EDGEWATER WIRELESS SYSTEMS INC.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2024

(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

The following interim management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Edgewater Wireless Systems Inc. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended October 31, 2024 and 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and six months ended October 31, 2024 and 2023, a well as the audited annual consolidated financial statements for the years ended April 30, 2024 and 2023, together with the notes thereto. The Company's financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. 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 December 30, 2024. Additional information about the Company is available on SEDAR+ at *www.sedarplus.ca*.

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:

- *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.*

Corporate Structure

Headquartered at 11 Hines Road, Suite 202, Kanata, Ontario, Canada, Edgewater Wireless Systems Inc. (the "Company" or "Edgewater") is a development stage company with representation in the USA and Europe. The Company's shares trade on the TSX Venture Exchange under the symbol YFI and on the OTC Pink Sheets under the symbol KPIFF.

Description of the Business

We make Wi-Fi. Better.

At our core, Edgewater Wireless is an innovation-driven, fabless semiconductor company developing groundbreaking Wi-Fi silicon solutions, based on proprietary Spectrum Slicing technology, for residential and enterprise applications.

Edgewater develops 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. More importantly, homes with multiple 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 grow or congestion and interference increase, single-channel Wi-Fi struggles to provide the essential connectivity we rely on (IEEE paper[5]).

> 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.

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.

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-channel/link approach is disrupting the market.

---

[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)

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 160 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 groundbreaking Wi-Fi silicon solutions for residential and enterprise applications.

[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.

Fiscal Year Q2 2025 Operating Results:

- Net loss for Q2 2025 was $274,268 compared to a net loss of $428,326 for Q2 2024.

Fiscal Year Q2 2025 Activities and Accomplishments:

Corporate Developments

On October 28, 2024, the Company settled its obligation to pay an aggregate of $18,047.12 in interest as of June 1, 2024, and $18,047.12 in interest as of September 1, 2024 to the holders of its unsecured debentures issued September 1, 2022 (the "**Debentures**") through the issuance of an aggregate of 360,936 and 360,936 common shares of the Company at a deemed price of $0.05 per share (the "**Shares**"). The Shares are issued in full satisfaction of the June 1, 2024, and September 1, 2024, interest payment obligation in accordance with the terms of the Debentures. The TSX Venture Exchange has approved the debt settlement.

On September 9, 2024, the Company announced that its shareholders have approved its proposed 20% fixed stock option plan (the "**New Plan**") at the annual general meeting of shareholders held on September 5, 2024. Shareholders also approved: (i) setting the number of directors at four for the ensuing year; (ii) the election of Andrew Skafel, Brian Imrie, Ralph Garcea, and James (Jim) Skippen as directors of the Company, and (iii) the appointment of MS Partners LLP as auditor of the Company for the ensuing year. Shareholders holding 57,852,561 common shares of the Company (29.32% of the Company's issued and outstanding common shares) voted their shares at the meeting.

On August 29, 2024, the Company reached a significant silicon production milestone and commenced a shift to a North American packaging facility. Leveraging the broader Canadian silicon ecosystem, the Company has established a secure, on-shore supply line for its advanced Wi-Fi Spectrum Slicing silicon solutions. Initial Canadian packaging efforts will focus on the Company's advanced Wi-Fi RF Front Ends for use in residential, enterprise and Industrial Internet of Things ("IIoT") applications globally. Commencing in September 2024, the packaging initiative represents a significant step in bringing engineering samples to market and puts the Company on track to deliver within the next calendar year.

On August 15, 2024, the Company responded to the unauthorized Avon River Ventures LLC news release summarizing a third-party valuation report. The Avon River press release summarized Edgewater's valuation and IP asset portfolio and valued the Company between US$90M to US$180M. While pleased with the results, the Company has not received the final proprietary report and cannot comment on the details. The press release can be found here.

On August 6, 2024, the Company announced the nomination of Jim Skippen to the Board of Directors. The former CEO of WiLAN and one of the world's leading Intellectual Property strategists, Jim was appointed to the Board of Directors at the Company's Annual General Meeting on September 9, 2024.

Press Releases:

For the reporting period, and subsequently, the Company's press releases 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. December 16, 2024: Edgewater Announces Increase in Private Placement
2. December 13, 2024: Edgewater Announces Upsize of Private Placement
3. December 6, 2024: Edgewater Announces $1.1M Private Placement
4. November 19, 2024: Edgewater Wireless Joins Arm Flexible Access Program, Accelerating Innovation in Next-Generation Wi-Fi
5. November 12, 2024: Edgewater Wireless Secures Backing of Renowned Incubator + Accelerator Silicon Catalyst
6. October 28, 2024: Edgewater Wireless Announces Completion of Payments of Debenture Interest
7. September 9, 2024: Edgewater Announces Results of AGM and Shareholder Approval of Fixed Stock Option Plan
8. August 29, 2024: Edgewater Wireless Reaches Silicon Production Milestone: Silicon ready, Edgewater to commence North American packaging initiative
9. August 15, 2024: Edgewater Wireless Provides Commentary on Avon River Ventures LLC Valuation Report Press Release
10. August 6, 2024: Edgewater Wireless to Nominate Jim Skippen to the Board of Directors

Additional information can be found at www.edgewaterwireless.com/.

Review of Results – Six Months Ended October 31, 2024 ("Q2 2025") compared to the Six Months Ended October 31, 2023 ("Q2 2024")

The balance sheet changes in Q2 2025 saw significant changes in the following areas. Current assets decreased $90,338 from $267,134 in FY 2024 to $176,796 in Q2 2025. Cash decreased by $100,753 mainly as a result of cash used in operations during Q2 2025. Current liabilities increased by $227,692 to $1,921,977 in Q2 2025 compared to $1,694,285 in FY 2024. Accounts payable and accrued liabilities saw an increase of $187,407 to $1,597,347 due to increase in trade accounts payable and accruals, as well as accrued salaries in Q2 2025. Current portion of convertible debentures increased by $48,060 due to interest accrued on convertible debentures. Non-current portion of convertible debentures increased by $58,564 due to fair value adjustment as at October 31, 2024. Share capital increased by $17,851 due to shares issued for interest payments on the convertible debenture in Q2 2025. There was an increase in contributed surplus of $89,049 to due to share-based payments in Q2 2025.

The Company's income statement recorded a net loss of $492,410 in Q2 2025 compared to a net loss of $428,326 for Q2 2024. The increase in the loss of $64,084 is attributable to the following:

Revenue in Q2 2025 was $nil, compared to $13,354 in Q2 2024. Decreased revenues were attributed to select sales of Wi-Fi Spectrum Slicing access point solutions and reference designs to key partners for commercial pilots in Q2 2024.

Sales and marketing expenses decreased by $41,691 to $407 in Q2 2025 compared to $42,098 in Q2 2024. The Q2 2025 sales and marketing expenses decreased due to decreased in activities in Q2 2025.

General and administrative expenses decreased by $63,225 to $326,148 in Q2 2025 compared to $389,373 in Q2 2024. Stock-based compensation was $89,049 in Q2 2025 compared to $23,547 in Q2 2024. Share based payments will vary from period to period depending upon the number of stock options granted and vested during a period, and the fair value of the options as at the grant date. Salaries and consulting services were $98,619, a decrease of $66,435 from $165,054 in Q2 2024. Professional fees in Q2 2025 were $109,653 compared to $172,470 in Q2 2024, a decrease of $62,817. The lower fees in Q2 2024 is mainly due to increase in accounting fees and legal fees. Public and investor relations in Q2 2025 were $7,357 compared to $43,750 in Q2 2024. Level of activity in this area decreased during the current period. Office expense in Q2 2025 were $5,388 compared to $5,347 in Q2 2024. Insurance expense was $12,517 in Q2 2025 compared to $14,717 in Q2 2024. Travel expenses were $587 in Q2 2025 compared to $1,923 in Q2 2024.

Product development expenses of $974 were related to consulting fees of $960 and depreciation of $14 in Q2 2025, while expenses of $9,960 in Q2 2024 were related to salaries of $6,971, consulting fees of $2,940, and depreciation of $49. The overall decrease in product development was attributed to a focus in intellectual property development for the prior period.

Operations expenses decreased by $10,357 to $33,801 in Q2 2025 as compared to $23,444 in Q2 2024. Operations expenses mainly relates to the lease obligation of its office lease.

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. The change in fair value of convertible debentures was $58,564 in Q2 2025 compared to $(38,394) in Q2 2024.

The foreign exchange loss for Q2 2025 was $3,871 compared $11,623 in Q2 2024. This was mainly due to foreign exchange adjustment on US payables. The Company does not do any hedging and purchases exchange as required to fulfill obligations.

Interest expense increased by $66,768 to $69,372 in Q2 2025 compared to $2,604 in Q2 2024. This was mainly due to interest accrued on convertible debentures.

Common Shares Outstanding

On October 31, 2024, there were 197,305,907 (April 30, 2024 - 196,948,891) common shares issued and outstanding. On October 31, 2024, a total of 19,695,001 (April 30, 2024 - 15,645,001) 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 (April 30, 2024 - $0.05 to $0.31) per share. As of October 31, 2024, 14,600,401 (April 30, 2024 - 13,163,901) stock options were exercisable due to vesting provisions. As of October 31, 2024, there are 25,635,133 (April 30, 2024 - 25,635,133) warrants outstanding with strike prices that ranged from $0.10 to $0.23 (April 30, 2024 - $0.10 to $0.23).

Review of Results for the Q2 FY2025 ending October 31, 2024

- The Company reported no revenues in the quarter.
- Net loss for the quarter was $274,268.

Summary of Quarterly Results

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

Quarter ended	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Revenues	$(0.0)	$(0.0)	$(0.0)	$(0.0)
Revenue percentage increase (decrease) relative to preceding quarter	0.0%	0.0%	0.0%	0.0%
Gross margin	-	-	-	$(0.2)
Gross margin percentage	0.0%	0.0%	0.0%	100.0%
Net Income (loss)	$(274.3)	$(218.1)	$431.0	$(93.4)
Income (loss) per share - basic and diluted	$(0.001)	$(0.001)	$0.002	$(0.003)
Weighted average number of common shares outstanding	197,305,907	197,162,324	196,804,447	190,908,589

(IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

Quarter ended	**October 31, 2023**	**July 31, 2023**	**April 30, 2023**	**January 31, 2023 (adjusted)**
Revenues	$(0.0)	$13.4	$7.6	$(0.0)
Revenue percentage increase (decrease) relative to preceding quarter	0.0%	76.3%	100%	(100%)
Gross margin	-	$12.3	$7.0	_
Gross margin percentage	0.0%	91.8%	92.1%	0.0%
Net Loss[1]	$(338.5)	$(89.8)	$(153.6)	$(341.9)
Loss per share - basic and diluted	$(0.002)	$(0.0005)	$(0.001)	$(0.001)
Weighted Average number of common shares outstanding	187,979,401	187,762,640	187,409,605	187,111,815

(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 Q3 FY 2024. For Q3 FY 2024, the net loss was increased to $341,900 from $288,100, an increase of $53,800.

Related party transactions

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.

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 six months ended October 31, 2024, the Company incurred a loss of $433,846 and a negative cash flow from operating activities of $88,572. 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

On December 6, 2024, the Company announced a non-brokered private placement of up to 22,000,000 units (“**Units**”) at a price of $0.05 per Unit for gross proceeds of up to $1,100,000 (the “**Offering**”). Each Unit will consist of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company at an exercise price of $0.08 per share for a period of two years from the closing date. Subsequently, on December 13, 2024, and December 16, 2024, the private placement was increased to $1,800,000 and $1,950,000.

On November 19, 2024, the Company joined the Arm® **(NASDAQ: ARM)** Flexible Access program. Arm is the company building the future of computing, with the highest performing and most power-efficient compute platform. Achieving a significant milestone, Edgewater’s next-generation Wi-Fi Spectrum Slicing solutions will take advantage of the Arm compute platform to deliver unprecedented benefits to consumers, enterprises and service providers relying on Wi-Fi networks for high-speed, low-latency connectivity.

By joining the Arm Flexible Access program, Edgewater has secured unlimited design access to a broad technology portfolio, including proven IP blocks and AI modules, dramatically reducing time to market and de-risking new features and functionality development. More importantly, the Arm Flexible Access engagement model eliminates the up-front, per-component licensing fees typical in the IP industry and enables more freedom to experiment, evaluate and innovate — the core principles of Edgewater Wireless. With this flexibility, Edgewater can explore and experiment with multiple IP options to optimize its Wi-Fi Spectrum Slicing technology, ensuring the best performance, energy efficiency, and cost-effectiveness.

On November 12, 2024, the Company announced that the world-renowned Silicon Catalyst has selected Edgewater to join their Semiconductor Incubator + Accelerator program. Joining Silicon Catalyst represents a pivotal moment for Edgewater Wireless. Engaging with over 1,200 semiconductor startups worldwide, Silicon Catalyst has admitted only 100 companies to their 24-month customized incubation and acceleration program since 2015. Edgewater is honoured to be selected as one of the six incoming companies. As part of the consideration for providing the services, the Company will grant 18,812,639 warrants, exercisable into one common share at a price of $0.05 per share for a period of 5 years from the date of issuance. The consideration is subject to the receipt of all required corporate and regulatory approvals, including the TSX Venture Exchange ("TSXV").

Financial Instruments and Other Instruments

Refer to Note 20 of the Consolidated Financial Statements for the year ended April 30, 2024.

Recent Accounting Pronouncements

New accounting standards and interpretations

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company has adopted the following policy effective May 1, 2024.

IAS 1, Presentation of Financial Statements ("IAS 1")

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024. There was no significant impact to the Company.

Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

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 a 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 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.

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 considering 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.