EDGEWATER WIRELESS SYSTEMS INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2023

(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, 2023, and April 30, 2022. 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 September 8, 2023. 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 unforeseen public health crises,*
- *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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FOR THE YEAR ENDED APRIL 30, 2023

(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

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 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 real-world needs of service providers and their customers. With over 26 granted patents, Edgewater’s in-band multi-channel/link 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. Most importantly, homes with the most devices saw the most significant 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.

Market Opportunity

With over 20 billion devices shipped[1] and annual shipments reaching 4.4 billion[2], Wi-Fi is a ubiquitous technology connecting everything, including smartphones, tablets, and laptops, to countless other devices like cameras and thermostats. Further, according to the latest report from the Wi-Fi Alliance, the Wi-Fi industry is expected to reach almost $4.9 trillion in economic value by 2025.

According to industry analysts, the Wi-Fi Chipset Market is projected to reach US$26.5 billion in 2023 and is estimated to reach US$51.81 billion by 2030, growing at a CAGR of 10.02%[3].

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 (IEEE[4]), 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 paper[5]).

Our market opportunity has three distinct tracks:

The first track is supplying silicon solutions (chips) to the **$12.9 billion Consumer (home) market[6]** where we've made progress with multiple major Tier 1 Service Providers including Liberty Global (NASDAQ: LBTYA) which we've progressed from Proof of Concept to Pilot and commercial engagement and our alliance with CableLabs.

At Edgewater Wireless, we believe, and the marquee feature of the Wi-Fi7 standard further supports, 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.

The second is the **Enterprise Market,** which IDC valued at **$3.35 billion in the fourth quarter 2022**[7]. 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. Our in-band multi-

[1] Source: https://www.ekahau.com/blog/q-and-a-with-aruba-chuck-lukaszewski/
[2] Sources: IDC, Telecom 2021 Study Advisory Services, Wi-Fi Alliance
[3] Source: Research and Markets Wi-Fi Chipset Market Research Report (https://www.researchandmarkets.com/reports/5336316/wi-fi-chipset-market-research-report-by-mimo#product--methodology)
[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, Djamal-Eddine and Ksentini, Adlen IEEE 802.11ac: Effect of Channel Bonding on Spectrum Utilization in Dense Environments (Source: https://ieeexplore.ieee.org/document/7997013)

[7] Source: IDC Worldwide Quarterly WLAN Tracker updates December 2, 2022 (https://www.idc.com/getdoc.jsp?containerId=prUS49944522)

channel/link approach is disrupting the market.

And the third track is the licensing of our groundbreaking Wi-Fi Spectrum Slicing IP and trade secrets to major semiconductor companies.

Industry Trends and Market Conditions

6 GHz Spectrum Allocation: Continued increase in Wi-Fi devices requires more physical capacity

Since the early iterations of the Wi-Fi standard, the spectrum allocated to Wi-Fi was limited to the 2.4 GHz and 5 GHz bands. With the number of wireless devices forecasted to increase, several regulators have moved and are moving to allocate additional spectrum in the 6 GHz band. We are pleased to see the progress in granting 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

Accelerated shift to WiFi7: Embrace of multi-channel/multi-link architecture

In a significant Wi-Fi market disruption, a major silicon vendor unexpectedly abandoned its WiFi6E market push and instead accelerated shipments of their pre-WiFi7 silicon. Other silicon vendors have been forced to expedite their WiFi7 product programs, and multiple residential Wi-Fi tenders are now focusing on WiFi7.

The critical narrative from Service Provider discussions at the Wireless Broadband Alliance Global Congress focused on the accelerated evolution of home Wi-Fi and the rapid shift to the new WiFi7 standard. Driving the accelerated transition to WiFi7 is its flagship feature, MLO, or Multi-Link Operation, an embrace of multi-channel/link architecture and an acknowledgement of the limited real-world benefits of WiFi6/WiFi6E. With MLO, a feature that builds on our CableLabs-backed Dual Channel Wi-Fi™ standard, the more links available, the more enhanced the feature becomes. Edgewater’s Wi-Fi Spectrum Slicing increases the available links within the Wi-Fi spectrum by 8X or more.

Growing Industry Acknowledgements: Legacy, single-channel architecture nearing end of lifecycle

Globally, concerns of service providers, and enterprises, shifted from the pre-COVID narrative of increased burst rate speeds to providing lower latency and better quality of service for all customers. Surprisingly, several major equipment vendors have acknowledged the challenges facing Wi-Fi as device density grows. Specifically, most enterprise Wi-Fi connections are limited to 20 MHz and 40 MHz wide channels. Most residential Wi-Fi connections, as demonstrated in our PoC looking at 6 million devices in 750,000 homes, are limited to 20 MHz and 40 MHz wide channels —- despite the support of 180 MHz wide channels in 802.11AC (WiFi5) since 2014[8].

[8] Source: https://en.wikipedia.org/wiki/IEEE_802.11ac-2013

"…we've been shipping equipment that can do 80 megahertz channels since 2014. And I've published data, Cisco has published data. For us, a little over 90% of our customers in North America are running 20 or 40 MHz channel widths." — Chuck Lukaszewski, VP and Chief Wireless Technologist for Aruba, a Hewlett Packard Enterprise Company.

Why is this important?

When the real-world environment limits connections to narrower channels in most instances, legacy, single-channel architectures are forced to share a single-channel among an ever increasing number of devices. Enabling more narrower channels offer a proven, dramatic way to deliver better performance to add devices. With Spectrum Slicing, we remove the limits faced by legacy, single-channel Wi-Fi architectures. As we have maintained, the impacts of real-world contention and interference on the Wi-Fi protocol are amplified in legacy, single-channel architectures in the home and enterprise. In environments where wide channels are unavailable, we believe, and as shows in the webinar with Liberty Global[9], the most effective way to improve performance is to increase channel density.

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 within a given area. Using advanced signal processing techniques, Spectrum Slicing increase physical (PHY) channels/links in a given area to force multiply application layer features. For example, a packet scheduling feature on a single-channel improves Wi-Fi traffic only on a single channel. With Spectrum Slicing, the same packet scheduling feature would have multiple channels, or links, on which to run, force multiplying in the feature while reducing the impacts of contention and interference. Think of Spectrum Slicing like moving from a single-lane road to a multi-lane highway — regardless of Wi-Fi technology or application.

What are the advantages of Spectrum Slicing?

Our patented technology delivers the highest channel density in the market today and allows devices to utilize the available spectrum fully. More channels mean more available lanes for traffic, and like a multi-lane highway, it allows more devices to pass more traffic more efficiently — resulting in real-world higher aggregate throughput and dramatically lower latency for ALL devices regardless of Wi-Fi generation.

Our Products

Silicon Solutions

At our core, Edgewater is an innovation-driven, fabless semiconductor company developing ground breaking Wi-Fi silicon solutions for residential and enterprise applications.

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[9] Source: Edgewater Wireless webinar featuring Liberty Global, "Unlocking real-world performance in Home Wi-Fi" (https://www.lightreading.com/webinar.asp?webinar_id=2209)

IP Licensing and Technology Transfer

Technology transfer and securing licenses to use our patented Spectrum Slicing approach is one of our key opportunities and -- depending on negotiations and volumes – could result in 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.

Reference Designs and Access Point Solutions

A revolutionary approach to Wi-Fi, Edgewater's Access Point reference designs and solutions deliver groundbreaking features and functionality engineered to deliver next-generation performance for service providers, large enterprises and OEMs/ODMs. The Access Points and reference designs are the first to offer in-band Wi-Fi Spectrum Slicing, powered by Edgewater's silicon solutions. They enable multiple concurrent transmit and receive channels from a single radio, offering more physical (PHY) capacity and industry leading interference mitigation.

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.

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Fiscal Year 2023 Operating Results:

- Net loss for FY 2023 was $799,444 compared to a net loss of $1,057,599 for FY 2022
- Revenue in FY 2023 was $7,574 from sales compared to $11,369 in FY 2022.

Fiscal Year 2023 Activities and Accomplishments:

- May 25, 2023, Edgewater reached a significant milestone, announcing its next-generation of Wi-Fi Spectrum Slicing powered silicon solutions targeting residential, enterprise and prosumer applications. Building on the latest Wi-Fi standard, WiFi7 (802.11BE), Edgewater's groundbreaking platform offers more physical channel capacity than single-channel, legacy Wi-Fi architectures — bringing lower latency and reduced contention for EXISTING and NEW devices. The AI-enabled, dynamic channel width capable platform supports up to 28 concurrent links/channels and is the world's first silicon solution to couple the performance of WiFi7 with the proven robustness and flexibility of Wi-Fi Spectrum Slicing.
- On April 25, 2023, Edgewater Wireless completed submissions a new patent application to the U.S. Patent and Trademark Office titled: "Method and Apparatus for In-Band Multi-channel Determination and Utilization". The new patent application further solidities Edgewater's leadership position in multi-link Wi-Fi and wireless innovation, which is essential in delivering a higher quality of service and lower latency for all modern and legacy wireless devices. The culmination of many years of customer-driven, extensive real-world research and development, the Company leveraged the Industry Research Assistance Program funded by the National Research Council of Canada to identify and further IP licensing opportunities.
- On March 7, 2023, Liberty Global (NASDAQ: LBTYA) joined Edgewater Wireless on a Light Reading hosted webinar titled "Unlocking Real-World Performance in Home Wi-Fi". A significant milestone for the Company, the webinar has generated commercial momentum from additional major Tier 1 Service Providers facing identical Wi-Fi challenges.
- The Annual General Meeting took place on November 22, 2022, and shareholders approved all matters unanimously.

On March 7, 2023, Liberty Global (NASDAQ: LBTYA) joined Edgewater Wireless on a Light Reading hosted webinar titled: Unlocking Real-World Performance in Home Wi-Fi

> Data shared by Liberty Global highlighted the limitations of ALL single-channel Wi-Fi, up to and including WiFi7, in what was, arguably, one of the most extensive analyses of residential Wi-Fi to date. With over 6 million devices from approximately 750,000 homes, the data showed the vast majority of devices are unable to take advantage of wider channels due to contention and interference. PoC data showed a 7 to 18 times performance gain in 75% of homes. Thoroughly tested by Liberty Global in a world-class, independent test house, Edgewater's 'beta' silicon solutions mirrored the PoC results *plus* demonstrated a 50% reduction in latency. Liberty Global's endorsement marks a significant and meaningful milestone for Edgewater Wireless and highlights the universal nature of the challenges our patented approach, Wi-Fi Spectrum Slicing, solves — without having to replace ALL end devices or exist in a faraday chamber. With the highly recognized and respected Liberty Global presenting, the webinar has generated considerable commercial momentum as multiple Tier 1 Service Providers struggle to address the universal challenges of density and interference in Wi-Fi.

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 work directly with the OEMs to broaden our funnel (OEMs work with several customers, from service providers to branded gear manufacturers like Cisco). Edgewater is establishing a framework to include its products in gateways, mesh nodes, access points and Wi-Fi software solution vendors in the market today.

Corporate Developments

During the reporting period, the Company leveraged the Industry Research Assistance Program funded by the National Research Council of Canada to identify and further IP licensing opportunities.

On September 1, 2022 the Company achieved closing of subscription agreements for $716,000 non-secured Convertible Debentures which mature on September 1, 2025. The Convertible Debentures bear interest annual interest at 10% payable quarterly, in shares or cash, at the discretion of management. If the Company elects to pay in shares, the interest payments in shares are based on the price per share which equals the higher of (i) the market price on the date the interest becomes payable or (ii) the volume weighted average trading price of the Company's shares for ten (10) consecutive trading days preceding the date the interest becomes payable. The principal of the debenture is convertible, as described below, into Units which represent one Common Share and one Warrant to purchase one Common Shares at an exercise price of $0.23. The Company can elect to accelerate expiry of the Warrant if the volume weighted average trading price of the Company's shares exceeds $0.30 for ten consecutive trading days. The principal is convertible to Units at the option of the holders at any time after January 1, 2023 and at the option of the Company at any time after September 1, 2023 at $0.12 per Unit. The Company has the option to prepay the debenture and accrued but unpaid interest at any time after September 1, 2023.

The Company announced its shareholders approved an updated version of the Employee Stock Option Plan, which addressed changes prescribed by the Ontario Securities Commission, at the annual general meeting of shareholders held on November 22, 2022. There were no material changes to the plan. Shareholders also approved (i) setting the number of directors at three for the ensuing year; (ii) the election of Andrew Skafel, Brian Imrie and Ralph Garcea as directors of the Company; and (iii) the re-appointment of KPMG LLP as auditor of the Company for the ensuing year.

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.

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 the reporting period, the Company announced a key addition to its Intellectual Property (IP) Monetization team. The company has retained Dr. Nima Ahmadvand, a highly regarded wireless industry Intellectual Property expertly, to explore multiple paths to IP monetization, including IP licensing, enforcement and building a robust technology transfer program. An expert in wireless communications, optical networking, digital signal processing and other electrical, computer and telecommunications technologies, Dr Ahmadvand brings extensive experience managing and developing patent portfolios as SVP and CTO at the leading global patent licensing firm Conversant Intellectual Property Management Inc. (currently knowns as MOSIAD Technologies Inc.). Before Conversant, Dr. Ahmadvand was Vice President of Research and Development at Peleton Photonic Systems. Previously, he was a senior member of Nortel Networks' Advanced Wireless Access Group, where he designed 3G wireless and cellular telecommunications systems.

Industry Forums and Speaking Engagements:

Highlights of events include:

1. March 7, 2023: Edgewater Wireless and Liberty Global featured on a Light Reading Webinar: Unlocking Real-World Performance in Home Wi-Fi
   Edgewater's CEO, Andrew Skafel, and Richard Squire, Director of Connectivity Strategy at Liberty Global, joined Simon Stanley, Analyst at Large, on a Light Reading webinar revealing the results of a year-long study into home Wi-Fi performance and the effects of increasing channel/link density in the home. An archive of the webinar can be found here (https://www.lightreading.com/webinar.asp?webinar_id=2209).
2. December 22, 2022: Light Reading Podcast
   Edgewater's CEO, Andrew Skafel, joined Light Reading host and Senior Editor Jeff Baumgartner to update listeners on the Company's patented Spectrum Slicing technology's ability to reduce contention and create efficiencies. Efficiencies of Spectrum Slicing have been shown to improve Wi-Fi performance by 7 to 18 times over legacy single-channel Wi-Fi architectures. Skafel noted that the Company's focus for the upcoming year is on launching its new WiFi7 Spectrum Slicing platform in conjunction with integrating the silicon into a major Tier 1 operator's next-generation residential gateways.
3. November 1, 2022: FutureCreators TV
   Edgewater's CEO, Andrew Skafel, joined a panel of industry experts and futurists to discuss the Company's disruptive approach to providing Wi-Fi networks with the frequency flexibility to increase capacity and performance massively.
4. October 17-20, 2022: Wireless Broadband Alliance (WBA) Global Congress
   Joining industry leaders and innovators at the WBA Global Congress (Amsterdam), Edgewater offered a preview of the Company's patented WiFi7 Spectrum Slicing solutions engineered for residential Wi-Fi applications.
5. September 19-22, 2022: SCTE Cable-Tec Expo
   Edgewater previewed to select industry leaders the powerful potential of the Company's multi-link silicon solutions and its opportunity to meet the needs of the emerging Wi-Fi 7 standard and its hallmark feature, Multi-Link Operation (MLO).
6. September 15, 2022: Sequire Semiconductor Conference
   A one-day virtual event, Andrew Skafel, President and CEO of Edgewater, presented along side experts in manufacturing, engineering, as well as equipment and materials supply to the booming $600 billion industry.
7. 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.
8. 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.

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. May 26, 2023: Edgewater Wireless launches MLX488 WiFi7 Spectrum Slicing platform
2. May 25, 2023: Edgewater Wireless Launches WiFi7 Spectrum Slicing Platform
3. April 25, 2023: Edgewater Wireless Bolsters Patent Portfolio with Latest Innovations
4. March 24, 2023: Edgewater Announces Exchange Approval of Warrant Extension
5. March 16, 2023: Edgewater Announces Proposed Warrant Extension
6. March 7, 2023: Edgewater Wireless and Liberty Global featured on Light Reading Webinar: Unlocking Real-world Performance in Home Wi-Fi
7. February 24, 2023: Edgewater Wireless and a major Tier 1 Service Provider to be Featured on Light Reading Webinar: Unlocking Real-World Performance in Home Wi-Fi
8. February 7, 2023: Edgewater Wireless Provides 2023 Corporate and Strategic Update
9. December 22, 2022: Edgewater Wireless Featured on Light Reading Podcast
10. December 20, 2022: Edgewater Wireless Announces Second Quarter 2023 Financial Results
11. December 16, 2022: Edgewater Wireless Announces Completion of Payment of Debenture Interest
12. December 6, 2022: Edgewater Announces Payment of Debenture Interest
13. November 24, 2022: Edgewater Wireless Announces Shareholder Approval of Amended Stock Option Plan, Results of AMG and Stock Option Grant
14. November 16, 2022: Edgewater Wireless Featured on Computer America
15. November 1, 2022: Edgewater Wireless to Appear on FutureCreators TV
16. October 13, 2022: Edgewater Wireless to join Wi-Fi Industry Leaders and Innovators at Wireless Global Congress 2022
17. September 26, 2022: Edgewater Wireless Announces First Quarter 2023 Financial Results
18. September 16, 2022: Edgewater to Preview Its Next Gen Wi-Fi 7 Silicon Solutions at SCTE Cable-Tec Expo 2022
19. September 13, 2022: Edgewater Wireless to Present at Sequire Semiconductor Conference on September 15th, 2022
20. September 1, 2022: Edgewater Wireless Closes First Tranche of Convertible Debenture Financing
21. August 29, 2022: Edgewater Wireless Announces Fiscal Year 2022 Financial Results
22. August 11, 2022: Edgewater Wireless Expands Intellectual Property Monetization Initiatives
23. August 4, 2022: Edgewater Wireless Announces Management and Director Lead Private Placement of up to $1 Million of Convertible Debenture
24. July 26, 2022: Edgewater Wireless Provides Corporate and Strategic Update
25. June 30, 2022: U.S. Patent and Trademark Office Awards Patent to Edgewater Wireless
26. May 19, 2022: Edgewater Wireless joins Canada's Largest Technology Park
27. May 17, 2022: Edgewater Wireless to be Featured on Radius Research's Pitch, Deep Dive and Q&A Webinar

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

Our Vision is to make Wi-Fi better. For everyone and every device.

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, 2023**	**April 30, 2022**	**April 30, 2021**
	(12 months)	(12 months)	(12 months)
Revenues	$7.6	$11.4	$0.0
Gross Margin	7.0	10.2	0.0
Gross margin percentage	**92.1%**	**89.8%**	**(0.00%)**
Sales and marketing expenses	113.1	127.9	184.8
General and administrative expenses	725.7	784.7	578.6
Product development expenses	28.3	97.3	8.4
Operations expenses	49.9	41.9	53.0
Net Loss	$(799.4)	$(1,057.6)	$(773.4)
Significant non-cash expenses included in above expenses			
Depreciation of PPE and right-of use assets	18.4	4.0	9.9
Amortization of intangible assets	0.0	0.0	0.0
Share-based payments	108.3	223.2	125.0
Loss per share - basic and diluted	$(0.004)	$(0.006)	$(0.005)
Total Assets	$323.4	$406.7	$1,565.5

In thousands of Cdn $ except per share	**April 30, 2023**	**April 30, 2022**	**April 30, 2021**
Liabilities			
Accounts payable & accrued liabilities	$1,696.4	$1,540.6	$2,015.3
Deferred revenue	$252.1	$252.1	$252.1
Lease obligation	$36.7	$51.4	-
Notes payable	$49.8	$148.6	$45.7
Deferred government assistance	$22.9	$22.9	$22.9
Convertible debentures	$359.3	-	-
Total Liabilities	$2,417.3	$2,015.6	$2,340.0
Cash used in operating activities	$(680.0)	$(1,417.3)	$(515.3)

Review of Results – Year ended April 30, 2023 ("FY 2023") compared to the Year ended April 30, 2022 ("FY 2022")

The balance sheet changes in FY 2023 saw large changes in the following areas. Current assets decreased $65,403 from $352,602 in FY2022 to $287,199 in FY2023. Cash balances decreased by $86,488 as these funds, along with funds raised by way of a convertible debenture were used to cover operational expenditures. Liabilities for the Company increased by $401,712 to $2,417,283 in FY 2023 compared to $2,015,571 in FY 2022, Accounts payable and accrued liabilities saw an increase of $155,855 to $1,696,417 as accruals for year-end expenses were higher than in the prior year. The largest increase in liabilities was the recognition of convertible debenture at $359,313. Share capital increased by $30,327 mainly due to shares issued for interest payments from the convertible debenture. There was increase in contributed surplus of $337,442 to $8,218,551. This increase came from the capital contribution from the convertible debenture, $177,786, expired warrants, $51,371 and stock compensation of $108,285.

The Company's income statement recorded a net loss of $799,444 in FY 2023 compared to a net loss of $1,057,599 for FY 2022. The decrease in the loss of $24,208 is attributable to the following:

Revenue in FY 2023 was $7,574, compared to FY 2022 of $11,369.

Sales and marketing expenses decreased by $14,813 to $113,073 in FY 2023 compared to $127,886 in FY 2022. The FY 2023 sales and marketing expenses decreased due to a focused effort on a targeted Tier 1 customer.

General and administrative expenses decreased by $59,018 to $725,632 in FY 2023 compared to $784,650 in FY 2022. Stock-based compensation was $108,285 in FY 2023 compared to $223,219 in FY 2022. The decrease can be attributed to the timing of the options in FY 2023, as they were granted in November 2022 compared to options granted in April 2021 and June 2021. Salaries and consulting services were $262,311 in FY 2023, an increase of $13,092 from $249,219 in FY 2022. The increase was in consulting fees for work performed on securing intellectual properties. Professional fees in FY2023 were $178,891 compared to $136,573 in FY 2022, an increase of $42,318. The fees reflected the work on the consultation of issuing a debenture along with increase accounting fees. Public and investor relations in FY 2023 were $97,200 compared to $115,867 in FY 2022. Level of activity in this area decreased during the year. Office expense in FY 2023 were $8,192 compared to $22,914 in FY 2022. Insurance expense was $12,042 compared to $14,089 in FY 2022. Other expenses were $54,298 in FY 2023 compared to $22,769 in FY 2022. The increase is attributed to travel expense in FY2023 of $40,108 compared to $7,082 in FY 2022.

Product development expenses of $28,260 were related to salaries of $21,406, consulting fees of $4,557, materials of $2,168, depreciation of $129 in FY 2023, while expenses in FY 2022 were $97,349, These expenses related to salaries of $82,693, consulting fees of $10,425, materials of $1,984, depreciation of $1,081 and other expenses of $1,166 in FY 2022. The overall decrease in product development was attributed to the change in focus during the year to strengthen the intellectual property folio.

Operations expenses increased by $7,910 to $49,859 in FY 2023 as compared to $41,949 in FY 2022. The increase reflects the lease obligation in the first year of a three year lease for premised in comparison to short term for premises which expired at the end of FY2022.

The Convertible Debentures issued on September 1, 2022 are hybrid financial instruments and were elected to be recognized at fair value through profit and loss. Since the Convertible Debentures were entered into with non-arm‘s length related parties, the difference between the fair value at inception and the proceeds received from the Convertible Debentures was recognized as a capital contribution and included in contributed surplus. The fair value recognition in the financial statements is $143,396 while $177,786 was attributed to contributed surplus.

Interest expenses were $9,569 in FY 2023 compared to $462 in FY 2022. The increase is the interest costs were related to debt service costs on a note payable and the office lease. Interest income was $7,122 in FY 2023 compared to $2,091 in FY 2022. The rising interest rates on deposited have to increase interest income.

The foreign exchange loss for FY 2023 was $30,586 compared to a loss of $17,599 in FY 2022. The Company carries approximately $398,000 in US payables. The swing in exchange rates can quickly create a gain or loss. At the end of April 2022, the exchange rate was $1.2792, on April 28, 2023, it was $1.3522. The Company does not do any hedging and purchases exchange as required to fulfill obligations.

Common Shares Outstanding

On April 30, 2023, there were 187,566,114 common shares issued and outstanding, 186,963,263 issued and outstanding as of April 30, 2022. On April 30, 2023, a total of 15,455,001 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, 2023, 13,923,197 stock options were exercisable due to vesting provisions (April 30, 2022 – 12,184,955). As of April 30, 2023, there are 29,225,029 warrants outstanding with strike prices that ranged from $0.23 and to $0.24 (April 30, 2022 – 29,780,881).

Review of Results for the Q4 FY2023 ending April 30, 2023

- The company recognizes revenue of $5,778 from a repeat customer during the quarter.
- Overall loss for the quarter was $153,659.
- The company issued a second tranche of 327,937 shares for interest payment, of $17,655, on the outstanding debenture.

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

Quarter ended	**Apr 30/23**	**Jan 31/23 (adjusted)**	**Oct 31/22 (adjusted)**	**July 31/22**	**April 30/22**	**Jan 31/22**	**Oct 31/21**	**July 31/21**
Revenues	$7.6	$(0.0)	$1.8	$(0.0)	$11.4	$(0.0)	$4.1	$(0.0)
Revenue percentage increase (decrease) relative to preceding quarter	100%	(100%)	100%	(100%)	100%	0.0%	100%	0.0%
Gross margin	$7.0	–	$1.8	–	$10.2	–	$3.6	–
as a percentage	92.1%	0.0%	100%	0.0%	89.8%	0.0%	87.8%	0.0%
Net Loss[1]	$(153.6)	$(341.9)	$(122.7)	$(181.2)	$(210.5)	$(280.0)	$(280.7)	$(286.4)
Loss per share -basic and diluted	$(0.001)	$(0.001)	$(0.001)	$(0.001)	$(0.001)	$(0.001)	$(0.002)	$(0.002)
Weighted Average number of common shares outstanding	187,409,605	187,111,815	186,693,263	186,693,263	186,693,263	186,693,263	186,693,263	186,693.263

(1) Adjustment to previously issued interim financial information

On September 1, 2022 the Company issued convertible debentures which are a hybrid financial instrument, were elected to be recognized at fair value through profit and loss. Due to the requirements to account for the revaluation of the convertible debentures adjustments were made to the net loss for the Q2 and Q3 fiscal periods. For Q2 FY 2023, the net loss decreased from $226,000 to $122,700 a change of $103,300. In Q3 FY 2023 the net loss was increased to $341,900 from $288,100, an increase of $53,800.

Related party transactions

In the current year, the Company entered into Convertible Debentures with related parties including certain directors and shareholders. See Note 13 for details of the Convertible Debentures.

Transactions with key management personnel and directors

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 November 2022, 1,540,000 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. The loan was repaid in August 2022.

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 2023, the Company incurred a loss for the fiscal year of $799,444, for FY 2023 there was a negative cash flow from operating activities of $679,980. To accommodate interest payments on the convertible debenture, the Company has elected to pay interest in shares. 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

There are no subsequent events known at the time the financial statements were released.

Financial Instruments and Other Instruments

Refer to Note 24 of the Consolidated Financial Statements for the year ended April 30, 2023.

Risk and Uncertainties

Global Health Crisis

Unforeseen global health crises, such as COVID-19, could impact the global economy and financial markets, negatively affecting the Company's ability to raise capital and would affect the global silicon supply lines. The Company will continue to take action to minimize the potential impacts of such disruptions, particularly by taking efforts to on-shore silicon supply lines.

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 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

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.

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.

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 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 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.

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 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, 2023, the directors, officers and advisors to the Company owned or controlled approximately 2.5% 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 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.