

EDGEWATER WIRELESS SYSTEMS INC.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDING APRIL 30, 2022

(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

This Management Discussion and Analysis (“MD&A”) of Edgewater Wireless Systems Inc. should be read in conjunction with the Company’s audited consolidated financial statements and related notes for the years ended April 30, 2022, and April 30, 2021. These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Unless otherwise noted, all dollar amounts included therein and in this MD&A are expressed in Canadian Dollars unless otherwise note. The information contained within this MD&A is current to August 29, 2022. Additional information about the Company is available on SEDAR at www.sedar.com.

Forward-Looking Information

Certain information contained herein, including (without limitation) financial and business prospects and financial outlooks, may constitute forward-looking information which reflects management’s current expectations regarding future events, conditions, plans and intentions, growth, results of operations, financial position, performance and business prospects and opportunities, future technological developments, future revenue generation, creation of new customer accounts, increased efficiency of our operations, our ability to take advantage of current market conditions, population trends, and predictions of future actions, plans or strategies. Words such as “may”, “will”, “should”, “could”, “anticipate”, “believe”, “expect,” “intend”, “plan”, “potential”, “continue” and similar expressions have been used to identify such forward-looking information. In connection with such forward-looking information, certain assumptions have been made about our business, the economy and other matters. By its nature, such information is subject to certain risks and uncertainties, known and unknown, including, without limitation:

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- *the availability of sufficient and appropriate financing;*
- *technological change;*
- *development of new products and availability of existing products;*
- *the impacts of COVID-19 will continue to be a risk since it affects all aspects of our business;*
- *proper performance of equipment;*
- *the risks associated with credit;*
- *the exchange rate of the U.S. dollar and other currency fluctuations;*
- *changes in accounting policies and estimates;*
- *changes in consumer preferences, customer demand for our products and services and our ability to maintain customer relationships;*
- *disruption to manufacturing and distribution activities due to labour disruptions, bad weather, natural disasters and other unforeseen adverse events;*
- *the recruitment and retention of competent personnel; and*
- *the discontinuation by our suppliers of certain technologies or the exiting by one of our suppliers from the electronics market.*

The above (and other) factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied in such forward-looking information. See also “Risks and Uncertainties” below. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying our projections or forward-looking information prove incorrect, our actual results may vary materially. We do not intend and do not assume any obligation to update such forward-looking information, whether as a result of new information, plans, events or otherwise, unless required by law.

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Corporate Structure

Edgewater Wireless Systems Inc. (the "Company" or "Edgewater") was incorporated on January 8, 1980, under the British Columbia Company Act and continued on January 22, 1987, under the Canada Business Corporations Act. The Company adopted its current name at a shareholders' meeting on January 12, 2012. The Company is a development stage company. The Company's shares trade on the TSX Venture Exchange under the symbol YFI and on the OTC Pink under the symbol KPIFF.

The Company's head office is 11 Hines Road, Suite 202, Kanata, Ontario, Canada, and the Company maintains a presence in the USA.

Description of the Business

We make Wi-Fi. Better.

Edgewater Wireless (www.edgewaterwireless.com) is the industry leader in innovative Spectrum Slicing technology for residential and commercial markets. We develop advanced Wi-Fi silicon solutions, Access Points, and IP licensing designed to meet the high-density and high quality-of-service needs of service providers and their customers. With over 26 granted patents, Edgewater's Multi-Channel, Single Radio (MCSR) technology revolutionizes Wi-Fi, delivering next-generation Wi-Fi today.

Edgewater's physical layer Spectrum Slicing allows a frequency band to be divided, or sliced, to enable more radios to operate in a given area. Think of Spectrum Slicing like moving from a single-lane road to a multi-lane highway — regardless of Wi-Fi technology. The recently completed Proof of Concept (PoC) with a major Tier 1 Service Provider showed 7 to 18 times performance gains in 75% of homes surveyed. Interestingly, homes with the most devices saw the greatest improvements.

For more information, visit www.edgewaterwireless.com.

The results of operations for the annual period should not be relied upon as an indication of future performance.

What is Spectrum Slicing?

Edgewater's physical layer Spectrum Slicing allows a frequency band to be divided, or sliced, to enable more radios to operate in a given area. This capability is a signal processing technique that works at the most base network layer, the Physical layer, PHY layer, or Layer 1. Spectrum Slicing force multiplies other Wi-Fi features because it creates more physical channels for other Wi-Fi features higher up the stack to run upon. For example, a packet scheduling feature, running on a single channel, improves Wi-Fi traffic on that single channel. With Spectrum Slicing, the same packet scheduling feature would have multiple channels to run on, adding a force multiplying effect to the feature. Think of Spectrum Slicing like moving from a single-lane road to a multi-lane highway — regardless of Wi-Fi technology.

What's the advantage of Spectrum Slicing?

Our technology delivers the highest channel density available in the market today and fully utilizes the spectrum. More channels mean more available lanes for traffic, and like a multi-lane highway, it allows more devices to pass more traffic more efficiently.

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Market Opportunity

According to the Wireless Broadband Alliance (WBA), there are 8 billion Wi-Fi devices in use, and 3 billion new Wi-Fi devices were added over the last 12-months¹. Wi-Fi is a ubiquitous technology connecting everything, including smartphones, iPads, and laptops, to countless other devices like cameras, thermostats, and even lightbulbs. Further, according to the latest report from the Wi-Fi Alliance, the Wi-Fi industry was projected to contribute over \$3.3 trillion in economic value in 2021 and is expected to reach almost \$4.9 trillion in economic value by 2025.

Cisco's 2020 Internet Report² indicates wired / Wi-Fi connected devices will post an annual growth rate of 11% moving from 9.6 billion devices in 2018 to 16.2 billion wired/Wi-Fi connected devices by 2023. Additionally, machine-to-machine (M2M) modules, common in Industrial IoT applications, will account for 50% of all networked devices by 2023 — representing 14.7 billion devices in 2023. Analysts at eResearch indicated³: the Wi-Fi chipset market was valued at US\$19.7 billion in 2020 and is estimated to reach US\$25.2 billion by 2026, growing 4.25 annually.

Wi-Fi has become a critical element of our everyday lives.

Since 1999, when Wi-Fi was first envisioned by the Institute of Electrical and Electronics Engineers (IEEE⁴), chipset manufacturers, like Broadcom, Qualcomm and the like, have universally followed the same approach relying on a single-channel radio architecture. Like a single-lane road with a single vehicle, the single-channel radio approach works well for a few users in clean RF (radio frequency) environments. However, as the number of vehicles on the roads grows or congestion and interference increase, single-channel Wi-Fi struggles to provide the essential connectivity we rely on (IEEE paper⁵).

At Edgewater Wireless, we believe the current physical layer single-channel architecture used by ALL today's Wi-Fi systems, up to and including WiFi6E, has reached the end of its lifecycle. Edgewater's patented, physical layer multi-channel Spectrum Slicing represents the future of Wi-Fi.

Our market opportunity has two distinct tracks:

The first is the **\$5.8 billion Enterprise market**⁶. We've successfully supplied Silicon solutions (chips & modules) or complete Access Points to Service Providers, like the 5th largest cable operator, Mediacom and Fortune 500 companies like Kroger Corporation. We've displaced established incumbent players in tier-one accounts.

¹ Monica Paolini, WBA Annual Industry Report 2019, Wireless Broadband Alliance (Source: <https://www.wballiance.com/resource/wba-annual-industry-report-2019/>) [October 2018]

² Source: (<https://www.cisco.com/c/en/us/solutions/executive-perspectives/annual-internet-report/index.html#~executive-summaries>)

³ <https://eresearch.com/2021/09/22/eresearch-reports/analyst-articles/edgewater-and-cmc-wireless-accelerate-commercialization-of-high-density-wi-fi-technology/>

⁴ IEEE: the IEEE, the organization best known for developing standards in the computer and electronics industry, published a research paper detailing and supporting the improvements to spectrum utilization by using multiple, narrow channels vs wide channels in high-density applications.

⁵ Daldoul, Yousri; Meddour, Djamel-Eddine and Ksentini, Adlen IEEE 802.11ac: Effect of Channel Bonding on Spectrum Utilization in Dense Environments (Source: <https://ieeexplore.ieee.org/document/7997013>)

⁶ Source: IDC Worldwide Quarterly WLAN Tracker updates (<https://www.idc.com/getdoc.jsp?containerId=prUS44264918>)

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The second track is the **\$12.9 billion Consumer (home) market**⁷ where we've made progress with our alliance with CableLabs and with a major Tier 1 Service Provider with a recent Proof of Concept and subsequent Pilot.

Co-innovated with CableLabs, the emerging Dual Channel Wi-Fi™ standard strongly validates the value of Multiple Channels in the Home environment as a powerful method to improve performance in the home. Our position has been bolstered by the recent developments in the global Wi-Fi industry as it evolves to embrace multi-channel architecture. In a significant Wi-Fi market disruption, a major vendor unexpectedly abandoned its WiFi6E market push and instead has accelerated shipments of their pre-WiFi7 silicon. Consequently, the global focus has quickly turned to WiFi7 and its flagship feature, MLO, or Multi-Link Operation, an embrace of multi-channel architecture and an acknowledgement of the limited real-world benefits of WiFi6. With MLO, the more links available, the more enhanced the feature becomes. Edgewater's Spectrum Slicing increases the available links within the Wi-Fi Spectrum by 8X or more.

Spectrum for unlicensed applications such as Wi-Fi is currently allocated in the 2.4 GHz and 5 GHz bands. With the number of wireless devices forecasted to increase, several regulators moved to allocate additional spectrum in the 6 GHz band. We are pleased to see the progress in allocating more spectrum to unlicensed applications like Wi-Fi. More spectrum will be instrumental in the continued success of Wi-Fi and increases the Company's opportunities.

Consumer terminal devices, such as gateways, smart TVs and set-top boxes, represent significant volumes and incumbent silicon vendors maintain strong supply positions. Contracts with individual Telcos or Cable Operators can be 10 million units for Wi-Fi-enabled gateways or modems. The market volume size for Residential CPE (customer premise equipment) (DSL, Cable, and FTTP) in the USA alone is estimated to reach **49 million units per year by 2022**⁸. Licensing our Intellectual Property (IP) or providing our silicon solutions to vendors and manufacturers (OEM) offers us two paths forward to reach the scale required for the residential market.

Securing licenses to use our patented Spectrum Slicing approach is one of our key opportunities and -- depending on negotiations and volumes -- could mean earning a royalty for each device/module sold, an upfront fee for past R&D and annual support fees. Notably, the business investment is relatively low compared with hardware-based production businesses as it is confined mainly to OPEX for sales, partner management, tech support, and legal.

To realize the fullest potential of our differentiated approach, capital will be required for investment in silicon development, production and business development for potential licensing deals.

⁷ Source: <https://www.prnewswire.com/news-releases/home-wi-fi-router-and-extender-market-to-be-worth-us-129569-mn-by-2026-transparency-market-research-681596821.html>

⁸ Source: *Broadband CPE Market Tracker Q3 2018*, IHS Markit, USA.

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Discussion of Operating Results

Fiscal Year 2022 Highlights:

- Building on the successful, large-scale Proof of Concept (PoC), where we clearly identified a significant market opportunity for Spectrum Slicing in 75% of all homes, our engagement with a major Tier 1 Service Provider progressed to a Pilot at a globally renowned test facility. The performance of our 'beta' silicon solutions in the Pilot was impressive and mirrored the PoC results while significantly lowering latency for all devices. Discussions are moving from technical to implementation and commercial in nature.
- Revenue in FY 2022 was \$11,193 from sales of Wi-Fi Spectrum Slicing development kit and lab system purchases.
- Net loss for FY 2022 was \$1,057,599 compared to a net loss of \$773,447 for FY 2021
- A significant pre-payment to a global semiconductor supplier to secure design optimization and production of the next generation of silicon solutions was made in the reporting period.

Fiscal Year 2022 Results and Accomplishments:

Key results and accomplishment for Fiscal Year 2022 include:

Completed: Proof of Concept with Major Tier 1 Service Provider

The first residential Proof of Concept (PoC) with a major Tier 1 Service Provider focused on 6-million devices in 750,000 homes and clearly demonstrated the global market opportunity for Edgewater's Spectrum Slicing in the home. Results from the PoC illustrated a 7 to 18 times performance gain in 75% of homes surveyed. In depth, analysis of the individual gateways/access points and connected devices clearly showed all 2.4 GHz radios were limited to using a single 20 MHz wide channel and, at best, 5 GHz radios were limited to 40 MHz wide channels due to interference and congestion.

Additionally, data highlighted that the PHY rate (physical maximum connection speed) declined with each device added — due to contention on the single channel — and, correspondingly, the total aggregate throughput declined.

Compared to the existing single channel architecture, Edgewater used a 6-channel Spectrum Slicing configuration and equally divided the number of clients over the number of channels. The reduced contention resulted in increased performance in the home. For example, Edgewater's current platform can deliver 3-channels in 2.4 GHz vs a single channel by ALL other silicon suppliers (3:1).

The results of the PoC demonstrated the residential market opportunity for Edgewater's physical layer (PHY) Spectrum Slicing approach.

Completed: Pilot with a Major Tier 1 Service Provider

Building on the successful PoC, the major Tier 1 Service Provider requested a Pilot of our 'beta' silicon solution. Using a globally renowned independent test organization, the third party conducted extensive tests. Scenarios compared the current single-channel PHY architecture, offered by ALL today's Wi-Fi systems up to and including Wi-Fi6E, to Edgewater's patented, physical layer multi-channel Spectrum Slicing. Amid COVID restrictions, the test house applied rigorous testing to validate the impact of Spectrum Slicing in both commercial and residential applications.

Replicating scenarios seen in the 750,000 homes during the PoC independent tests that conclusively determined the powerful capabilities of Spectrum Slicing. Highlights include:

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- An impressive 50% improvement in latency
- 6-12 times throughput gains for Residential Service Provider use cases from the PoC
- A globally renowned, independent test house conducted all tests under rigorous real-world scenarios.

Latency, or the time it takes for a packet to move from one point to another, is the most significant factor impacting Wi-Fi performance. Delays in packet delivery result in 'jittery' video, laggy gameplay and often dropped connections. On conclusion of the Pilot, the major Tier 1 and test organization were impressed with the reduction in latency and, at a recent industry forum, have highlighted the impressive improvement in latency as one of Edgewater's key benefits.

With COVID restrictions easing worldwide, in-person engagements have resumed. Recent in-person discussions with the major Tier 1 Service Provider have progressed beyond the technical evaluations to implementation, unit costs and scale as they move into the next refresh cycle for their residential gateways.

Market Insights: Product Expansion Opportunities

Insights gained working hand-in-hand with a major Tier 1 Service Provider, and as part of the CableLabs family, have provided a deeper understanding of the technical and business challenges in the broader residential Wi-Fi market. Ongoing discussions and key learnings drive design revisions for Edgewater's next-generation Spectrum Slicing silicon solutions, honing the Company's focus and driving innovations. Understanding the limitations of the traditional, single-channel/link Wi-Fi approach in most homes gives Edgewater a clearly defined market opportunity where we have a competitive advantage. Capital will be required to capitalize on the identified opportunities.

From a technical perspective, recent discussions have highlighted a key competitive weakness in WiFi6E/WiFi7 implementations in the newly released 6 GHz band. Using the newly released spectrum (see FCC news release⁹) offers a relatively uncluttered frequency band and is a welcome addition to the existing 2.4 GHz and 5 GHz bands widely deployed globally. However, there is little separation, or space, between the upper 5 GHz band and the 6 GHz band, and as a result, the use of the 6 GHz band interferes significantly with the existing 5 GHz band. As a result, expensive filters are required on each 5 and 6 GHz antenna (i.e. 4x4 MIMO in 5 GHz requires four filters and 4x4 MIMO in 6 GHz requires another four filters for a total of 8 filters). Filters add significantly to hardware costs and complexity.

Edgewater's IP and expertise in adjacent and co-channel interference mitigation (ACI/CCI) may eliminate the need for expensive filters. We are researching the engineering viability of using Edgewater IP to address the issue and, in the upcoming 6-12 months, are working to quantify the potential commercial opportunity.

As the commercial engagement with the major Tier 1 Service Provider progresses beyond the resource-heavy technical evaluations of the PoC and Pilot, we are broadening our customer prospects to include select OEMs and vendors. Like most major Tier 1's, after specifying the technical and design requirements, the major Tier 1 Service Provider outsources the building of their residential gateways to global OEMs. With the support of the service provider and industry advocates, Edgewater will be working directly with the OEMs to broaden our funnel (OEMs work with several customers, from service providers to branded gear manufactures like Cisco). Equipment manufacturers, offer another channel to market. Edgewater is establishing a framework to have its products included in gateways, mesh nodes, access points and Wi-Fi software solution vendors in the market today.

Global Silicon Market Dynamics

The global semiconductor shortage has been well-documented and has continued into 2022. The pandemic's arrival in early 2020 saw factory shutdowns. It resulted in a sharp rise in cancelled work orders, affecting just-in-time manufacturing and delivery practices and immediate decreases in silicon manufacturing output. At the same

⁹ FCC Opens 6 GHz band for Wi-Fi and other unlicensed uses:: <https://www.fcc.gov/document/fcc-opens-6-ghz-band-wi-fi-and-other-unlicensed-uses>

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time, dramatic changes in the use of laptops, tablets, 5G phones, gaming equipment and other electronic devices due to work-from-home, online learning, and stay-at-home mandates significantly increased consumer demand for new computer equipment and mobile devices (and their requisite silicon chips). As lockdown subsided, manufacturing orders returned, and semiconductor companies could not keep up. The Semiconductor Industry Association (“SIA”) had projected that worldwide semiconductor sales for 2021 will show a 25.6% increase from 2020 totals as demand for silicon chips continues to outpace manufacturing capacity¹⁰.

Although fabrication plants ramped up production heading into 2021, order-to-delivery lead times for silicon wafers reached nearly eight months by the fall of 2021, compared to 1 to 1.5 months pre-pandemic. While the industry, backed by government initiatives to on-shore the semiconductor industry, has responded with the promise of more semiconductor production and, critically, domestic production in the future, the new fabs will not come on line for years. The current 2022 production capacity is generally fixed and unable to meet demand. However, the promise of more semiconductor production in the future offers Edgewater a great opportunity to scale alongside the growing production capacity.

Edgewater management continues to build alliances with several potential silicon partners to strengthen its move to capture the volume market for Spectrum Slicing. The ultimate goal is to create an ecosystem of world-class silicon partnerships to continue to move its strategic initiatives forward.

In Q2 2022, the Company entered into a Memorandum of Understanding (MOU) for technology sharing with CMC Microsystems, manager of Canada’s National Design Network© (CNDN). Under the agreement, Edgewater will provide CMC with access to their Spectrum Slicing Development Kit for IoT devices in residential and industrial applications. CMC will in-turn facilitate access to state-of-the-art design environments (CAD), prototype services (FAB) and equipment for device validation (LAB). CMC will also provide pre-fabrication support in the form of an independent design review and validation process using members of its pan-Canadian research network. The goal of this MOU is to accelerate the commercialization of Edgewater’s Spectrum Slicing silicon solutions for or use in massive IoT applications.

Building on the successful MOU, in March 2022, Edgewater announced the selection of CMC Microsystems¹¹ as an on-shore fabrication services partner. Working with CMC Microsystems, Edgewater has access to GlobalFoundries, the largest silicon manufacturing foundry owned and operated in North America. The relationship provides the Company with low-cost access to multi-product and single-product wafer fabrication, quality assurance and production-related support.

In advance of government programs incentivizing on-shore silicon development, Edgewater initiated strategic steps to on-shore silicon development and commercialization of our next-generation Wi-Fi Spectrum Slicing silicon. The strategic initiative offers the Company more direct control of its silicon process and supply line, including critical design and quality assurance efforts. It provides closer access to North American foundries and gives the Company more direct control over silicon supply lines, including design and quality assurance. On-shoring the design and verification process will effectively allow complete domestic development in preparation for prototype manufacturing and lab validation of full-duplex Wi-Fi ASICs.

Corporate Developments

¹⁰ Source: https://www.eusemiconductors.eu/sites/default/files/ESIA_WSTS_AutumnForecast2021.pdf

¹¹ CMC Microsystems: <https://www.cmc.ca/about-us/>

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The Company completed a refresh of our website. The primary objective of the website is to communicate the benefits and proven value of Edgewater's highly differentiated Spectrum Slicing approach to large Service Providers. Since launching the site promoting the next generation approach to Wi-Fi, there has been a significant increase in traffic as we position Edgewater as the thought-leader in the space.

Edgewater Wireless added a new Board Member to its team, Mr. Ralph Garcea. He accepted the Company's invitation to join its Board of Directors and received shareholder approval at the Edgewater Wireless AGM on June 16, 2021. Mr. Garcea brings an accomplished technology and capital markets background, with more than 22-years of experience in senior positions at major and boutique investment dealers in the US and Canada. Mr. Garcea was a top-ranked research analyst specializing in technology, gaming and industrial companies. Mr. Garcea is the Managing Partner and co-founder of Focus Merchant Group, a boutique advisory firm offering a full range of financial advisory services. Mr. Garcea currently services as a Director on the board of TSX - listed Converge Technology Solutions Corp. (TSX: CTS) (FSE: OZB) (OTCQX: CTSD) and TSX-V listed Turnium Technology Group Inc. (TSXV: TTGI). The Company also engaged the services of Toronto based investor relations firm, Venture North Capital, to improve Edgewater Wireless' communication efforts to existing and prospective retail and institution investors across the Canada and the US.

In addition to Edgewater Wireless, he currently serves as a Director on the board of TSX-listed Converge Technology Solutions Corp. (TSX: CTS) (FSE: OZB) (OTCQX: CTSD). The Company also engaged the services of Toronto-based investor relations firm, Venture North Capital, to improve Edgewater Wireless's communications efforts to existing and prospective retail and institutional investors across Canada and the US.

Industry Forums and Speaking Engagements:

In light of the global pandemic, Industry Forums and Speaking Engagements were largely confined to on-line conferences (Zoom etc). Highlights of events include:

1. August 2022: Global Industry forum
A representative from a major Tier 1 Service Provider, supported by the Edgewater team, presented the PoC and Pilot results to personnel from several leading global service providers. Results, which highlighted the 50% lower latency and increased throughput for all devices, were well received.
2. May 17, 2022: Edgewater Wireless to be Featured on Radius Research's Pitch, Deep Dive and Q&A Webinar
Andrew Skafel, President and CEO of Edgewater, and Martin Gagel of Radius discussed the Company's opportunity to deliver its patented next-generation technology to service providers who desperately need an alternative Wi-Fi solution. Legacy, single-channel architectures simply can't cope with today's growing network demands. In a successful pilot project with a major Tier 1 service provider, Edgewater's Wi-Fi Spectrum Slicing demonstrated significant real-world superiority versus the current physical layer single-channel architecture offered by ALL today's Wi-Fi systems, up to and including WiFi6E.
3. December 9, 2021: Edgewater Wireless to Present at the SNN Network Canada Virtual Event December 7-9, 2021.
Edgewater presented the Company's vision for delivering next-generation technology to optimize the performance of Wi-Fi networks being stretched to capacity by the exploding number of IoT devices being used in today's world. The SNN Network Canada Virtual event was a live, interactive event where investors were invited to ask the Company questions in real-time.
4. November 18, 2021: CMC Microsystems hosted webinar: Spectrum Slicing Development Kit for IoT
Edgewater presented its innovative Spectrum Slicing technology and its Spectrum Slicing Development Kit for IoT. Wi-Fi Spectrum Slicing optimizes performance for all devices in a coverage area. It enables spectrum to be divided, allowing more radio signals to operate in a given area — in the same band. This game-changing Wi-Fi innovation can divide, or slide, any Wi-Fi

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- band, including the emerging 6GHz band (WiFi6E). Moreover, any Wi-Fi standards-compliant device can take advantage of the technology without needing the end devices in the network to have advanced Wi-Fi capabilities. With IoT applications, supporting multiple generations of Wi-Fi standards is critical.
5. July 8, 2021: Wireless Broadband Alliance Global Congress (WBA) Powering Innovation Series
The Wireless Broadband Alliance (WBA), a global organization including some of the largest broadband and mobile providers, hosted a series of webinars. President and CEO of Edgewater Wireless, Andrew Skafel, joined industry leaders from Comcast, Airties, Plume and the Wi-Fi Alliance to share the benefits of Spectrum Slicing in the home based the results of the Proof of Concept (PoC). The high-profile event helped raise Edgewater's profile with larger industry peers and enabled future business development activities.
 6. June 2021: Global Industry forum
A representative from a major Tier 1 Service Provider, supported by Edgewater, presented the PoC results to personnel from several leading global service providers. Results which captured the limitations of single-channel Wi-Fi deployments in the home stimulated discussions and a commitment to move forward with a Pilot.

Press, Industry and Media Coverage:

For the reporting period, press, industry analysts and media coverage highlighted the Company's differentiated Spectrum Slicing approach. It bolstered the Company's reputation as a thought leader in Wi-Fi evolution and detailed the Company's go-forward strategy. Highlights included:

1. August 11, 2022: [Edgewater Wireless Expands Intellectual Property Monetization Initiatives](#)
2. August 4, 2022: [Edgewater Wireless Announces Management and Director Lead Private Placement of up to \\$1 Million of Convertible Debenture](#)
3. July 26, 2022: [Edgewater Wireless Provides Corporate and Strategic Update](#)
4. June 30, 2022: [U.S. Patent and Trademark Office Awards Patent to Edgewater Wireless](#)
5. May 19, 2022: [Edgewater Wireless joins Canada's Largest Technology Park](#)
6. May 17, 2022: [Edgewater Wireless to be Featured on Radius Research's Pitch, Deep Dive and Q&A Webinar](#)
7. April 6, 2022: [EP&T: Edgewater Wireless selects CMC as fab services partner](#)
8. April 5, 2022: [Edgewater Wireless Receives Notice of Allowance from U.S. Patent and Trademark Office](#)
9. April 4, 2022: [The Fast Mode: Edgewater Wireless Selects CMC Microsystems as On-shore Fabrication Services Partner](#)
10. March 29, 2022: [Edgewater Wireless selects CMC Microsystems as fabrication services Partner](#)
11. March 23, 2022: [Edgewater Wireless Announces Fiscal Q3 2022 Financial Results](#)
12. March 16, 2022: [Edgewater Wireless Applauds and Supports the Government of Canada's Announced Semiconductor Challenge Call-out](#)
13. March 7, 2022: [Startup Pill: 90 Best Canadian Semiconductor Startups impacting the Electronics Industry: Edgewater Wireless](#)
14. February 23, 2022: [Edgewater Wireless Announces Strategic Steps to On-shore Silicon Development and Commercialization of its Next-generation Wi-Fi Spectrum Slicing Silicon](#)
15. February 8, 2022: Edgewater launches new website positioning value of Spectrum Slicing for Large Service providers. Visit: www.edgewaterwireless.com
16. January 27, 2021: [Edgewater Wireless Provides Corporate and 2022 Strategic Update](#)
17. December 21, 2021: [Edgewater Wireless Announces Fiscal Q2 2022 Financial Results](#)
18. November 30, 2021: [Edgewater Wireless: Wi-Fi Spectrum Slicing once again demonstrates superiority](#)
19. October 2021: [Semiconductor Times: Focused on Emerging Semiconductor Companies: Licensing and Partnerships Edgewater & CMC Microsystems \(Page 9\)](#)

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20. September 29, 2021: [Edgewater Wireless Announces Fiscal Q1 2022 Financial Results](#)
21. September 23, 2021: [Electronic Product and Technology \(EP&T\): CMC and Edgewater Wireless accelerate commercialization of game-changing technology](#)
22. September 22, 2021: [eResearch: Edgewater and CMC Accelerate Commercialization of High-Density Wi-Fi Technology](#)
23. September 20, 2021: [CMC Microsystems and Edgewater Wireless Accelerate Commercialization of Game-Changing Technology: Canadian organizations sign MOU to boost commercialization and seize opportunities in emerging wireless technologies](#)
24. September 20, 2021: [CMC and Edgewater Wireless Accelerate Commercialization of Game-Changing Technology](#)
25. August 30, 2021: [Edgewater Wireless Announces 2021 Fiscal Year-End Audited Results](#)
26. July 22, 2021: [Edgewater Wireless Provides Operational and Corporate Update](#)
27. July 6, 2021: [Edgewater Wireless Selected to Participate in the Wireless Global Congress 2021, Wi-Fi: Powering Innovation Series](#)
28. June 17, 2021: [Edgewater Wireless Announces AGM Results, New Director and Grant of Stock Options](#)
29. June 10, 2021: [Edgewater Wireless to Add New Board Member](#)
30. April 28, 2021: [Edgewater Wireless Grants Stock Option Incentives](#)
31. April 28, 2021: [Edgewater Wireless Completes Final Tranches of Private Placements](#)
32. April 9, 2021: [Edgewater Closes First Tranche of \\$0.13 Financing](#)
33. March 30, 2021: [Edgewater Closes First Tranche of \\$0.115 Financing and Announces Increase to \\$0.13 Financing](#)
34. March 18, 2021: [Responding to demand Edgewater announces additional financing](#)
35. March 12, 2021: [Edgewater Management and Directors to Lead \\$800,000 Private Placement](#)

Additional press and media coverage can be found at www.edgewaterwireless.com/.

Our Vision is to Make Wi-Fi. Better.

EDGEWATER WIRELESS SYSTEMS INC.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE QUARTER ENDING APRIL 30, 2022

(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

Selected Annual Financial Information

The following table sets forth selected financial information for the periods indicated, extracted from the audited consolidated financial statements for those periods.

In thousands of Cdn \$ except per share	April 30, 2022	April 30, 2021	April 30, 2020
	(12 months)	(12 months)	(12 months)
Revenues	\$11.4	\$0.0	\$1.5
Gross Margin	10.2	0.0	(96.0)
Gross margin percentage	89.8%	(0.00%)	(6400%)
Sales and marketing expenses	127.9	184.8	485.7
General and administrative expenses	784.7	578.6	764.8
Product development expenses	97.3	8.4	547.6
Operations expenses	41.9	53.0	102.3
Net Loss	\$(1,057.6)	\$(773.4)	\$(2,038.0)
Significant non-cash expenses included in above expenses			
Depreciation of PPE	4.0	9.9	14.3
Amortization of intangible assets	0.0	0.0	0.8
Share-based payments	223.2	125.0	155.8
Loss per share - basic and diluted	\$(0.006)	\$(0.005)	\$(0.012)
Total Assets	\$406.7	\$1,565.5	\$224.9
Liabilities			

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Notes Payable	\$148.6	\$45.7	\$122.5
Government assistance	\$22.9	\$26.9	–
Cash used in operating activities	\$(1,417.3)	\$(515.3)	\$(1,102.1)

Review of Results – Year ended April 30, 2022 (“FY 2022”) compared to the Year ended April 30, 2021 (“FY 2021”)

The Company recorded a net loss of \$1,057,599 in FY 2022 compared to a net loss of \$773,447 for FY 2021. The increase in the loss of \$284,152 is attributable to the following:

Revenue in FY 2022 was \$11,369, compared to FY 2021 of \$Nil.

Sales and marketing expenses decreased by \$56,907 to \$127,886 in FY 2022 compared to \$184,793 in FY 2021. The FY 2022 sales and marketing expenses decreased due to a reduction in media relations spending as the Company resources were focused on the Pilot with a major Tier 1 Service Provider and on-shoring silicon development.

General and administrative expenses increased by \$206,019 to \$784,650 in FY 2022 compared to \$578,631 in FY 2021. Stock-based compensation was \$223,219 in FY 2022 compared to \$124,971 in FY 2021. The increase is related to stock options granted in April 2021 and June 2021. Salaries and consulting services were \$249,219 in FY 2022, an increase of \$28,537 from \$220,682 in FY 2021. Professional fees in FY2022 were \$136,573 compared to \$175,672 in FY 2021, a decrease of \$39,099. Public and investor relations in FY 2022 were \$115,867 compared to \$8,175 in FY 2021. Office expense in FY 2022 were \$22,914 compared to \$17,181 in FY 2021. Insurance expense were \$14,089 compared to \$22,391 in FY 2021. Other expenses were \$22,769 in FY 2022 compared to \$9,748 in FY 2021

Product development expenses of \$97,349 were related to salaries of \$82,693, consulting fees of \$10,425, materials of \$1,984, depreciation of \$1,081 and other of \$1,166 in FY 2022, while expenses in FY 2021 were \$8,399, of which \$7,130 were consulting fees and \$1,274 was depreciation expense.

Operations expenses decreased by \$11,046 to \$41,949 in FY 2022 as compared to \$52,995 in FY 2021. The decrease reflects an agreement with the landlord for reduced rent to the end of December 2021 and the first part of 2022.

Interest expenses were \$462 in FY 2022 compared to \$25,677 in FY 2021. The decrease is due to interest-bearing loans being paid off in April 2021. Interest income was \$2,091 in FY 2022 compared to \$325 in FY 2021. The increase was a result of the equity raise in March and April 2021.

The foreign exchange loss for FY 2022 was \$17,599 compared to a gain of \$76,723 in FY 2021. The Company carries approximately \$381,000 in US payables. The swing in exchange rates can quickly create a gain or loss. At the end of April 2021, the exchange rate was \$1.23, on April 30, 2022, it was \$1.2792. The Company does not do any hedging and purchases exchange as required to fulfill obligations.

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Common Shares Outstanding

On April 30, 2022, there were 186,963,263 common shares issued and outstanding, this is the same number of shares 186,963,263 issued and outstanding as of April 30, 2021. On April 30, 2022, a total of 13,985,001 stock options were outstanding, which entitled the holders to acquire the same number of common shares at exercise prices from \$0.05 to \$0.31 per share. As at April 30, 2022, 12,184,995 stock options were exercisable due to vesting provisions (April 30, 2021 – 13,034,165). As of April 30, 2022, there are 29,780,881 warrants outstanding with strike prices that ranged from \$0.20 and to \$0.375 (April 30, 2021 – 37,772,810).

Summary of Quarterly Results

(Amounts are presented in thousands of Canadian dollars except loss per share figures)

Quarter ended	April 30/22	Jan 31/22	Oct 31/21	July 31/21	April 30/21	Jan 31/21	Oct 31/20	July 31/20
Revenues	\$11.4	\$(0.0)	\$4.1	\$(0.0)	\$(0.0)	\$(0.0)	\$(0.0)	\$(0.0)
Revenue percentage increase (decrease) relative to preceding quarter	100%	0.0%	100%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross margin	\$10.2	–	\$3.6	–	–	–	–	–
as a percentage	89.8%	0.0%	87.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Loss	\$(210.5)	\$(280.0)	\$(280.7)	\$(286.4)	\$(270.8)	\$(132.1)	\$(188.6)	\$(181.9)
Loss per share								
-basic and diluted	\$(0.001)	\$(0.001)	\$(0.002)	\$(0.002)	\$(0.002)	\$(0.001)	\$(0.001)	\$(0.001)

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Weighted Average number of common shares	186,693,263	186,693,263	186,693,263	186,693,263	171,061,091	169,738,630	169,738,630	169,738,630
Outstanding								

Related party transactions

Transactions with key management personnel

The Company's compensation program provides total compensation for senior management may include a combination of base salary, objective-based incentives and the same health and insurance benefit programs as provided to all other employees. All directors and officers are eligible to receive stock options. In June 2021, 1,700,000 options were granted to directors, employees and consultants.

In April 2022, a director loaned the Company \$100,000 bearing an interest rate of Bank of Canada rate plus 7% with interest paid quarterly. The loan has a maturity date of April 2023.

Senior management personnel are not entitled to any post-employment benefits other than those available to all employees.

Liquidity

The Company is still considered to be in the development stage as it has not earned substantial revenue from the sale of its products. During the year ended April 30 2022, the Company incurred a loss for the fiscal year of \$1,057,599. For FY 2022 there was a negative cash flow from operating activities of \$1,417,327. There are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The continuation of the Company's operations, including product development and marketing activities, depends on the Company's ability to fund its working capital requirements through either debt or equity financing.

Subsequent events

In August 2022 the Company issued \$716,000 of convertible debentures bearing an interest rate of 10% per annum payable, quarterly in shares or cash at the discretion of management. The debenture is convertible at the election of the holders at any time after the date, which is four months following the date of closing of the offering and before the maturity date. The conversion is priced at \$0.12 per share and one common share purchase warrant entitling the holder to purchase one additional common share of the Company at exercise price of \$0.23 per share for a period of three years after the closing date, subject to an acceleration provision that is triggered at the Company's election if daily weighted average price of Company's shares is over \$0.30 for ten (10) consecutive trading days.

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Subject to TSX Venture Exchange (“**TSXV**”) acceptance, any interest that has accrued on the principal amount outstanding under the Debenture will be payable in Shares at a price per share which equals the higher of the ‘Market Price’ (as that term is defined in the policies of the TSXV) on the date the accrued interest becomes payable or the volume weighted average trading price of the Shares on the TSXV for the 10 consecutive trading days preceding the date the accrued interest becomes payable.

The Note payable to a director, as identified in Note 12 of the consolidated financial statements, was repaid in August.

Financial Instruments and Other Instruments

Refer to Note 22 of the Consolidated Financial Statements for the year ended April 30, 2022.

Risk and Uncertainties

COVID-19 Virus

On March 11, 2020, COVID-19 was declared a global pandemic by the World Health Organization. The impacts on the global economy and financial markets continue and are anticipated to continue for the foreseeable future. The Company has taken and will continue to take action to minimize the impact, particularly with silicon supply lines.

The Residential Wi-Fi market dynamic has changed significantly as the movement to work-from-home (#WFH) expanded rapidly. Device density in the home has increased, and home Wi-Fi networks' performance has declined with the demands of additional devices, work-from-home and homeschooling. While the changing residential Wi-Fi environment plays favourably to the additional capacity and performance of Spectrum Slicing, lab testing, pilots, PoCs and site visits with customers and prospects were limited during the reporting period as testing requires close proximity work.

Market Risk

There are several influences on the market. The economic situation either in specific countries or globally, including government expenditures, monetary policy, capital availability, consumer confidence, or economic activity levels, could worsen, leading to a potential slowdown or reduction in spending on infrastructure equipment. Management also recognizes the need for prudent cash flow management and the need to target qualified sales and marketing activities representing low risk and high return.

Market risk also includes political risk and the uncertainty associated with unstable or changing governments due to political or socio-economic upheaval. The Company is dealing primarily with countries that have demonstrated a high degree of stability and, in most cases, better than typical economic strength.

Competition and competing technologies lead to competitive risks as new technologies and products are developed. Management recognizes the need to invest in research and development to add high-value, differentiated capabilities to expand both the depth and the breadth of the product offering. Management is looking at various acquisition strategies that would enhance the Company's position in product breadth and product features based on market drivers. Management recognizes the need to ensure customer satisfaction through all phases of the

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sales cycle. Management also intends to invest in competitive intelligence and analysis relating to the market dynamics, trends in technology, and competing products as they are introduced into the market.

Operational Risk

Several circumstances could affect a supplier's ability to supply a component, such as financial, political, technical, natural disaster, or just a business decision to no longer supply the particular component. Should this happen and, depending on the nature of the component, the resulting impact could range from identifying a substitute component with little to no redesign effort to the system or subsystem to affecting a redesign of a system or subsystem to accommodate a potential part change.

Additional capital will be required to complete silicon development, replenish inventory and licensing of Intellectual Property (IP).

The Company endeavours to use components that are available from more than one supplier whenever possible. The Company has experience managing obsolescence issues. The Company also has four custom components that are unique and available only to the Company. They are fabricated by a large, multi-national semiconductor company that has multiple fabrication facilities around the world. In this case, these components may only be available from a single supplier at a single location, and lead times for fabrication may vary. Lastly, the Company has engaged with a contract manufacturer responsible for the assembly and distribution of the Company's products. As part of the criteria for selecting a contract manufacturer, the Company made it a requirement for the manufacturer to have more than one site and have operations in more than one country to mitigate the risk of that supplier being unable to manufacture and distribute its products as needed.

Although the Company will endeavour to have suppliers with operations in multiple countries where the Company's product could be built in order to obviate issues related to political and socio-economic changes, failure to develop multiple key suppliers will put the Company at risk that the business failure of a single-source supplier will disrupt its business.

Revenues were impacted by the lack of availability of the Company's silicon solutions. The time to design, develop, produce, and test silicon is a key factor in the monetization for the Company's products. Investment is required to complete these activities.

Management also recognizes that contractual risks may create adverse issues in running the business. Management has engaged experienced contracts experts to help mitigate contractual risk with key customers. The prudent use of export insurance through organizations such as Export Development Canada ("EDC") will help to mitigate contractual and payment risks with key customers.

Particularly in its early years, the Company's revenues will occasionally be derived from a few large customers engaged in network deployments scheduled over extended periods. With such a concentration of revenues, the Company's operating results will depend on its performance and those customers' performance to execute against their deployment plans.

Staffing and Human Resources Risk

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Management has built a core team of professionals experienced in telecommunications and network technology, product development, manufacturing, sales and marketing. The Company has a stock option program, which it believes will provide long-term incentives for key employees, consultants and directors. The Company has also established a compensation committee to ensure that key employees are fairly compensated. The Company is headquartered in Ottawa, Ontario, where there is a substantial high-tech community; however, there is a risk that qualified personnel will not be available or, if available, will be prohibitively expensive. See "Reliance on Key Personnel" below.

Funding is required to recruit, pay and retain key employees.

Financial Risk

Following conservative cash management principles, the Company's standard business terms and conditions make provisions for advance payments on product orders. In cases where extended payment terms are required, shipments are backed by credit insurance facilities from agencies such as the Export Development Corporation whenever possible. Export credit risk insurance is used where appropriate.

Reliance on Strategic Relationships

In conducting its business, the Company relies on continuing existing strategic relationships and forming new ones with other wireless technology industry entities, such as joint venture parties and partners, regulatory agencies, and governmental departments. While the Company has no reason to believe otherwise, there can be no assurance its existing relationships will continue to be maintained or that new relationships will be built. The Company could be materially and adversely affected by changes to such relationships or difficulties forming new ones.

International Risk

The Company continues to pursue international opportunities. Foreign opportunities face additional specific local risks, which may adversely affect the Company. Changes in legal and regulatory requirements (including tariffs and other trade barriers); less favourable intellectual property laws; any loss of key sales personnel could result in a significant loss of sales in that foreign country; changes in local tax rates and other potentially adverse tax consequences (including the cost of repatriation of earnings); collectability of accounts in foreign jurisdictions; and burdens of complying with a wide variety of foreign laws, including changing import and export regulations.

Future growth depends in large part on the ability to increase business in international markets. The development of new markets will require significant management attention and financial resources, including capital, to hire additional personnel.

Protection of the Company's Intellectual Property

The Company's success will depend, in part, on its ability to protect its rights in its intellectual property. The Company will rely on various intellectual property protections, including patents, copyright, trademark and trade

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secret laws and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use its intellectual property without authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as Canada and the United States laws. Furthermore, many key aspects of networking technology are governed by industry-wide standards, freely available to all market entrants. To protect its intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

Product Defects and Liability Claims

The Company is subject to proceedings and claims that may arise in the business's ordinary conduct, which could include product and service warranty claims, which could be substantial. The Company's products are highly complex and sophisticated and could contain design defects or software errors that are difficult to detect and correct. The Company provides product warranties. If its products fail to perform as warranted and fail to resolve product quality or performance issues promptly, sales may be lost and forced to pay damages. Also, because its products are sold and marketed in different countries, the products must meet many different environments' requirements and be compatible with other systems.

Any failure to meet customer requirements could materially affect its business, operating results and financial condition.

The occurrence of product defects and the inability to correct errors could result in the delay or loss of market acceptance of its products, material warranty expense, diversion of engineering and other resources from its product development efforts, and the loss of credibility with its customers, manufacturer's representatives, distributors, value-added resellers, systems integrators, original equipment manufacturers and end-users, any of which could have a material adverse effect on the Company's business, operating results and financial condition.

Substantial Capital Requirements

It is expected that the Company will make substantial capital expenditures in product development, SG&A, production of silicon solutions, marketing and ongoing operations. It may have limited ability to obtain the capital necessary to undertake or complete future research programs. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate purposes. If debt or equity financing is available, it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The Company's inability to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, operating results or prospects.

Additional Requirement for Capital

The Company is likely to remain cash flow negative for some time. There can be no certainty that the Company will sustain profitability or positive cash flow from its operating activities. The future of the Company is dependent upon its ability to raise the required funding. There is no assurance that additional financing will be available on

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terms acceptable to the Company. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its operations. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on the financing and operating activities.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future product development plans, the Company will require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The Company's articles will not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company, which may be dilutive to current Shareholders.

Reliance on Key Personnel

The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate that the Company will have key person insurance in effect for management in the near term. The contributions of these individuals to the immediate operations of the Company are of central importance. In addition, the competition for qualified personnel in the communications industry is intense. There can be no assurance that the Company will be able to continue attracting and retaining all personnel necessary for the development and operation of its business. The ability to raise capital is important to retaining and recruiting personnel. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

Third-Party Credit Risk

The Company may be exposed to third-party credit risk through contractual arrangements with joint venture partners, distributors of its products and other parties. In the event such entities fail to meet their contractual obligations to the Company such failures could have a material adverse effect on the Company and its cash flow from operations. The Company takes every reasonable action to mitigate this risk, including, where appropriate, seeking export insurance.

Income Taxes

The Company will file all required income tax returns and believes that it will be in full compliance with the provisions of the Income Tax Act (Canada) and all applicable provincial tax legislation as well as the tax laws of such other countries as the Company may establish operations in; however, such returns are always subject to reassessment by the applicable taxation authority. A successful reassessment of the Company may have an impact on current

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and future taxes payable.

Governmental and Regulatory Requirements

Certain components of the Company's products may be subject to current or future regulation, including relating to environmental protection; for example, lead solder and wireless solutions. Regulatory agencies may make rulings or adopt new standards with which its solutions may need to be compliant. The timing and nature of these rulings or adoption of new standards may impact future sales to its customers, its ability to conform its solutions and/or to retain its market position. In addition, in the future, the Company may be required to comply with substance bans and product/component take-back requirements that would make the Company responsible for recycling and disposing of certain of its products/components that it has sold

Rapid Technological Change

The markets for the Company's products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction by competitors of products embodying new technology and the emergence of new industry standards can render existing products obsolete and unmarketable and can exert price pressures on existing products. It is critical to the Company's success that it be able to anticipate and react quickly to changes in technology or in industry standards and successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The process of developing new technology is complex and uncertain, and, if the Company fails to accurately predict customers' changing needs and emerging technological trends, its business could be harmed. The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources than currently anticipated in product development and enhancement efforts and result in increased operating expenses.

Influence of Management

As of April 30, 2022, the directors, officers and advisors to the Company owned or controlled approximately 2.4% of the outstanding common shares of the Company. These shareholders may influence the outcome of most corporate actions requiring shareholder approval, including the election of directors of the Company and the approval of certain corporate transactions.

Competition

The markets in which the Company competes are characterized by rapid change, converging technologies, and a migration to networking and communications solutions that offer relative advantages. These market factors represent a competitive threat. The Company competes with numerous vendors in each product category. The overall number of competitors providing niche product solutions may increase. Also, the identity and composition of competitors may change as activity increases in the advanced technology markets and market adjacencies. As

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the Company continues to expand globally, it may be subject to new competition in different geographic regions, in particular, from experienced, price-focused competitors in Asia, especially from China. It is anticipated this competition will continue in the future.

Some competitors compete across many of the same product lines, while others are primarily focused in a specific product area. Barriers to entry are relatively low, and new ventures to create products that do or could compete with the Company's products are regularly formed. In addition, some competitors may have greater resources, including financial, technical and engineering resources. As the Company expands into new markets, it will face competition not only from our existing competitors but also from other competitors, including existing companies with strong technological, marketing, and sales positions in those markets. The Company will also sometimes face competition from resellers and distributors of its own products. Further, companies with whom the Company will have strategic alliances in some areas may be competitors in other areas.

Dividend Policy

Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs. There is currently no intention to pay dividends in the near term.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors, officers, advisors and/or consultants of other companies involved in the telecommunications sector. To the extent that such other companies may participate in ventures which the Company may participate, there exists the possibility for such directors and officers could be in a position of conflict. Such directors and officers have duties and obligations under the laws of Canada to act honestly and in good faith with a view to the best interests of the Company and its shareholders. Accordingly, such directors and officers must declare and abstain from voting on any matter in which such director and/or officer may have a conflict of interest.

Resale of Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues. There can be no assurance that any such revenues can be generated. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the shares of the Company would be diminished.