



Edgewater Wireless Systems Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2025 AND 2024

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Edgewater Wireless Systems Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at October 31, 2025	As at April 30, 2025
ASSETS		
Current assets		
Cash	\$ 211,178	\$ 1,143,967
Amounts receivable (note 5)	198,597	49,824
Prepaid expenses	147,552	155,458
Deposit	3,925	3,925
Total current assets	561,252	1,353,174
Non-current assets		
Property and equipment (note 6)	838	1,026
Right-of-use asset (note 7)	7,548	14,018
Total assets	\$ 569,638	\$ 1,368,218
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 & 12)	\$ 799,715	1,057,372
Deferred revenue	252,119	252,119
Lease liability (note 9)	7,829	12,858
Notes and loan payable (note 10)	13,747	13,337
Convertible debentures (note 11)	83,971	406,424
Total current liabilities	1,157,381	1,742,110
Non-current liabilities		
Lease liability (note 9)	-	1,160
Loan payable (note 10)	59,984	60,000
Convertible debentures (note 11)	360,294	-
Total liabilities	1,577,659	1,803,270
Shareholders' deficiency		
Share capital (note 13)	37,510,271	37,506,947
Warrants (note 13)	2,202,033	2,202,033
Contributed surplus (note 13)	9,575,591	9,528,241
Deficit	(50,295,916)	(49,672,273)
Total shareholders' deficiency	(1,008,021)	(435,052)
Total liabilities and shareholders' deficiency	\$ 569,638	\$ 1,368,218

Going concern (note 1)

Contingencies (note 18)

Subsequent events (note 19)

Approved on behalf of the Board on December 22, 2025

(Signed) "Brian C. Imrie"

Director

(Signed) "Ralph Garcea"

Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Edgewater Wireless Systems Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	2024	2025	2024
Operating expenses (note 16)				
Sales and marketing	16,757	102	38,464	407
General and administrative (notes 12 & 16)	180,856	162,735	448,316	326,148
Product development	148,376	(14)	216,489	974
Operations	1,919	30,603	4,375	33,801
Loss from operations before noted	347,908	193,426	707,644	361,330
Change in fair value of convertible debentures (note 11)	(103,654)	58,564	(45,185)	58,564
Interest expense (notes 9, 10 & 11)	19,790	20,063	39,024	69,372
Finance income	(1,843)	(157)	(5,887)	(727)
Foreign exchange (gain) loss	787	2,372	(592)	3,871
Other income (note 17)	(48,499)	-	(120,559)	-
Loss on amendment (notes 11 & 13)	49,198	-	49,198	-
Net loss and comprehensive loss	\$ (263,687)	\$ (274,268)	\$ (623,643)	\$ (492,410)
Basic and diluted loss per share (note 14)	\$ (0.001)	\$ (0.001)	\$ (0.003)	\$ (0.003)
Weighted average number of common shares outstanding (basic and diluted) (note 14)	237,902,445	197,305,907	237,890,896	197,234,116

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Edgewater Wireless Systems Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended	
	October 31,	
	2025	2024
Operating activities		
Net loss for the period	\$ (623,643)	\$ (492,410)
Items not affecting cash:		
Share-based payments (note 13)	48,591	89,049
Change in fair value of convertible debentures (note 11)	(45,185)	58,564
Interest expense (notes 9, 10 & 11)	38,284	68,599
Interest income	-	(274)
Loss on amendment (notes 11 & 13)	49,198	-
Depreciation of property and equipment (note 6)	188	349
Amortization on right-of-use asset (note 7)	6,470	8,562
Foreign exchange loss	410	363
Changes in non-cash operating working capital:		
Amounts receivable	(148,773)	(10,783)
Prepaid expenses	7,906	2,002
Accounts payable and accrued liabilities	(257,657)	187,407
Net cash used in operating activities	(924,211)	(88,572)
Financing activities		
Repayment of notes and loan payable (note 10)	(1,528)	(1,000)
Lease liability payments (note 9)	(7,050)	(10,686)
Net cash provided by financing activities	(8,578)	(11,686)
Investing activities		
Purchase of equipment (note 6)	-	(495)
Net cash used in investing activities	-	(495)
Net change in cash	(932,789)	(100,753)
Cash, beginning of period	1,143,967	99,393
Cash (indebtedness), end of period	\$ 211,178	\$ (1,360)
Non-cash items not included in cash flows		
Shares issued for settlement of interest on convertible debentures (note 13)	\$ -	\$ 17,851
Units issued for conversion of convertible debentures (note 13)	\$ 3,325	\$ -

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Edgewater Wireless Systems Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital	Warrants	Contributed surplus	Deficit	Total
Balance, April 30, 2024	\$ 36,503,080	\$ 983,250	\$ 8,478,231	\$ (47,615,280)	\$ (1,650,719)
Share-based payments (note 13(d))	-	-	89,049	-	89,049
Shares issued to settle interest on convertible debenture (note 11)	17,851	-	-	-	17,851
Net loss and comprehensive loss	-	-	-	(492,410)	(492,410)
Balance, October 31, 2024	\$ 36,520,931	\$ 983,250	\$ 8,567,280	\$ (48,107,690)	\$ (2,036,229)
Balance, April 30, 2025	\$ 37,506,947	\$ 2,202,033	\$ 9,528,241	\$ (49,672,273)	\$ (435,052)
Share-based payments (notes 13(d))	-	-	48,591	-	48,591
Units issued for conversion of convertible debentures (note 11)	3,324	1	(1,242)	-	2,083
Warrants expired (note 13(c))	-	(1)	1	-	-
Net loss and comprehensive loss	-	-	-	(623,643)	(623,643)
Balance, October 31, 2025	\$ 37,510,271	\$ 2,202,033	\$ 9,575,591	\$ (50,295,916)	\$ (1,008,021)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

(Expressed in Canadian Dollars) (Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Incorporated under the Canada Business Act, Edgewater Wireless Systems Inc. (the "Company") main activity is developing and commercializing leading edge technologies and intellectual property for the communications market. The Company's head office is Suite 127, 390 March Road, Ottawa, Ontario, Canada.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has not earned substantial revenue from the sale of its products and is, therefore, considered to be in the development stage. For the six months ended October 31, 2025, the Company incurred a net loss of \$623,643 (three and six months ended October 31, 2024 – \$492,410) and negative cash flow from operating activities of \$924,211 (three and six months ended October 31, 2024 – \$88,572). In addition, the Company had a deficit of \$50,295,916 (October 31, 2024 – \$49,672,273) and a working capital deficiency (current assets less current liabilities) of \$596,129 (October 31, 2024 – \$388,936) at October 31, 2025. As a result of the above factors, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The continuation of the Company's operations, including product development and marketing activities, is dependent upon the Company's ability to successfully fund its working capital requirements through either debt or equity financing. The Company is currently considering a number of options including conversion of the convertible debentures maturing on September 1, 2027. There are no material changes to report at this time.

Management will need to secure additional financing in sufficient time to complete its planned programs for the six months ended April 30, 2026. There can be no assurance that the capital will be available as necessary to meet these continuing expenditures or, if the capital is available, that it will be on terms acceptable to the Company. If the Company cannot secure additional financing on terms acceptable to it or generate product sales with upfront payments, the Company will have to consider additional strategic alternatives which may include, among other strategies, additional cost curtailments, exploring the monetization of intangible assets, seeking to out-license and/or divest assets, winding up, dissolution or liquidation of the Company.

The unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenue and expenses and the consolidated statement of financial position classifications used.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended April 30, 2025, except as noted below under changes in accounting policies. Accordingly, they do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements for the year ended April 30, 2025 and the notes thereto. These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on December 22, 2025.

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3 of the annual consolidated financial statements for the year ended April 30, 2025.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

(Expressed in Canadian Dollars) (Unaudited)

2. BASIS OF PRESENTATION (continued)

Statement of compliance (continued)

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended April 30, 2025.

3. MATERIAL ACCOUNTING POLICIES

New accounting policies adopted

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. The Company has adopted the following policy effective May 1, 2025.

Amendments to IAS 21

Lack of exchangeability requires an entity to use a consistent approach when exchanging a currency into another. If the currency is unexchangeable, a consistent approach must be used in determining the exchange rate and necessary disclosures. The amendments are effective for annual periods beginning on or after January 1, 2025. There was no significant impact to the Company.

New accounting pronouncements to be adopted

At October 31, 2025, the following standards and interpretations which may be applicable to the Company, but have not yet been applied in these consolidated financial statements, were in issue but not yet effective:

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1, IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions. The Company is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company has not early adopted this IFRS.

4. SHORT-TERM INVESTMENT

On February 2024, the Company had invested \$11,010 in a guaranteed investment certificate ("GIC") bearing an annual interest rate of 4.25% and maturing in February 2025. The Company redeemed the GIC on February 2025.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2025 and 2024
(Expressed in Canadian Dollars) (Unaudited)

5. AMOUNTS RECEIVABLE

The composition of amounts receivable was as follows:

	As at October 31, 2025	As at April 30, 2025
Grant receivable (note 17)	\$ 87,573	\$ -
Trade receivable	31,157	-
HST receivable	79,867	49,824
	\$ 198,597	\$ 49,824

6. PROPERTY AND EQUIPMENT

Cost	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2024	\$ 175,586	\$ 118,275	\$ 10,799	\$ 304,660
Additions	-	495	-	495
Balance at April 30, 2025	\$ 175,586	\$ 118,770	\$ 10,799	\$ 305,155
Additions	-	-	-	-
Balance at October 31, 2025	\$ 175,586	\$ 118,770	\$ 10,799	\$ 305,155

Accumulated Depreciation	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2024	\$ 175,586	\$ 117,136	\$ 10,799	\$ 303,521
Depreciation	-	608	-	608
Balance at April 30, 2025	\$ 175,586	\$ 117,744	\$ 10,799	\$ 304,129
Depreciation	-	188	-	188
Balance at October 31, 2025	\$ 175,586	\$ 117,932	\$ 10,799	\$ 304,317

Net Book Value	Laboratory equipment	Computer hardware	Furniture and fixtures	Total
Balance at April 30, 2025	\$ -	\$ 1,026	\$ -	\$ 1,026
Balance at October 31, 2025	\$ -	\$ 838	\$ -	\$ 838

The following table presents the depreciation expense by function for the three and six months ended October 31, 2025 and 2024:

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	2024	2025	2024
General and administrative	\$ 7	\$ 142	\$ 62	\$ 335
Product development	80	(13)	126	14
	\$ 87	\$ 129	\$ 188	\$ 349

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2025 and 2024
(Expressed in Canadian Dollars) (Unaudited)

7. RIGHT-OF-USE ASSET

Office right-of-use asset

Balance at April 30, 2024	\$	17,127
Addition		14,018
Amortization		(17,127)
Balance at April 30, 2025	\$	14,018
Amortization		(6,470)
Balance at October 31, 2025	\$	7,548

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at October 31, 2025	As at April 30, 2025
Trade accounts payable and accruals	\$ 496,155	\$ 748,984
Accrued salaries	303,560	308,388
	\$ 799,715	\$ 1,057,372

9. LEASE LIABILITY

The Company entered into a three-year office lease at its 11 Hines Road location in Kanata, Ontario with the facility being fully available on May 1, 2022. The lease matured on April 30, 2025. On April 11, 2025, the Company amended the lease to relocate the office lease from 11 Hines Road in Kanata, Ontario to 390 March Road in Ottawa, Ontario, and extended the term of the lease for a period of 1 year and 1 month, commencing on May 1, 2025 and matures on May 31, 2026. As at October 31, 2025, the present value of the lease using a 15% discount rate was \$7,829.

Balance at April 30, 2024	\$	19,732
Addition		14,018
Interest expense		1,640
Lease payments		(21,372)
Balance at April 30, 2025	\$	14,018
Interest expense		861
Lease payments		(7,050)
Balance at October 31, 2025	\$	7,829

Allocated as:

	As at October 31, 2025	As at April 30, 2025
Current	\$ 7,829	\$ 12,858
Non-current	-	1,160
Total lease liability	\$ 7,829	\$ 14,018

The maturity analysis of the undiscounted contractual balances of the lease liability is as follows:

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

(Expressed in Canadian Dollars) (Unaudited)

9. LEASE LIABILITY (continued)

	As at October 31, 2025	As at April 30, 2025
Less than one year	\$ 8,225	\$ 14,100
More than one year	-	1,175
	\$ 8,225	\$ 15,275

During the six months ended October 31, 2024, the Company recorded \$4,331 for rental of a storage locker, which was expensed as operations. The Company did not recognize a right-of-use asset as the lease had a term of less than 12 months and is also considered a low-value asset.

10. NOTES AND LOAN PAYABLE

	As at October 31, 2025	As at April 30, 2025
Loan payable to the Government of Canada under the Canada Emergency Business Account (CEBA) program bearing interest of 5.0% per annum, due on December 31, 2026.	\$ 59,984	\$ 60,000
Note payable issued September 2015 non-interest bearing, effective rate of 6.0% per annum, payable on demand in one payment of \$13,747 (Euro 8,502).	13,747	13,337
	\$ 73,731	\$ 73,337
Less: current portion	(13,747)	(13,337)
	\$ 59,984	\$ 60,000

During the year ended April 30, 2021, the Company applied and received \$60,000 under the CEBA program offered by the Government of Canada. The CEBA loan has no repayment terms and are non-interest bearing during the initial term, until January 18, 2024. The Company has applied an interest rate of 12% in calculating the fair value of the interest free loan, and the \$22,883 residual was initially recorded as deferred government assistance.

On January 18, 2024, the remaining outstanding loan balance was converted into a term loan at fixed interest rate of 5% per annum, due on December 31, 2026. If \$40,000 of the loan is repaid by January 18, 2024, the remaining \$20,000 of the loan will be forgiven. If the Company applies for refinancing with the financial institution that provided the loan by January 18, 2024, the Company may still qualify for the \$20,000 loan forgiveness, if \$40,000 of the loan and any outstanding interest is paid back by March 28, 2024. The Company did not qualify for the \$20,000 loan forgiveness, and the interest free loan initially recorded as deferred government assistance was reclassified as loan payable subsequent to March 28, 2024.

Notes and loan payable

Balance at April 30, 2024	\$ 72,494
Repayment of loan payable	(2,294)
Interest expense	2,294
Foreign exchange adjustments	843
Balance at April 30, 2025	\$ 73,337
Repayment of loan payable	(1,528)
Interest expense	1,512
Foreign exchange adjustments	410
Balance at October 31, 2025	\$ 73,731

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

(Expressed in Canadian Dollars) (Unaudited)

11. CONVERTIBLE DEBENTURES

On September 1, 2022, the Company issued non-secured convertible debentures for proceeds of \$716,000 which mature on September 1, 2025 ("convertible debentures"). The convertible debentures bear 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 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 convertible debentures is convertible, as described below, into Units which represent one common share and one warrant to purchase one common share at an exercise price of \$0.23 for a period of three years after September 1, 2022. 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 convertible debentures and accrued but unpaid interest at any time after September 1, 2023.

The convertible debentures, which are hybrid instruments, were initially elected to be recognized at fair value through profit and loss. On initial recognition, the liability component of the convertible debentures was valued at \$538,214 determined by the sum of the fair values of the host debt and the net conversion and redemption feature. The host debt was valued at \$611,732 based on the terms above and selected market yield of 30%. The net conversion and redemption feature was valued at \$73,518 using the following assumptions: interest rate of 10%, unit price of \$0.08, exercise price of \$0.12, discount rate of 30%, volatility of 100%, risk-free rate of 3.51%, and expected life of 1 year. The unit price is determined as the share price plus the fair value of each warrant. Each warrant was valued at \$0.01 using the barrier option model as they are subject to an acceleration feature if the volume weighted average price of the shares exceed \$0.30 for 10 consecutive days. The following assumptions were used: share price of \$0.07, exercise price of \$0.23, barrier of \$0.30, rebate of \$0.07, volatility of 85%, risk-free rate of 3.54%, and expected life of 3 years.

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 of \$177,786 was recognized as a capital contribution and included in contributed surplus.

The redemption feature of the convertible debentures became effective on September 1, 2023. As such, the Company holds the discretion to force the conversion of the host debt into units if the price per unit falls below \$0.12. Since the fair value of units is below \$0.12 as of the valuation date, the fair value of the convertible debentures is determined to equal to fair value of the units. As at October 31, 2025, the liability component of the convertible debentures was valued at \$360,294 using the barrier option model with the following assumptions: share price of \$0.055, exercise price of \$0.23, barrier of \$0.30, rebate of \$0.07, volatility of 100%, risk-free rate of 3.62%, and expected life of 1.83 years.

During the six months ended October 31, 2025, the Company received approval from TSX Venture Exchange to amend the terms of its unsecured convertible debentures originally issued on September 1, 2022 with an aggregate principal of \$711,000. The original maturity date of September 1, 2025 has been extended by two years to September 1, 2027 (the "Amended Maturity Date").

The Company has also added an acceleration provision to the convertible debentures, pursuant to which it will be permitted, at its election, to convert the principal amount of the convertible debentures into units if the daily volume weighted average trading price of the Company's common shares is \$0.18 or greater for ten consecutive trading days. In order to align with the Amended Maturity Date, the Company has also amended the expiry date of the warrants such that if issued, the warrants will expire on the Amended Maturity Date. All other terms of the convertible debentures remain the same.

During the three and six months ended October 31, 2025, the Company recorded a loss on amendment of \$49,198.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements
Three and Six Months Ended October 31, 2025 and 2024
(Expressed in Canadian Dollars) (Unaudited)

11. CONVERTIBLE DEBENTURES (continued)

The following table depicts the activity related to the convertible debentures for the six months ended October 31, 2025 and year ended April 30, 2024.

	Convertible Debentures	Contributed Surplus
Balance at April 30, 2024	\$ 181,834	\$ 177,786
Interest expense	102,005	-
Settlement of interest through issuance of common shares (note 13)	(53,945)	-
Non-credit risk fair value adjustment	176,530	-
Balance at April 30, 2025	\$ 406,424	\$ 177,786
Interest expense	35,911	-
Conversion of convertible debentures (note 13)	(2,083)	(1,242)
Non-credit risk fair value adjustment	(45,185)	-
Loss on amendment	49,198	-
Balance at October 31, 2025	\$ 444,265	\$ 176,544
Allocated as:		
Current		\$ 83,971
Non-current		360,294
Balance, October 31, 2025		\$ 444,265

12. RELATED PARTY TRANSACTIONS

During the six months ended October 31, 2025 and 2024, the Company paid no amounts to directors or senior management of the Company other than as remuneration in their capacity as directors or employees or reimbursement of expenses incurred traveling in the performance of their duties. The Company's compensation program provides that total compensation for senior management may include a combination of base salary, and objective-based incentives as well as the same health and insurance benefit programs as provided to all other employees. All directors and officers are eligible to receive stock options (see note 13(d)).

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

Accounts payable and accrued liabilities at October 31, 2025 includes \$1,969 (April 30, 2025 - \$1,969) due to related parties.

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	2024	2025	2024
Compensation and benefits	\$ 47,010	\$ 44,941	\$ 91,472	\$ 91,262
Share-based payments	11,103	52,683	27,086	63,718
	\$ 58,113	\$ 97,624	\$ 118,558	\$ 154,980

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended October 31, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

13. SHARE CAPITAL

a) Authorized

- Unlimited number of common shares of no par value;
- 1,600,000 convertible preferred shares Series 1; and
- Unlimited number of convertible voting preferred shares Series 2.

b) Issued

	Number of common shares	Amount
Balance at April 30, 2024	196,948,891	\$ 36,503,080
Shares issued to settle interest on convertible debentures (note 11)	357,016	17,851
Balance at October 31, 2024	197,305,907	\$ 36,520,931
Balance at April 30, 2025	237,860,779	\$ 37,506,947
Shares issued for conversion of convertible debentures (note 11)	41,666	3,324
Balance at October 31, 2025	237,902,445	\$ 37,510,271

On June 6, 2024, the Company settled its obligation to pay an aggregate of \$17,851 interest as of March 1, 2024, to the holders of its unsecured debentures issued September 1, 2022 through the issuance of an aggregate of 357,016 common shares of the Company at a deemed price of \$0.05 per share.

On June 20, 2025, \$5,000 of the convertible debentures was converted into 41,666 Units. Each Unit is comprised of one common share and one warrant of the Company. Each warrant is exercisable into one common share at a price of \$0.23 per share until September 1, 2025. The Company reclassified the carrying value of \$2,083 for the liability component, and associated equity component of \$1,242 from contributed surplus to share capital (in the amount of \$3,324) and warrants reserve (in the amount of \$1) on a relative fair value basis.

There were no preferred shares of either series issued or outstanding at the dates of the statements of financial position presented.

c) Warrants

The following table reflects the continuity of warrants for the six months ended October 31, 2025 and 2024:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, April 30, 2024 and October 31, 2024	25,635,133	0.19
Balance, April 30, 2025	67,837,139	0.07
Issued	41,666	0.23
Expired	(41,666)	0.23
Balance, October 31, 2025	67,837,139	0.07

On June 20, 2025, as part of the conversion of the \$5,000 principal of convertible debentures, the Company issued 41,666 warrants, exercisable into one common share at a price of \$0.23 per share until September 1, 2025. The value allocated to the warrants was determined to be \$1 based on the relative fair value between the fair value of the common shares and the fair value of warrants issued in the conversion. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: share price of \$0.05, dividend yield of 0%, volatility of 117.68%, risk-free rate of 2.65%, and expected life of 0.2 years.

Edgewater Wireless Systems Inc.

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13. SHARE CAPITAL (continued)

c) Warrants (continued)

The following table reflects the actual warrants issued and outstanding as at October 31, 2025:

Expiry Date	Exercise Price(\$)	Number of Warrants Outstanding
December 20, 2025	0.10	7,875,500
February 26, 2026	0.10	535,000
December 31, 2026	0.08	40,614,000
February 19, 2030	0.05	18,812,639
	0.07	67,837,139

d) Stock options

The Company's stock option plan provides that total options outstanding be limited to a maximum of 10% of the issued and outstanding common shares, calculated at the time of each grant. Options may be granted to Directors, employees or consultants at the discretion of the Board. The plan further provides that vesting requirements, pricing and term are all established, at the discretion of the Board of Directors, at the time of each grant, subject to a maximum term of 10 years and any regulatory restrictions.

The following table reflects the continuity of stock options for the six months ended October 31, 2025 and 2024:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, April 30, 2024	15,645,001	0.14
Granted	4,050,000	0.05
Balance, October 31, 2024	19,695,001	0.12
Balance, April 30, 2025	17,395,000	0.13
Granted	500,000	0.05
Balance, October 31, 2025	17,895,000	0.13

On September 9, 2024, the Company granted 4,050,000 options, exercisable at a price of \$0.05 per share to certain employees, consultants and directors of the Company, expiring September 9, 2029. These options will vest 33% immediately, 33% on the first anniversary of the date of grant, and 34% on the second anniversary of the date of grant. The fair value of these options was determined to be \$140,130 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.04, dividend yield of 0%, expected volatility of 136.04%, risk-free interest rate of 2.77% and expected life of 5 years.

On May 30, 2025, the Company granted 500,000 options, exercisable at a price of \$0.05 per share to a certain consultant of the Company, expiring May 30, 2030. These options will vest 33% immediately, 33% on the first anniversary of the date of grant, and 34% on the second anniversary of the date of grant. The fair value of these options was determined to be \$22,250 using the Black-Scholes option pricing model with the following assumptions: share price of \$0.05, dividend yield of 0%, expected volatility of 139.52%, risk-free interest rate of 2.80% and expected life of 5 years.

During the three and six months ended October 31, 2025, share-based payments of \$17,825 and \$48,591, respectively (three and six months ended October 31, 2024 – \$72,132 and \$89,049, respectively) were expensed as general and administrative.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

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13. SHARE CAPITAL (continued)

d) Stock options (continued)

The following table reflects the actual stock options issued and outstanding as at October 31, 2025:

Expiry Date	Exercise Price(\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
December 15, 2025	0.27	0.12	1,405,000	1,405,000
February 16, 2027	0.31	1.30	1,865,000	1,865,000
November 7, 2028	0.16	3.02	2,185,000	2,185,000
February 16, 2029	0.05	3.30	2,900,000	1,992,000
April 28, 2029	0.14	3.49	2,000,000	2,000,000
June 15, 2029	0.135	3.62	1,450,000	1,450,000
September 9, 2029	0.05	3.86	4,050,000	2,673,000
May 30, 2030	0.05	4.58	500,000	165,000
November 22, 2030	0.08	5.06	1,540,000	1,540,000
	0.13	3.17	17,895,000	15,275,000

14. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three and six months ended October 31, 2025 was based on the loss attributable to common shareholders of \$263,687 and \$623,643, respectively (three and six months ended October 31, 2024 - \$274,268 and \$492,410, respectively) and the weighted average number of basic common shares outstanding of 237,902,445 and 237,890,896, respectively (three and six months ended October 31, 2024 - 197,305,907 and 197,234,116, respectively). For the six months ended October 31, 2025 and 2024, all potential dilutive stock options and warrants were excluded from the diluted loss per share calculations as they are anti-dilutive.

15. OPERATING SEGMENTS

The Company's Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources based on the information provided by the Company's internal management system at a consolidated level. The Company has determined that it has only one operating segment.

The Company derives all of its revenues from a single product segment comprised of silicon solutions, wireless access points, associated peripherals and support services. The Company derives its revenues globally and all sales are attributed to the Canadian head office. All of the Company's assets are in Canada. The same products and services are offered for sale in all geographic regions at the same average gross margins.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

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16. NATURE OF EXPENSES

The consolidated statements of loss and comprehensive loss presents the expenses of the Company categorized by their function. The table below provides supplementary information regarding some of the major expenses categorized by their nature.

	Three Months Ended October 31,		Six Months Ended October 31,	
	2025	2024	2025	2024
Compensation, employees and directors	\$ 49,943	\$ 44,942	\$ 94,405	\$ 91,262
Share-based payments	17,825	72,132	48,591	89,049
Depreciation and amortization	3,321	4,410	6,657	8,911
Consulting fees	135,809	7,277	269,602	8,317
Materials	-	-	2,210	-
Travel	12,231	-	12,259	586
Professional, legal and regulatory fees	52,917	35,112	182,586	109,653
Office and administrative	75,862	29,553	91,334	53,552
	\$ 347,908	\$ 193,426	\$ 707,644	\$ 361,330

17. Other income

On May 28, 2025, the Company entered into an Ultimate Recipient Agreement with Canadian Microelectronics Corporation ("CMC") to receive funding under the federal Fabrication of Integrated Components for the Internet's Edge ("FABrIC") program administered by Innovation, Science and Economic Development Canada. Under this agreement, the Company is eligible to receive contributions of up to \$921,000, representing up to 37% of eligible supported costs incurred on the approved project (the "Project"). The combined level of federal, provincial and other government assistance, including tax credits, cannot exceed 75% of eligible supported costs.

Funding is provided on a reimbursement basis, subject to CMC's review of quarterly claims, submission of required progress and financial reports, and compliance with all terms of the agreement. CMC may withhold up to 10% of total funding as a holdback pending satisfactory completion of the Project and final reporting. The agreement requires that the Company carry out all project activities exclusively in Canada (unless otherwise agreed to in writing by CMC and the Minister of Industry, up to 10% of total eligible supported costs) and that the Company maintain ownership of any project assets and eligible intellectual property in Canada for a minimum of five years following project completion, unless otherwise approved by CMC and the Minister of Industry.

The Company is responsible for all costs of the Project in excess of the approved funding and for any cost overruns. All amounts received under the FABrIC program are recorded as other income in the period in which the related eligible expenditures are incurred and reasonable assurance of receipt is obtained.

During the three and six months ended October 31, 2025, the Company recognized \$48,499 and \$120,559, respectively (three and six months ended October 31, 2024 - \$nil) of funding as other income. As at October 31, 2025, the Company has recorded a grant receivable of \$87,573 (April 30, 2025 - \$nil) for eligible costs incurred but not yet reimbursed (note 5).

18. CONTINGENCIES

The Company is aware of a possible claim that may exist against the Company which relates to a fractional interest that one of the predecessor companies to EWSI had acquired in an oil well. The history of this transaction dates from the 1980's. Initially, the potential claimant proposed a quit claim settlement which the Company agreed to in an amount of \$6,991. Settlement is pending, no estimate of any additional claims can be made at this time. That amount has been established in accrued liabilities. There have been no developments during the six months ended October 31, 2025.

Edgewater Wireless Systems Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended October 31, 2025 and 2024

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19. SUBSEQUENT EVENTS

The Company issued 595,026 shares in November 2025 and 637,060 shares in December 2025, in respect to debenture interest payments which are due on a quarterly basis.

Subsequent to the period ended October 31, 2025, the Company announced that it proposes to make an application to the TSX Venture Exchange (the "TSXV") to extend the expiry date of outstanding share purchase warrants which entitle the holders to acquire 8,330,000 common shares of the Company. The warrants were issued pursuant to a non-brokered private placement that closed in two tranches. An aggregate of 7,830,000 warrants were issued in the first tranche of the private placement, which closed on December 20, 2023 (the "2023 Warrants"). An aggregate of 500,000 warrants were issued in the second tranche of the private placement, which closed on February 26, 2024 (the "2024 Warrants"). Each 2023 Warrant and 2024 Warrant entitled the holder to purchase one common share of the Company at an exercise price of \$0.10 for a two year period. The original expiry date of the 2023 Warrants is December 20, 2025 and the original expiry date of the 2024 Warrants is February 26, 2026. The Company proposes to extend the expiry dates of the 2023 Warrants and the 2024 Warrants by an additional 12 months, such that the 2023 Warrants will expire on December 20, 2026 and the 2024 Warrants will expire on February 26, 2027. All other terms of the 2023 Warrants and the 2024 Warrants will remain the same. None of the 2023 Warrants and the 2024 Warrants have been exercised to date. The warrant extension remains subject to approval of the TSXV.