjunction with the Company’s financial statements for the year ended December 31, 2025. All figures contained in this MD&A are presented in Canadian dollars.

**Forward-Looking Statements**

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company’s future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

**Non-GAAP Measures**

This MD&A includes a non-GAAP financial measure. A non-GAAP financial measure is not considered to be a standardized financial measure under International Financial Reporting Standards (“IFRS”), the reporting standards used to prepare the financial statements. As such, the non-GAAP financial measure may not be comparable to similar financial measures disclosed by other issuers.

Bitcoin per Share (“BPS”) is considered a non-GAAP financial measure. BPS is calculated as total units of Bitcoin held by the Company (“Bitcoin holdings”) divided by adjusted diluted shares outstanding. Bitcoin holdings includes digital currency, digital currency held as collateral and digital currency loaned. Adjusted diluted shares outstanding includes all common shares, and convertible debentures, but excludes any performance warrants.

## **The Company**

Bitcoin Treasury Corporation (formerly 2680083 Alberta Ltd.) (“the Company”) was incorporated on July 27, 2021 under the Business Corporations Act (British Columbia) under the name “1317214 B.C. Ltd.” On January 21, 2025, 1317214 B.C. Ltd. continued from British Columbia to Alberta under the Business Corporations Act (Alberta) under the name “2680083 Alberta Ltd.” Bitcoin Treasury Corporation (“BTCT”) was incorporated on December 20, 2024, under the Business Corporations Act (Alberta).

On June 23, 2025, the Corporation was formed upon an amalgamation between 26800783 Alberta Ltd. and BTCT by way of a reverse takeover pursuant to the terms of an amended and restated amalgamation agreement dated June 16, 2025 (the “Transaction”). In connection with the Transaction, the Company’s name became “Bitcoin Treasury Corporation”.

The principal business of the Company is to provide Bitcoin services to institutional clients, with a current focus on Bitcoin lending, and to opportunistically pursue liquidity and collateral solutions. The Company’s head office is located at 161 Bay St., Suite 1210, Toronto, ON M5J 2S1.

Upon completion of the Transaction, the shareholders of BTCT obtained control of the consolidated entity. As a result, BTCT was identified as the accounting acquirer, and accordingly, the entity is considered to be a continuation of BTCT with the net assets of the Company at the date of the RTO deemed to have been acquired by BTCT.

Immediately prior to the completion of the Transaction, the Company completed a consolidation of the common shares of the Company based on a ratio of one (1) post-consolidation common share for each 51.66712593 pre-consolidation common shares, resulting in an aggregate of 74,999 common shares.

On June 24, 2025, in connection with the Transaction, the newly amalgamated entity received approval from the TSX Venture Exchange and trading commenced under the symbol BTCT.

## **Overview of Business**

The Company provides Bitcoin services to institutional clients, with a current focus on Bitcoin lending, and to opportunistically pursue liquidity and collateral solutions. Recognizing Bitcoin’s finite supply and long-term potential, the Company also follows a treasury strategy that seeks to enhance the value of its Bitcoin inventory while supporting the development of its core business lines. The Company expects that its institutional client base will include large corporations, institutional asset managers, regulated crypto asset trading platforms and investment funds that invest in Bitcoin.

### *Bitcoin Lending Services*

The Company offers Bitcoin-denominated loans to institutional clients while ensuring that BTCT maintains financial security and minimizes credit risk exposure. The Company’s lending services will only include Bitcoin-denominated loans, whereby institutional clients will be able to borrow Bitcoin and will repay the principal and interest on such loans in Bitcoin or fiat. Bitcoin lending is a strategic component of the Company’s business model and will allow the Company to generate yield on its Bitcoin holdings while supporting the broader digital asset ecosystem.

During the year, the Company focused on the development of its lending strategy, including form and structure of lending agreements, and development of robust AML and KYC policies. In the fourth quarter of 2025, the Company executed its first Bitcoin denominated loan with an institutional trading firm. The Company will continue pursuing lending agreements.

#### *Bitcoin Liquidity Services*

The Company successfully obtained its Money Services Business registration with FINTRAC. With this registration, the Company intends to assess the opportunity to offer Bitcoin liquidity services to its institutional clients. Bitcoin liquidity services will only be offered to Canadian clients who acquire their Bitcoin on an “immediate delivery” basis. It is expected that this service will help clients to better manage their treasury and portfolio functions.

#### *Bitcoin Price Risk Management Program*

During Q4 2025, the Company announced its Bitcoin price risk management program, under which it intends to selectively employ options and other derivative instruments using a portion of its Bitcoin inventory to enhance income-generating capability. The program is designed to harvest value from periods of heightened Bitcoin volatility by writing options in a disciplined manner, with premiums received in Bitcoin or converted into additional Bitcoin, thereby supporting Bitcoin per share growth.

The program will be governed by internal risk limits, conservative position sizing, and strict counterparty standards, with a clear objective of preserving balance sheet strength while remaining exposed to Bitcoin’s long-term price appreciation. As Bitcoin increasingly fulfills its role as a store of value, medium of exchange, and unit of account, the Company anticipates significant opportunities at the intersection of traditional and decentralized finance. With deep industry relationships and plans to hold a significant inventory of Bitcoin, the Company is well positioned to lead and drive new product and service opportunities and value creation in this evolving financial landscape.

#### *Layer 2 Liquidity and Collateral*

The Company is also committed to capitalizing on the accelerating adoption of Bitcoin by delivering innovative virtual currency services to institutions, as well as advancing infrastructure and operational capabilities for Bitcoin Layer 2 networks. As part of this commitment, the Company is exploring how it could deploy its Bitcoin inventory to Layer 2 Bitcoin networks by providing liquidity or collateral as the market for Bitcoin lending and collateral products is nascent and developing rapidly. Opportunities to develop this additional business line in the future will be evaluated as market conditions change.

## *Corporate Finance Strategy for Strategic Bitcoin Accumulation*

In addition to its core business lines, the Company's corporate treasury strategy is designed to maximize long-term Bitcoin accumulation and to enhance shareholder value by focusing on the growth of Bitcoin per share and total Bitcoin holdings. The Company aims to raise capital through equity, convertible debt, and potentially other instruments such as preferred shares, and then deploying these proceeds to acquire and hold Bitcoin as a strategic reserve asset that will then allow it to grow its core business lines. In addition, pursuant to its Normal Course Issuer Bid (NCIB), the Company may opportunistically repurchase its common shares when market conditions allow for accretive buybacks that increase Bitcoin per share. The Company's core revenue-generating products and services will also contribute to the growth of its Bitcoin inventory. The success of this strategy will be measured by key metrics such as Bitcoin per share, Bitcoin per share growth, and total Bitcoin holdings.

### **Highlights for the three-month period ending December 31, 2025:**

- On October 9, 2025, the Company registered as a Money Services Business with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"), a designation that broadens the scope of services Bitcoin Treasury is authorized to offer and positions the Company to explore institutional-grade Bitcoin liquidity services going forward.
- Building on this foundation, on November 11, 2025, the Company initiated its institutional Bitcoin lending business with a 7 Bitcoin loan to an institutional trading firm. This marked a pivotal milestone in the Company's strategy to deploy its Bitcoin holdings as productive, yield-generating assets.
- On November 14, 2025, the Company received a receipt for its final base shelf prospectus (the "Shelf Prospectus") filed with securities regulatory authorities in each of the provinces and territories of Canada. The Shelf Prospectus provides Bitcoin Treasury with the flexibility to raise up to CAD \$300 million over a 25-month period through the issuance of common shares, preferred shares, debt securities, subscription receipts, warrants, or any combination thereof. Access to capital markets is central to the Company's long-term strategy of accumulating Bitcoin and growing BPS on behalf of its shareholders.
- On December 15, 2025, the Company announced its intention to initiate a Normal Course Issuer Bid ("NCIB") providing for the repurchase and cancellation of up to 989,228 Common Shares, representing approximately 10% of the Company's public float as defined by the TSXV. The NCIB commenced on January 5, 2026 and may extend for up to 12 months from that date, unless the maximum number of shares is repurchased earlier or the Company provides notice of termination. Management intends to utilize the NCIB when it believes the Common Shares are trading at prices that do not adequately reflect the underlying value of the Company.
- The Company introduced the Bitcoin price risk management program on December 18, 2025. The program is intended to generate incremental Bitcoin from the Company's existing holdings without requiring additional capital, through the selective use of options and other derivative instruments during periods of elevated volatility. By writing options against a portion of its Bitcoin holdings, the Company expects to earn premiums denominated in or convertible into Bitcoin, with the objective of increasing BPS in a disciplined manner. The program is centered on risk management rather than price prediction, and the Company expects the opportunity set to grow alongside continued Bitcoin adoption.

## Selected Annual Information

	<b>For the year ended December 31, 2025</b>
Total assets	\$94,278,497
Total liabilities	\$18,839,597
Revenue	\$3,592
Total operating expenses	\$27,619,954
Net loss and comprehensive loss	\$44,215,560
Basic and fully diluted net loss per share	\$(8.38)

## Summary of Quarterly Results<sup>1</sup>

	<b>For the three months ended December 31, 2025</b>	<b>For the three months ended September 30, 2025</b>	<b>For the three months ended June 30, 2025</b>
Total assets	\$94,278,497	\$126,288,462	\$117,278,517
Revenue	\$3,592	\$Nil	\$Nil
Total operating expenses	\$(860,061)	(\$1,352,397)	(\$25,401,935)
Net income (loss)	\$(17,999,300)	\$3,830,688	(\$27,796,337)
Net income (loss) and comprehensive income (loss)	\$(26,468,271)	\$10,253,456	(\$27,796,337)
Basic net income (loss) per share	\$(1.79)	\$0.38	\$(35.67)
Fully diluted net income (loss) per share	\$(1.79)	\$(0.04)	\$(35.67)
Bitcoin holdings	฿ 771.37	฿ 771.37	฿ 771.37
Adjusted diluted shares outstanding	12,158,413	12,158,413	12,158,413
BPS <sup>2</sup>	฿ 0.0000634	฿ 0.0000634	฿ 0.0000634

## Overall Performance

Net loss and comprehensive loss was \$44,215,560 for the year ended December 31, 2025. During the twelve months ended December 31, 2025, the Company executed several key milestones in alignment with its long-term strategic objectives. On June 23, 2025, the Company successfully closed its initial financing, and on June 27, completed the acquisition of 771.37 Bitcoin for a total purchase price of \$113,127,353, as outlined in its Filing Statement. Trading of the Company's common shares commenced on the TSX Venture Exchange under the ticker symbol BTCT on June 30. The Company subsequently listed on the OTC Markets under the ticker symbol BTCFF on September 19, 2025, broadening its investor base and improving trading accessibility for U.S. investors. The institutional Bitcoin lending business was initiated on November 11, 2025, with a 7 Bitcoin loan to an institutional trading firm, and on November 14, 2025, the Company received a receipt for its final base shelf prospectus, providing the flexibility to raise up to CAD \$300 million over a 25-month period through the issuance of various securities. The Company announced its intention to initiate a Normal Course Issuer Bid on December 15, 2025.

<sup>1</sup> As the Company completed an amalgamation on the June 23, 2025, there are no prior published quarterly results of the Company to disclose.

<sup>2</sup> BPS is a non-GAAP measure calculated as units of Bitcoin held as at December 31, 2025, divided by adjusted diluted shares outstanding. Units of Bitcoin held includes the principal value of Bitcoin loans outstanding, but excludes any accrued interest. Adjusted diluted shares outstanding includes common shares of 10,075,080 and convertible debentures of 2,083,333.

## Results of Operations

### *Net loss for the year ended December 31, 2025*

During the year ended December 31, 2025, the Company earned \$3,592 in lending income on the Company's inaugural Bitcoin denominated loan.

Net loss and comprehensive loss was \$44,215,560 for the year ended December 31, 2025. The Company recorded a loss of \$20,803,583 on the revaluation its Bitcoin holdings, which includes digital currency held for operations, digital currency held for collateral and digital currency loans. During the year, the market price of Bitcoin decreased from approximately \$145,971 per BTC from the purchase date to approximately \$119,688 per BTC at December 31, 2025, representing a decrease of approximately 18% over the period. While management believes the long-term fundamentals of Bitcoin support its treasury strategy, short-term price volatility may result in significant variability in quarterly earnings. This loss on revaluation of Bitcoin is offset by a gain of \$6,512,079 on the revaluation of convertible debentures.

Operating fees of \$676,049 were incurred during the year ended December 31, 2025, which includes \$458,158 in fees related to the Evolve ETFs operating agreement and \$217,891 in custodian fees.

The Company incurred professional fees of \$2,079,121. Professional fees included \$1,409,155 in legal fees. Of these legal fees, approximately \$1.3M relates to the Company's listing and amalgamation and base shelf prospectus filing, as described further below. The remainder was incurred in relation to the development of the Company's lending business and the application for a Money Services Business license. Professional fees also included \$560,050 in audit related fees and \$109,916 in accounting related fees. Of these fees, approximately \$158K were related to listing and financing activities described below.

Other expenses of \$237,771 were incurred in filing fees related to the listing and amalgamation of the Company, described further below and \$225,345 in marketing and investor relations expenses. The Company listed on the TSX-V and the OTC Markets during the period.

### Listing and financing activities

The following summarizes expenses on listing and financing activities during the year:

	<b>December 31, 2025</b>
	\$
TSX-V listing	2,708,293
Base shelf prospectus filing	334,327
OTC markets listing	31,087
Total	<u>3,073,707</u>

During the year, the Company completed a number of capital markets and listing activities, including listing on the TSX-V, listing on the OTC markets, and filing a base shelf prospectus. The Company incurred approximately \$2.7M related to the TSX-V listing, including \$1.1M in legal fees, \$112K in audit and accounting related fees and \$1.4M in convertible debt financing costs. For the base shelf prospectus, the Company incurred approximately \$339K in fees. These related to \$214K in legal fees, \$46K in audit and accounting related fees, \$29K in consulting fees and \$45K in filing fees. The Company also incurred \$31K in legal and filing fees related to the OTC listing.

## Performance warrants

The Company incurred \$24,078,424 in share-based payments related to the issuance of performance warrants to key management and directors of the Company. Although the expense related to performance warrants have been fully recognized, as of December 31, 2025, none of the performance warrants have vested.

Performance warrants cannot vest solely through increases in the price of Bitcoin over time. Increases in the price of Bitcoin, must be accompanied by growth in BPS in order for performance warrants to vest. To increase BPS, the Company would either need to increase the number of Bitcoin held or decrease the number of common shares outstanding. This may be achieved through some the following methods:

- Raising additional capital to purchase Bitcoin through the issuance of shares at a premium
- Repurchase of common shares at a discount through an NCIB
- Generating Bitcoin revenue through Bitcoin lending agreements

In order for the first tranche of performance warrants to vest, BPS would need to increase by at least 4.9%, with the total Bitcoin Holdings balance exceeding \$135,000,000. There was no increase to BPS in the current period. As at December 31, 2025, all outstanding performance warrants had not vested as not all of the vesting criteria had been met and were therefore considered to be out of the money.

### *Net loss for the three months ended December 31, 2025*

During the three months ended December 31, 2025, the Company earned \$3,592 in lending income on the Company's inaugural Bitcoin denominated loan.

Net loss and comprehensive loss was \$26,468,271 for the three months ended December 31, 2025. The Company recorded a net loss of \$20,803,583 on the revaluation of digital currency, digital currency held as collateral and digital currency loans. Bitcoin is subject to significant market volatility. During the fourth quarter of 2025, the market price of Bitcoin decreased from \$158,738 per BTC at September 30, 2025 to approximately \$119,688 per BTC at December 31, 2025, representing a decrease of approximately 25% over the period. While management believes the long-term fundamentals of Bitcoin support its treasury strategy, short-term price volatility may result in significant variability in quarterly earnings.

Offsetting losses from the revaluation of Bitcoin, the Company also recorded a gain of \$3,004,870 on the revaluation of its convertible debentures based on the assessed fair value of the instruments as at December 31, 2025.

The Company incurred professional fees of \$354,117. Professional fees included a credit of \$56,084 related to legal fees. Professional fees also included \$43,647 in accounting related fees and \$366,554 in audit related fees, which includes the year-end audit fee of \$235,000.

Other expenses of \$18,821 were incurred in filing fees and \$49,192 in marketing and investor relations related expenses.

## **Liquidity and Capital Resources**

The Company had net assets of \$75,438,900 as of December 31, 2025. The Company has minimal revenues from operations. The Company's current cash balance of \$1,740,677 is sufficient to cover operating expenses over the following 12 months. In the event additional capital is required, the Company will rely on the sale of Bitcoin Holdings or outside funding for its continuing financial liquidity. There are no sources of financing arranged but not yet used by the Company.

Cash decreased during the quarter from \$2,893,066 as at September 30, 2025 to \$1,740,677 as at December 31, 2025. Cash outflows were higher during this quarter due to non-recurring business activities. Cash outflows related to legal fees were \$378,067. These legal fees related to the Company's base shelf prospectus filing, as well as formation of the Company's lending program. The Company incurred \$18,900 in non-recurring expenses related to the third quarter initiatives. The Company made its semi-annual interest payment of \$125,342 on outstanding convertible debentures.

The Company does not have any major commitments for capital expenditures at this time. There are no known trends in the Company's expenditures.

## **Outstanding Share Data**

As of the date of the MD&A, 9,847,480 common shares, 2,431,667 performance warrants and 2,083,333 convertible debentures were issued and outstanding.

## **Off-Balance Sheet Arrangements**

The Company has not had any off-balance sheet arrangements.

## **Commitments**

As at December 31, 2025, the Company had no outstanding commitments.

## **Subsequent Events**

Subsequent to year-end, the Company commenced a Normal Course Issuer Bid ("NCIB"). The NCIB allows for the repurchase, for cancellation, up to 989,228 common shares of the Company, representing approximately 10% of the Company's public float. Through March 31, 2026, the Company has repurchased 227,600 common shares at an average price of \$4.54 per share, for total proceeds of \$1,049,551 and returned all repurchased common shares to treasury.

On February 9, 2026, the Company's digital currency loan receivable matured, the Company received the principal balance of 7.00 BTC and 0.052 BTC in interest. The Company initiated an additional loan to the same U.S. based trading firm for an additional 50 BTC.

Subsequent to the end of the year, as of April 14, 2026, the price of Bitcoin was \$104,484 as compared to \$119,688, representing a 13% decline in the value of the assets. The subsequent decline in the price of Bitcoin represents a decrease in the value of digital currency, digital currency held as collateral and digital currency loans of \$11,728,000.

## Related Party Transactions

Key management includes personnel having the authority and responsibility for planning, directing, and controlling the Company and includes the directors and current executive officers. The value of transactions and outstanding balances relating to key management and entities over which key management has control or significant influence were as follows:

	<b>For the year ended December 31, 2025</b>
	<b>\$</b>
Salaries	28,000
Consulting services	462,138
Share-based compensation	24,078,424
	<b>24,568,562</b>

As at December 31, 2025, \$51,822 (2024: \$Nil) was owed to key management<sup>3</sup> and entities which key management has control or significant influence over. The amounts are related to salary and consulting services and are included in accounts payable and accrued liabilities.

Effective June 4, 2025, the Company entered into an agreement with Evolve Funds Group Inc.<sup>4</sup> ("Evolve"), whereby Evolve has committed to provide specific operational functions, as directed by BTCT, in exchange for an annual fee of up to 1% of the value of the Company's treasury holdings, converted to Canadian dollars, and accrued daily. On November 8, 2025, the Company renegotiated the terms of the agreement, whereby the fee is calculated as the lower of 1% of the Company's treasury holdings, or the 1% of the Company's market capitalization.

During the year ended December 31, 2025, the Company paid \$458,158 in administration fees to Evolve. As at December 31, 2025, \$50,149 was owed to Evolve under the terms of the agreement.

## Financial Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adhere to market conditions. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the risks and the Company's objectives, policies, and processes for measuring and managing these risks. Further quantitative disclosures are included as applicable.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

<sup>3</sup> Key Management includes: Elliot Johnson, Chief Executive Officer and Director, Kaitlin Thompson, Chief Operating Officer, Keith Crone, Chief Marketing Officer, Heather Sim, Chief Financial Officer, Rajesh Lala, Director, and Micheal Simonetta, Director

<sup>4</sup> Elliot Johnson, Chief Executive Officer and Director, Kaitlin Thompson, Chief Operating Officer, Keith Crone, Chief Marketing Officer, Rajesh Lala, Director, and Micheal Simonetta, Director are also involved in certain managerial or director positions within Evolve.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. As at December 31, 2025, the Company had sufficient funds and liquid assets to cover financial obligations. Included in total assets is \$62,392,795 in digital currency pledged as collateral against its convertible debentures and is therefore restricted in its use and cannot be used to meet other financial obligations that arise.

### *Currency risk*

The Company's expenses are primarily denominated in Canadian dollars. The Company's corporate offices are based in Canada and current exposure to exchange rate fluctuations is minimal.

### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of the convertible debentures is influenced by market interest rates. As at December 31, 2025, management has assessed interest rate risk to be limited.

### *Price risk*

Price risk is the risk of dispositions of investments at less than favourable prices due to unfavourable market conditions. The Company is exposed to significant price risk due to its holding of Bitcoin as its digital currency and its digital currency pledge as collateral. The value of Bitcoin has historically been very volatile and unpredictable. As at December 31, 2025, the Company had a total of \$92,327,362 in digital currency, digital currency loaned and digital currency pledged as collateral on its statement of financial position. A precipitous drop in the price of Bitcoin that the Company holds will adversely impact the Company's operations. A 20% decrease in the value of Bitcoin would impact the Company's comprehensive net loss by \$18,464,784.

### *Credit risk*

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk arises from cash and cash equivalents held with financial institutions and, beginning in the fourth quarter of 2025, from digital assets loaned to an institutional trading firm under a Bitcoin lending arrangement. The Company's exposure to credit risk in respect of the lending arrangement is limited to the risk that the borrower fails to return the Bitcoin and associated interest upon maturity of the loan. To mitigate this risk, the Company transacts only with an established institutional counterparty that management has assessed as creditworthy through an underwriting program. The Company continually monitors the borrower's credit profile, including financial statements, on an ongoing basis. The maximum exposure to credit risk is limited to the carrying amounts of cash and cash equivalents, interest receivable and digital assets loaned recognized in the statement of financial position.

## Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

## Fair Value Measurement

As at December 31, 2025, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and convertible debentures. The Company's cash and accounts payable and accrued liabilities are measured under amortized cost. As at December 31, 2025, the fair value of the Company's cash and accounts payable and accrued liabilities approximates carrying value. The Company's convertible debentures, digital currency, digital currency pledged as collateral and digital currency loaned are measured at fair value.

Financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are categorized using the fair value hierarchy. This hierarchy groups financial instruments in Levels 1 to 3 based on the degree to which the fair value, for that instrument, is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below summarizes the Company's fair value measurement hierarchy for its assets and liabilities held at fair value.

<b>December 31, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Assets carried held at fair value				
Digital currency	29,093,309	-	-	29,093,309
Digital currency pledged as collateral	62,392,795	-	-	62,392,795
Digital currency, loaned	-	-	841,258	841,258
<b>Total assets held at fair value</b>	<b>91,486,104</b>	<b>-</b>	<b>841,258</b>	<b>92,327,362</b>
<b>Liabilities</b>				
Liabilities carried held at fair value				
Convertible debentures	-	-	18,487,921	18,487,921
<b>Total liabilities held at fair value</b>	<b>-</b>	<b>-</b>	<b>18,487,921</b>	<b>18,487,921</b>

## Reconciliation of Use of Proceeds from Financing Activities

During the year ended December 31, 2025, the Company closed financing through a brokered private placement and brokered offerings for net proceeds of \$117,727,528.

The following table sets out a comparison of how the Company used the proceeds during the period following the close of the financings. As the Company closed the financings close to the period end, most of the funds have not yet been deployed.

Intended Use of Net Proceeds	Proceeds Spent as Remaining of December 31, Proceeds		
	2025		
	\$	\$	\$
Legal, Audit, Listing and Regulatory	441,371	441,371	-
Other general and administrative expenses	2,104,735	1,238,917	865,818
Public relations and investor relations	100,000	100,000	-
Commercialization of Business Plan – Bitcoin Lending Services	1,000,000	556,851	443,149
Bitcoin purchases	113,127,353	113,127,353	-
Interest on convertible debentures	250,000	125,342	124,658
Unallocated funds	704,069	397,017	307,052
<b>Total</b>	<b>117,727,528</b>	<b>115,986,851</b>	<b>1,740,677</b>

During the year-ended December 31, 2025, the Company conducted initial research on Layer 2 and Liquidity solutions and determined to shift focus into the commercialization of the Company's lending services. As such, previously allocated funds of \$250,000 and \$650,000 for Liquidity and Layer 2 have been reallocated to Commercialization of Business Plan – Bitcoin Lending Services. Once the Company has satisfactorily commercialized lending, efforts will return to the evaluation of the commercialization of Liquidity and Layer 2 services.

## Significant projects

During the year ended December 31, 2025, the Company executed several key milestones in alignment with its long-term strategic objectives. The Company is focused on the pursuit of the following projects over the next 12 months:

- The continued expansion of the institutional Bitcoin services business remains a key priority, with emphasis on developing the Bitcoin lending platform and growing the loan book. Subsequent to the quarter end, the Company rolled and increased the outstanding loan with the same institutional trading firm. The Company will also continue to evaluate opportunities to expand into institutional-grade Bitcoin liquidity services and to deploy Bitcoin into Layer-2 networks.
- The Company will continue to be opportunistic with respect to capital formation and seek to take advantage of prevailing market conditions. Subsequent to the quarter end, as of March 31, 2026, the Company has repurchased and cancelled 227,600 Common Shares under its Normal Course Issuer Bid ("NCIB") at an average price of \$4.54, funded through the sale of Bitcoin to capitalize on the current trading discount to the value of Bitcoin holdings. As a result, Bitcoin per Share ("BPS") has increased by 0.31% to 0.00006364. The Company will continue to assess capital formation opportunities with the goal of increasing BPS, including the use of the NCIB where shares trade at a discount, the issuance of shares where they trade at a premium, and may also consider the issuance of debt instruments.
- The Company is working to build out the infrastructure necessary to operationalize its Bitcoin price risk management program. The program is intended to generate incremental Bitcoin from the Company's existing holdings without requiring additional capital, through the selective use of options and other derivative instruments during periods of elevated volatility. By writing options against a portion of its Bitcoin holdings, the Company expects to earn premiums denominated in or convertible into Bitcoin, with the objective of increasing BPS in a disciplined manner.

## Business Risks

### *Bitcoin Price Volatility*

Bitcoin's trading history is marked by extreme volatility, with sudden and significant price fluctuations. Such volatility can lead to substantial financial losses for the Company, in Canadian dollar terms. Volatility in the price of Bitcoin could also hinder demand for the Company's services. Volatility in the value of Bitcoin held in inventory could also impair the ability of the Company to invest capital in the development of its business activities and retention of future key employees or contractors.

### *Custodial Risks*

Bitcoin custody requires a high degree of technical and operational expertise. The Company will rely upon external third parties for these services each of whom are expected to be operating using industry best practices, and have sufficient expertise, skills and experience to ensure effective and secure custody of the Bitcoin held. Despite these efforts it remains possible that failures in the custody activities, personnel or technology result in the irreversible loss of Bitcoin owned by the Company.

### *Technological Vulnerabilities*

The Bitcoin network relies on complex software and hardware systems. There is no assurance that the relevant cryptocurrency or digital asset infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. There is also no assurance that the infrastructure or complementary products or services necessary to make cryptocurrency or digital assets a viable product for their intended use will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs to adapt to changing technologies. Vulnerabilities, bugs, or attacks (such as BGP hijacking) could compromise the network's integrity, leading to potential losses.

*Bitcoin transactions are irreversible and may result in significant losses, including as relates to the custody of our Bitcoin*

Bitcoin transactions are irreversible, and any Bitcoin lost, stolen or incorrectly transferred between parties (including by BTCT or the Company employees and third party service providers) may be irretrievable. Once a transaction has been validated by nodes on the network and recorded on the blockchain, there is no reasonable method by which to retrieve those assets without the direct cooperation of the entity receiving the Bitcoin. In recent years, the cryptocurrency industry has experienced significant thefts resulting from security breaches, unauthorized access, and other cyberattacks, which have led to the permanent loss of substantial amounts of digital assets.

BTCT cannot guarantee the security of any third party platforms or custodians it may use. In the event of theft, there will be no recourse available to restore ownership of stolen assets. An incorrectly placed Bitcoin transaction cannot be reversed, which will result in the permanent loss of Bitcoin.

*The need to adopt technology in response to changing security threats poses a challenge to the safekeeping of the Company's Bitcoin or other cryptocurrency and digital asset holdings*

Holders of cryptocurrencies and digital assets must adapt to technological change to secure and safeguard accounts. As technological change occurs, the security threats to the Company's Bitcoin and other cryptocurrency and digital asset holdings will likely adapt, and previously unknown threats may emerge. Furthermore, the Company may become a greater target of security threats as the Company's size and reputation increases. If the Company is unable to identify and mitigate or stop new security threats, the Company's Bitcoin and other assets may be subject to theft, loss, destruction or other attack, which could result in a loss of the Company's assets or materially and adversely affect the Company's investment, trading and lending strategies, the value of its assets and the value of any investment in the Company.

### *Short History Risk*

Bitcoin is just over a decade old, which makes it one of the youngest multibillion dollar assets in the world. Due to this short history, it is not clear how all elements of Bitcoin will unfold over time, specifically with regard to governance between miners, developers and users, as well as the long term security model as the rate of inflation of Bitcoin decreases. Since the Bitcoin community has successfully navigated a considerable number of technical and political challenges since its inception, the BTCT Board believes that it will continue to engineer its way around future challenges. The history of open source software development would indicate that vibrant communities are able to change the software under development at a pace sufficient to stay relevant. That said, the continuation of such vibrant communities is not guaranteed, and insufficient software development or any other unforeseen challenges that the community is not able to navigate could have an adverse impact on the business activities of the Company.

### *Limited History of the Bitcoin Market*

Bitcoin is a new technological innovation with a limited history. There is no assurance that usage of Bitcoin and its blockchain will continue to grow. A contraction in use of Bitcoin or its blockchain may result in increased volatility or a reduction in the price of Bitcoin, which could adversely impact the business prospects of the Company.

### *Potential Decrease in the Global Demand for Bitcoin*

Factors contributing to decreased demand in Bitcoin may include heightened concerns regarding theft and security vulnerabilities, particularly in light of recent high profile cybersecurity breaches affecting cryptocurrency exchanges and custodians. The association of Bitcoin with illicit activities and use by bad actors may also discourage adoption among legitimate users and institutional investors. In addition, adverse regulatory developments, such as restrictive legislation, enhanced compliance requirements, or outright bans in key markets, may further limit demand. The emergence of competing digital currencies, including those issued or endorsed by governments or major corporations, could also divert interest and capital away from Bitcoin, negatively impacting its market value and long term viability, and having a material adverse effect on the financial condition of the Company. Furthermore, if Bitcoin's adoption as a medium of exchange declines—whether due to technological limitations, regulatory restrictions, transaction costs, or the availability of more efficient alternatives—the overall demand for Bitcoin could diminish.

Investors should be aware that there is no assurance that Bitcoin will maintain its long term value in terms of purchasing power in the future or that the acceptance of Bitcoin for payments by mainstream retail merchants and commercial businesses will continue to grow. As relatively new products and technologies, Bitcoin has only recently become widely accepted as a means of payment for goods and services by many major retail and commercial outlets, and use of Bitcoin by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process funds for Bitcoin transactions, process wire transfers to or from Bitcoin trading platforms, Bitcoin related companies or service providers, or maintain accounts for persons or entities transacting in Bitcoin for a number of reasons, such as perceived compliance risks or costs. The Company's inability to procure or keep banking services would have a material and adverse effect on the Company. Similarly, continued general banking difficulties may decrease the utility or value of Bitcoin and other cryptocurrencies and digital assets or harm public perception of those assets. Any of these occurrences could materially and adversely affect the Company's investment, trading and lending strategies, the value of its assets and the value of any investment in the Company.

Conversely, a significant portion of Bitcoin demand is generated by speculators and investors seeking to profit from the short or long term holding of Bitcoin. Price volatility undermines Bitcoin's role as a medium of exchange as retailers are much less likely to accept it as a form of payment. Market capitalization for Bitcoin therefore, as a medium of exchange and payment method, may continue to be low. A lack of expansion by Bitcoin into retail and commercial markets, or a contraction of such use could adversely impact the long term business plan of the Company. Management believes that, like any commodity, Bitcoin will fluctuate in value, but over time will gain a level of acceptance as a store of value, similar to precious metals.

### *Economic and Political Factors*

Global economic instability or political events may influence Bitcoin's price. For instance, largescale sales triggered by economic crises could lead to significant price declines.

### *Top Bitcoin Holders Control a Significant Percentage of the Outstanding Bitcoin*

The top 100 Bitcoin addresses hold roughly 14% of the Bitcoin supply<sup>5</sup>. While this concentration has decreased significantly over the years it is still concentrated. If one of these top holders were to exit their Bitcoin position it could cause volatility that may adversely affect the price of Bitcoin, which could adversely impact the business prospects of the Company.

### *The concentration of our Bitcoin holdings enhances the risks inherent in our treasury strategy*

The concentration of our Bitcoin holdings limits the risk mitigation that we could achieve if we were to purchase a more diversified portfolio of treasury assets, and the absence of diversification enhances the risks inherent in our treasury strategy. The price of Bitcoin experienced a significant decline in 2022, and this had, and any future significant declines in the price of Bitcoin would have, a more pronounced impact on our financial condition than if we used our cash to purchase a more diverse portfolio of assets.

### *Leverage*

When the Company makes investments in Bitcoin, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities, or other portfolio assets, leverage may be introduced. Leverage occurs when the Company's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate, or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Company, and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Company's liquidity, and may cause the Company to liquidate positions at unfavourable times.

### *Security Breaches*

If the Company or its third party service providers experience a security breach or cyberattack and unauthorized parties obtain access to the Company's Bitcoin, or if the Company's private keys are lost or destroyed, or any other similar circumstance takes place, the Company may lose some or all of its Bitcoin and its financial condition and results of operations could be materially adversely affected.

### *De-Banking and Financial Services Risk*

The Corporation relies on access to traditional banking services to conduct its operations, including processing transactions, holding funds, and managing day-to-day financial activities. There is a risk that financial institutions, payment processors, or other service providers may decline to provide, or may terminate, services to the Corporation due to the nature of its business, regulatory pressures, or changes in internal policies. This risk is heightened for businesses involved in the digital asset sector, where financial institutions may view such relationships as higher risk. The loss of access to essential banking services could disrupt the Corporation's operations, delay the execution of its business plan, impair its ability to process transactions, or force reliance on less secure or more expensive alternatives. Such outcomes could have a material adverse effect on the Corporation's business, operational results, financial condition, and reputation.

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<sup>5</sup> <https://bitinfocharts.com/top-100-richest-bitcoin-addresses.html>

*Bitcoin does not pay interest or dividends*

Bitcoin does not pay interest or other returns and we can only generate cash from our Bitcoin holdings if we sell our Bitcoin or implement strategies to create income streams or otherwise generate cash by using our Bitcoin holdings. Even if we pursue any such strategies, we may be unable to create income streams or otherwise generate cash from our Bitcoin holdings, and any such strategies may subject us to additional risks.

*Changes in the accounting treatment of Bitcoin could have significant accounting impacts, including increasing volatility of our results*

The broader digital assets industry, including the technology associated with digital assets, the rate of adoption and development of, and use cases for, digital assets, market perception of digital assets, and the legal, regulatory, and accounting treatment of digital assets are constantly developing and changing, all of which may have a material impact on our financial results in future periods, increase the volatility of our financial results, and affect the carrying value of Bitcoin on our balance sheet. There may be additional risks in the future that are not possible to predict.

**Additional Information**

For further detail, see the Company's financial statements for the year ended December 31, 2025. Additional information is available on SEDAR+ at <https://www.sedarplus.ca>.