



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED
DECEMBER 31, 2024**

Wi2Wi

Management Discussion and Analysis

(All amounts in US Dollars unless noted otherwise)

Forward-Looking Statements:

This management discussion and analysis ("MD&A") includes information that is forward-looking in nature. Such statements concern the future earnings of the Company, its operations, its financial results and its financial condition. These forward-looking statements can be identified through use of expressions such as "believe", "foresee", "anticipate", "estimate", "expect" and other similar types of terms and are based on the information available at the time that they were made and on the good faith of management according to information available at that time. We wish to advise the reader that by their very nature, forward-looking statements include an element of uncertainty and the actual results may be significantly different from the assumptions and estimations described in the forward-looking statements. The actual results will be affected by numerous factors over which the Company has no influence. Consequently, we recommend against placing undue trust in such forward-looking statements since future events and actual results may differ significantly from any forecasts. Unless otherwise stipulated under current law, the Company does not intend to update these statements to take into account new facts or future events and it makes no undertaking to do so.

Management Discussion

The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Wi2Wi Corporation ("Wi2Wi" or the "Company"). It is dated April XX, 2025 and should be read in conjunction with the Audited Consolidated Financial Statements for years ended December 31, 2024 and 2023 ("Audited Statements") which are available on SEDAR at www.sedarplus.com.

All dollar amounts are in thousands of United States Dollars, unless otherwise noted.

Corporate Strategy and Overview

Wi2Wi is a specialized electronic component supplier with expertise in all aspects of frequency control devices as well as in wireless technologies. Wi2Wi's *Precision Devices* brand of products has earned a premier spot in numerous key markets including avionics, aerospace, industrial equipment, government, and the US military. Wi2Wi's frequency control products are best-in-class and of the highest quality.

Wi2Wi takes enormous pride in making customer focus and responsiveness a top priority. Clearly the best long-term strategy is to relentlessly serve customers, both large and small, each and every day, in order to provide them with an outstanding experience.

Many of Wi2Wi's customers are developing the world's most sophisticated electronic systems which include radio communications, wireless connectivity, GPS navigation, avionics control and many others. Wi2Wi distinguishes itself from commodity grade products, having developed best in class solutions which include integrated software, broad temperature operating ranges, longer useful product life and greater overall robustness. Ultimately the goal is to provide end-to-end solutions to the entire global customer base. The Company has several standard design platforms for its precision frequency control devices and filter products. These platforms allow the Company to easily customize and meet the highest application demands from customers as well as provide timely, rugged, robust, and reliable solutions very cost effectively. Customization that delivers superior performance is mandatory in markets such as avionics, space, industrial, medical and defense. Wi2Wi's products and value-added services are highly desirable in these markets as a result. In addition, the Company often provides custom software to its wireless connectivity customers.

Wi2Wi's headquarters, design center and state-of-the-art manufacturing facility are located in the heart of America's industrial belt in Middleton, WI. Wi2Wi can deliver specific solutions using its in-house design and manufacturing expertise, as well as leveraging many tier-1 global partnerships with numerous industry leading silicon and wireless technology suppliers.

Wi2Wi is extremely proud to serve hundreds of the world's top companies with its made-in-America products.

The Company has the following certifications:

- Restrictions on Hazardous Substances (RoHS): design and manufacturing control program for the output of "Lead-Free" (Pb-Free) products
- MIL-STD-790 Product Assurance Certified
- Qualified Products List: MIL-PRF-55310 Oscillator, Crystal Controlled MIL-PRF-3098 Crystal Units, Quartz
- DSCC Laboratory Suitability Certified (For our qualified QPL products, we are not an accredited lab)
- ISO 9001:2015 FM 75597 ISO Certified Quality Management System
- REACH Compliant Registration, Evaluation, Authorization and Restriction of Chemicals
- ESD Program, employee training certification
- ISO 14644 1&2, Class 7 (FED-STD 209E Class 10,000 Clean Room)
- TSCA Compliant

- California Proposition 65 Compliant
- CMRT/EMRT Compliant

Highlights of 2024 and Current Year to Date

- On February 1, 2024, the Company announced it appointed Ted Clark as new Chief Executive Officer, bringing a fresh perspective to accelerate our strategic initiatives and operational improvements.
- On February 1, 2024, the Company announced it issued Ted Clark an aggregate of 3,500,000 options at an exercise price of \$0.035CDN per share. An aggregate of 1,500,000 options vested on October 1, 2024, an aggregate of 1,000,000 will vest on September 1, 2025, and the balance 1,000,000 will vest on February 1, 2026.
- On April 16, 2024, the Company announced its audited consolidated financial results for the fiscal year ended December 31, 2023.
- On May 10, 2024, the Company announced its unaudited consolidated financial results for the quarter ended March 31, 2024.
- On August 22, 2024, the Company announced its unaudited consolidated financial results for the quarter ended June 30, 2024.
- On September 30, 2024, the Company year-to-date revenue reached \$4.9 million, a modest 2% increase compared to the prior year. While this growth fell short of our 7% target, our frequency control product line continues to show resilience, contributing steadily to our revenue base.
- On September 30, 2024, the Company achieved a 6% improvement in gross margin year-over-year, increasing from 12% to 18%, through proactive product mix optimization and cost efficiencies.
- On December 23, 2024, the Company announced closing of a non-brokered private placement by issuing a total of 12,000,000 units at a price of \$0.05CDN per Unit, for total gross proceeds \$600,000CDN . Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10CDN for a period of two years from closing of the Offering, December 20, 2026, subject to an acceleration clause.
- On February 13, 2025, the Company announced closing of a non-brokered private placement by issuing a total of 7,300,000 units at a price of \$0.05CDN per Unit, for total gross proceeds \$365,000CDN . Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10CDN for a period of two years from closing of the Offering, February 13, 2027, subject to an acceleration clause.
- On March 5, 2025, the Company announced closing of a non-brokered private placement by issuing a total of 11,799,700 units at a price of \$0.05CDN per Unit, for total gross proceeds \$589,985CDN . Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of the Company at an exercise price of \$0.10CDN for a period of two years from closing of the Offering, March 5, 2027, subject to an acceleration clause.

Results of Operations:

The consolidated financial statements for the years ended December 31, 2024 and 2023 form an integral part of this MD&A. All amounts are expressed in thousands of U.S. dollars unless otherwise noted.

Selected Annual Information:

The following table sets forth selected annual information from the audited consolidated financial statements for the years ended December 31, 2024, 2023, and 2022:

Year ended	2024	2023	2022
In thousands of US Dollars (except for number of shares and per share data)			
Revenue	6,313	6,343	6,857
Net loss from operations	(1,151)	(1,205)	(1,276)
Net loss	(1,341)	(1,325)	(1,236)
Comprehensive loss	(1,342)	(1,325)	(1,236)
Net and comprehensive loss per share	(0.00)	(0.00)	(0.00)
Cash flow provided by (used in) operations	(544)	(40)	(305)
Total assets	9,378	7,085	9,003
Shareholders' equity	3,103	3,977	5,280

The basic and diluted net loss per share has been calculated based on 165,133,313, 153,033,313 and 152,933,313 number of common shares outstanding for the years ending December 31, 2024, 2023, and 2022 respectively.

Summary of Quarterly Results:

The following table presents selected quarterly financial data for the last eight quarters.

Statement of results	2024	2024	2024	2024
In thousands of Dollars	Q4	Q3	Q2	Q1
	\$	\$	\$	\$
Revenue	1,411	1,709	1,685	1,508
Loss from operations	(524)	(41)	(254)	(332)
Net loss	(615)	(78)	(286)	(362)
Statement of results	2023	2023	2023	2023
In thousands of Dollars	Q4	Q3	Q2	Q1
	\$	\$	\$	\$
Revenue	1,522	1,421	1,560	1,840
Income (loss) from operations	(280)	(326)	(396)	(203)
Net income/(loss)	(312)	(355)	(425)	(233)

Revenue

	Year Ending December 31, 2024	Year Ending December 31, 2023
In thousands of Dollars	\$	\$
Revenue	6,313	6,343

For the twelve months ended December 31, 2024, revenue was \$6,313, a .4% decrease compared to \$6,343 for the same period in 2023. While this was below our 7% growth target, we remain confident in the resilience of our frequency control products, which continue to see steady demand in our core markets. Moving forward, we are focused on expanding our presence in high-growth segments and diversifying our revenue through new customer acquisitions and targeted market initiatives.

Disaggregated Revenue

Revenue from contracts with customers disaggregated by product family and geographical areas is presented below as it best depicts how the nature, timing and uncertainty of our revenue and cash flows are affected by economic factors. See details in the table below.

For the years ended December 31,	2024	2023
Product Family		
Frequency Control	\$ 6,304	\$ 6,327
Connectivity	9	16
	\$ 6,313	\$ 6,343
For the years ended December 31,	2024	2023
Geographical Area		
United States	\$ 5,090	\$ 5,264
Foreign Countries	1,223	1,079
	\$ 6,313	\$ 6,343

Gross Profit

	Year Ending December 31, 2024	Year Ending December 31, 2023
In thousands of Dollars	\$	\$
Gross profit	904	772
Gross profit %:	14%	12%

Our gross profit for the twelve months ended December 31 2024, was \$904 (14% margin), up from \$772 (12% margin) in the prior year. This improvement reflects our ongoing efforts to optimize the product mix and control production costs. We anticipate that these margin improvements will continue as we invest further in automation, supply chain management, and higher-margin product lines, positioning us to maximize profitability as revenue grows.

Research and Development Expenses

	Year Ending December 31, 2024	Year Ending December 31, 2023
In thousands of Dollars	\$	\$
R&D	347	337

Research and development (R&D) expenses remained stable, totalling \$347 compared to \$337 the previous year. Our commitment to R&D supports our goal of enhancing our technology portfolio and entering complementary markets. We are advancing projects with high potential for future growth, focusing on product differentiation and customer-driven customization. By aligning our R&D investments with our long-term strategic goals, we aim to drive innovation that meet our aerospace and defence customers' unique needs.

Selling, General and Administrative Expenses (SG&A)

	Year Ending December 31, 2024	Year Ending December 31, 2023
In thousands of Dollars	\$	\$
SG&A	1,708	1,640

Revenue for connectivity solutions is generated through the distributor network. These partners will hold inventory and ship to customers when orders are received through the Wi2Wi sales network or through their own infrastructure. The Wi2Wi sales network is managed through the sales staff and inside sales staff, who are supported by a global network of specialized representatives.

SG&A expenses for the years ended December 31, 2024 and December 31, 2023 were \$1,708 and \$1,640 respectively, an increase of 4%. The increase for the year ended December 31, 2024 as compared to 2023 was primarily due to compensation, depreciation and professional service expenses.

Other Income/Expenses

	Year Ending December 31, 2024	Year Ending December 31, 2023
In thousands of Dollars	\$	\$
Other		
Other Income (expense)	65	8
Total	65	8

Year ended December 31, 2024 was primarily due to gain/loss on currency translation and miscellaneous income. Year ended December 31, 2023 was primarily due to gain/loss on currency translation.

Interest Income (Expense)

In thousands of Dollars	Year Ending December 31, 2024 \$	Year Ending December 31, 2023 \$
Interest (expense)	(255)	(128)
Interest income	-	-

Interest income (expense) for the years ended December 31, 2024 and 2023 was \$(255) and \$(128) respectively. Interest expense in 2024 and 2023 relates to the imputed interest on the leased facilities, and interest on the notes payable and EIDL loan.

Legal proceedings

From time to time, third parties have asserted, and may in the future assert claims against the Company related to disputes in the normal course of business. At this time, there are no such claims against the Company which are expected to be material to the Company's results of operations or financial condition.

Liquidity and Capital Resources:

As of December 31, 2024, the Company had cash of \$431 compared to \$917 as of December 31, 2023. The Company had a net working capital of \$2,871 as of December 31, 2024 compared to working capital of \$3,264 as at December 31, 2023. Shareholders' equity was \$3,103 compared to \$3,977 at December 31, 2024 and December 31, 2023 respectively. The Company generated negative operating cash flow during the year ended December 31, 2024 of \$(544) comparing to negative \$(40) for the year ended December 31, 2023. The Company has managed capital by budgeting for its working capital needs, and securing debt and equity financing in order to fund its operations.

Share Capital:

The Company's outstanding Common Shares are 165,133,313 and 153,033,313 at December 31, 2024 and 2023, respectively.

The Company's outstanding options were 10,600,000 and 4,000,000 at December 31, 2024 and 2023, respectively.

The Company granted 3,500,000 options on February 1, 2024.

The Company granted 3,100,000 options on June 25, 2024.

The Company granted 6,000,000 warrants on December 20, 2024.

The Company granted 3,650,000 warrants on February 13, 2025.

The Company granted 5,899,850 warrants on March 5, 2025.

The Company granted 300,000 options on March 12, 2025.

There were no changes to Common Shares of 165,133,313 as of April XX, 2025.

Investment Activities

Cash flow related to investment activities consisted of expenditures for property and equipment. In the years ended December 31, 2024, capital expenditures amounted to \$267 compared to \$68 in the year ended December 31, 2023. The Company will be looking to increase its capital budget over the next 24 months financed through equipment loans.

Off Balance Sheet Arrangements

There were no off balance sheet transactions entered into during the year, nor are there any outstanding as of the date of this MD&A.

Related Party Transactions

The remuneration of key management personnel of the Corporation includes both members of the Board of Directors and leadership team, which includes the CEO and CFO, is set out below in aggregate:

For years ended December 31,	2024	2023
Officer compensation	\$ 213	\$ 266
Benefits and other personnel costs	31	46
Share based compensation current directors	73	17
	\$ 317	\$ 329

Application of Critical Accounting Policies

The significant accounting policies used by the Company and critical accounting estimates and judgments made by the Company are disclosed in Notes 5 and 6 to the audited consolidated financial statements for the years ended December 31, 2024 and 2023, which are available on Sedar at www.sedarplus.com.

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The emergence of new information and changed circumstance may result in actual results or changes to estimate amounts that differ materially from current estimates. The following discussion identifies the critical accounting policies and practices of the Company and helps assess the likelihood of materially different results being reported.

Inventories

Inventories are recorded at the lower of average cost or net realizable value. Charges for excess and obsolete inventory are recorded based on inventory age, shipment history and forecasted demand. The Company's business is subject to technology changes which may cause selling prices to change rapidly. Moreover, the markets that the Company serves can be volatile and actual results may vary from the Company's forecast or other assumptions, potentially impacting the Company's inventory valuation and resulting in material effects on its profit or loss.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight line method over estimated useful lives of:

- Six years for computer equipment and software;
- Five years for office furniture and fixtures;
- Five to ten years for machinery and equipment;
- Over the shorter of the term of the lease or estimated useful life of leasehold improvements.

Useful lives, residual values, and depreciation and amortization methods are reviewed at least annually, and any changes in previous estimates are accounted for prospectively.

Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the consolidated statement of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (FVTPL); ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and iii) those to be measured at amortized cost, using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as measured at amortized cost unless they are designated as measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement

Financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities measured at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to the Company's own credit risk are recorded in other comprehensive income.

Expected Credit Losses and Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

For trade accounts receivable, the Company applies the simplified approach as permitted by IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date. Trade accounts receivable are stated net of the loss allowance. Recoveries of trade accounts receivable previously written off are recorded in profit or loss when received.

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis and management's estimates include providing for 100% of specific customer balances when it is deemed probable that the balance is uncollectable.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including aging and turnover, credit worthiness, credit concentration, the existence of third-party insurance, customer relationships, and forward looking macro-economic factors in the measurement of the expected credit losses associated with trade accounts receivable.

The Company's financial instruments are accounted for as follows:

	Classification	Measurement
Cash	Amortized cost	Amortized cost
Trade accounts receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Accrued liabilities	Amortized cost	Amortized cost
Note payable	Amortized cost	Amortized cost
Economic injury disaster loan	Amortized cost	Amortized cost

Deleted: and restricted cash

Income Taxes

The Company applies the asset and liability approach to recording current and deferred taxes. Current income tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable income is probable. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enacted or substantively enacted date.

Management periodically reviews the Company's provision for income taxes and deferred tax assets and liabilities to determine whether the overall tax estimates are reasonable. When management performs its assessments, it may be determined that an adjustment is required. These adjustments, if required, may have a material impact on the Company's consolidated financial position and profit or loss.

Foreign Currency Translation

The Company's presentation currency is the USD, being the currency in which revenue is generated and significant business activities are conducted. The functional currency of each of Wi2Wi Inc. and Wi2Wi LLC, is their local currency of USD. The functional currency of Wi2Wi (India) PRIVATE LIMITED is its local currency of Rupees. The functional currency of Wi2Wi Corporation is its local currency of Canadian dollars.

Foreign currency translation, transactions in other than the functional currency

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. As at a reporting date, assets and liabilities denominated in a foreign currency are translated into the functional currency, as follows:

- Foreign currency monetary items are translated using the spot exchange rate in effect at the reporting date; and
- Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate(s) in effect as at the date(s) on which fair value was determined.

Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation as at a reporting date of assets and liabilities denominated in foreign currencies are reflected in profit or loss. There were no significant gains or losses arising from transactions denominated in currencies other than the functional currency for the years ended December 31, 2024 and 2023.

Foreign currency translation, non-USD functional currency entities

For the preparation of the consolidated financial statements, all assets and liabilities are translated into the presentation currency of U.S. dollars ("USD") using the foreign exchange rate in effect as at the reporting date with Net and comprehensive income (loss) accounts translated using the average exchange rate for the reporting or applicable period. Translation adjustments arising from changes in exchange rates are reported as a component of other comprehensive income and form part of the cumulative translation account in shareholders' equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation account related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for promised goods or services, net of expected returns. The Company's performance obligations are satisfied at a point in time.

The Company generally has one performance obligation in its arrangements involving the sale of frequency control and connectivity products. When the terms of a contract include the transfer of multiple products, each distinct product is identified as a separate performance obligation. Generally, satisfaction occurs when control of the promised goods is transferred to the customer in exchange for consideration in an amount for which we expect to be entitled. Generally, control is transferred when legal title of the asset moves from the Company to the customer. We sell our products to a customer based on a purchase order, and the shipping terms per each individual order are primarily used to satisfy the single performance obligation. However, in order to determine control has transferred to the customer, the Company also considers:

- when the Company has a present right to payment for the goods;
- when the Company has transferred physical possession of the goods to the customer;
- when the customer has the significant risks and rewards of ownership of the goods;
- when the customer has accepted the goods.

Significant Judgments

Certain of the Company shipments include a limited return right. In accordance with IFRS 15 the Company recognizes revenue net of expected returns. A few distributors have stock rotation rights and have 60 days after a 12 month period to return inventory, at the Company's approval, from the first order placed for any new product. Returned product has historically been insignificant.

Research and Development

Research costs are expensed and development costs are capitalized as an asset if certain criteria are satisfied. The costs incurred in the years ended December 31, 2024 and December 31, 2023 respectively, did not satisfy the criteria and therefore were expensed.

Share-Based Payments

The Company has a stock option plan and issues stock options to directors, employees and other service providers. The fair value of options granted to employees, including directors, is measured at the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. All share-based remuneration is recognized as an expense in profit or loss with a corresponding credit to reserves. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs and the amount originally credited to reserves are allocated to share capital. Where equity instruments are granted to persons other than employees, profit or loss is charged with the fair value of goods and services received. When the value of the goods or services cannot be specifically identified, they are measured at the fair value of the share-based payment.

Effective May 2017 the Company has a Restricted Share Unit Plan which was established as a method by which equity-based incentives may be awarded to the directors, officers and employees of, and consultants to, the Company to recognize and reward their significant contributions to the long-term success of the Company and to align their interests more closely with the shareholders of the Company.

The fair value of the Restricted Share Units ("RSUs") are measured at fair value at the date of grant and are expensed as compensation costs over the vesting period with a corresponding increase in reserves. Fair value is determined as the average of the highest and lowest selling price of the Company's common stock on the day the RSUs are issued. Upon vesting of the RSUs the amount originally credited to reserves is allocated to share capital.

IFRS

New standards and interpretations adopted January 1, 2024:

Recently adopted accounting standards

The Company adopted the following amendment to IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

Recently issued but not yet effective accounting standards

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after January 1, 2025 or later periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new – i.e. operating, investing and financing – and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. The Company is currently assessing the impact that the adoption of this clarification of IFRS 9 will have on its consolidated financial statements.

Risk Factors

The Company's business is subject to significant risks and uncertainties and past performance is no guarantee of future performance. The risks and uncertainties described below are those which the Company currently believe to be material, and do not represent all of the risks that the Company faces. Additional risks and uncertainties, not presently known, may become material in the future or those risks that are currently believed to be immaterial may become material in the future. If any of the following risks actually occur, alone or in combination, the Company's business, financial condition and results of operations, as well as the market price of our common shares, could be materially adversely affected.

Litigations

From time to time, third parties have asserted, and may in the future assert claims against the Company related to disputes in the normal course of business. At this time, there are no such claims against the Company which are expected to be material to the Company's results of operations or financial condition.

Lengthy Sales Cycle

The Company's customers will typically perform numerous tests and extensively evaluate its products before incorporating them into their systems. The time required for the testing, evaluation and design of the Company's products into a customer's equipment can take 18 months or more. Because of this lengthy sales cycle, the Company may experience a delay between the time when it increases expenses for research and development and sales and marketing efforts and the time when it generates higher revenues, if any, from these expenditures. In addition, the delays inherent in its lengthy sales cycle raise additional risks of customer decisions to cancel or change product plans. When it achieves a design win, there can be no assurance that the customer will ultimately ship products incorporating its products. The Company's business could be materially adversely affected if a significant customer curtails, reduces or delays orders during the sales cycle or chooses not to release products incorporating the Company's products. The Company's customers are not obligated to purchase products that the Company has designed for them and may cancel their orders at any time.

Competition

The Company will face significant competition. The market for IoT, connectivity solutions and precision timing and frequency control products is highly competitive and rapidly evolving. More established and larger companies with strong brands and greater financial, technical and marketing resources compete with Wi2Wi and this competition is expected to intensify, and thus the Company may be unsuccessful in competing against current and future competitors. Many of the Company's competitors and potential competitors have longer operating histories, greater name recognition, complementary product offerings, a larger customer base, and longer relationships with customers and distributors, and significantly greater financial, sales, marketing, manufacturing, distribution, technical, and other resources than the Company has. As a result, they may be able to respond more quickly to customer requirements, to devote greater resources to the development, promotion, and sales of its products and to influence industry acceptance of their products better than the Company can. These competitors may also be able to adapt more quickly to new or emerging technologies or standards and may be able to deliver products with performance comparable or superior to that of the Company's products at a lower cost.

Customers

The Company sells products to OEM's, enterprises, distributors, and has sales agreements with customers comprising a significant portion of our revenue. The Company's business and future success depends on the Company's ability to maintain and build on existing relationships and develop new relationships with OEMs, enterprises, distributors, resellers and network operators. If certain significant customers, for any reason, discontinue their relationship with us or reduce or postpone current or expected purchase orders for products, or suffer from business loss, our revenues and profitability could decline materially.

Reliance on Third Party Distributors and Sales Representatives

The Company has entered into relationships with distributors and sales representatives to sell its products, and the Company will be unable to predict the extent to which these partners will be successful in marketing and selling its products. Moreover, its distributors and sales representatives may also market and sell competing products. The Company's future performance will also depend, in part, on its ability to attract additional distributors or sales representatives that will be able to market and support its products effectively, especially in markets

in which it has not previously distributed its products. If it cannot retain or attract quality distributors or sales representatives, its sales and results of operations will be harmed. The inability of the Company to enter into contracts with qualified individuals could have an effect on the growth of the Company's business within the aforementioned regions.

Loss of Key Personnel Due To Competitive Market Conditions and Attrition

The Company's success will depend to a significant extent upon its senior management and key technical and sales personnel. The loss of one or more of these employees could have a material adverse effect on our business. The Company success will depend on its ability to attract and retain qualified technical, sales and marketing, customer support, financial and accounting, and managerial personnel. Competition for such personnel is intense, and it may not be able to retain its key personnel or to attract, assimilate or retain other highly qualified personnel in the future. In addition, it may lose key personnel due to attrition, including health, family and other reasons. The Company may experience difficulty in hiring and retaining candidates with appropriate qualifications. If the Company does not succeed in hiring and retaining candidates with appropriate qualifications, its business could be materially adversely affected.

Reliance on Industry Partners

The Company will rely on industry partners including suppliers, contractors and joint venture parties in executing its business strategy and operations. As a result, the Company may be exposed to third party credit risk through its contractual arrangements with its current or future suppliers, contractors and joint venture parties. In the event that such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company and its ability to implement its business strategy and operations.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with its operations. The development, design and promotion of new products will be very expensive, with a substantial period of time occurring before production can commence.

In addition, the Company may incur major unanticipated liabilities or expenses. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. With the increase in interest rates it can result in a significant increase in the amount that the Company pays to service future debt incurred by the Company and affect the Company's ability to fund ongoing operations. There can be no assurance that the Company will be successful in obtaining required financing as and when needed. It may be difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms. This may be further complicated by the limited market liquidity for shares of smaller companies such as the Company, restricting access to some institutional investors. Failure to obtain additional financing on a timely basis could result in delay or indefinite postponement of further development of its products. Such delay would have a material and adverse effect on the Company's business, financial condition and results of operations.

Protection of Intellectual Property and Proprietary Rights

The Company's future success and competitive position depends in certain part upon its ability to obtain and maintain proprietary technology used in its principal products. Currently, it has limited protection of its intellectual property in the form of patents. Its existing or future patents may be invalidated, circumvented, challenged or licensed to others. The rights granted there under may not provide competitive advantages to the Company. In addition, the Company's current and future patent applications may not be issued with the scope of the claims sought by it, if at all. Furthermore, others may develop technologies that are similar or superior to the Company's technology, duplicate the Company's technology or design around the patents owned or licensed by it. In addition, effective patent, trademark, copyright and trade secret protection may be unavailable or limited in foreign countries where the Company may require protection. The Company cannot be sure that steps taken by it to protect its technology will prevent misappropriation of the technology. The Company may from time to time receive notifications of claims that it may be infringing patents or other intellectual property rights owned by third parties.

Intellectual Property Litigation

The Company may become involved with costly and lengthy litigation involving its patents and other intellectual property, which could subject it to liability, require it to indemnify customers or end-users, require it to obtain or renew licenses, stop selling its products or force it to redesign its products. Litigation involving patents and other intellectual property is widespread in the high-technology industry where a number of companies and other entities aggressively bring numerous infringement claims to assert their patent portfolios. These claims could result in litigation and/or claims for indemnification, which, in turn, could subject the Company to significant liability for damages, legal fees and costs. Any potential intellectual property litigation also could force the Company to do one or more of the following:

- stop selling, offering for sale, making or having made products or technology that contains the allegedly infringing intellectual property;
- limit or restrict the type of work that employees involved in such litigation may perform for the Company;
- pay substantial damages and/or license fees and/or royalties to the party claiming infringement that could adversely impact the Company's liquidity or operating results;
- attempt to obtain or renew licenses to the relevant intellectual property, which licenses may not be available on reasonable terms or at all; and
- attempt to redesign those products that contain the allegedly infringing intellectual property.

Reliance of Information Technology Systems

The Company will rely upon the performance of its information technology systems to process, transmit, store and protect electronic information, and the failure of any critical information technology system may result in serious harm to its reputation, business, and results of operations and/or financial condition. It will be dependent on technology infrastructure and maintains and relies upon certain critical information systems for the effective operation of its business. These information technology systems include telecommunications, the Internet, various computer hardware and software applications, network communications and e-mail. These information technology systems are subject to damage or interruption from a number of potential sources including natural disasters, viruses, destructive or inadequate code, malware, power failures, cyber-attacks, and other events. To the extent that these information systems are under the Company's control, it has implemented security procedures, such as virus protection software and emergency recovery processes, to address the outlined risks. It may incur significant costs in order to implement, maintain and/or update security systems that it feels are necessary to protect its information systems. A material breach in the security of its information systems could include the theft of its intellectual property or trade secrets, negatively impact its operations, or result in the compromise of personal and confidential information of its employees, customers or suppliers. While the Company will take necessary action to ensure that its information technology systems are appropriately controlled and that it has processes in place to adequately mitigate these risks, security procedures for information systems cannot be guaranteed to be failsafe. To the extent that any system failure, accident or security breach results in disruptions or interruptions to its operations or the theft, loss or disclosure of, or damage to its data or confidential information, its reputation, business, results of operations and/or financial condition could be materially adversely affected. In addition, a miscalculation of the level of investment needed to ensure its technology solutions are current and up-to-date as technology advances and evolves could result in disruptions in its business should the software, hardware, or maintenance of such items become out-of-date or obsolete. Furthermore, when the Company implements new systems and/or upgrade existing systems, there is a risk that its business may be temporarily disrupted during the period of implementation.

Foreign Operations

A portion of the Company's business, as it relates to certain of the Company's contract manufacturers and a number of the Company's customers, will be conducted outside of the United States and Canada. As a result, it is subject to foreign business, political and economic risks. Some of its products will be developed and/or manufactured outside of North America. In addition, many of its customers are located outside of North America, which further exposes it to foreign risks. The Company's operations outside of North America are directly influenced by the political and economic conditions of the region in which they are located. The Company anticipates that its research, development, manufacturing, assembly, testing and sales outside of United States will continue to account for a significant portion of its operations and revenue in future periods. Accordingly, it is subject to risks associated with international operations, including:

- political, social and economic instability, including wars, terrorism, political unrest, boycotts, curtailment of trade and other business restrictions;
- compliance with domestic and foreign export and import regulations, and difficulties in obtaining and complying with domestic and foreign export, import and other governmental approvals, permits and licenses;
- compliance with foreign laws, and laws and practices that favour local companies;
- difficulties in staffing and managing foreign operations;
- natural disasters;
- trade restrictions or higher tariffs;
- transportation delays;
- difficulties of managing distributors;
- less effective protection of intellectual property than is afforded to us in North America or other developed countries;
- inadequate local infrastructure; and
- exposure to local banking, currency control and other financial-related risks.

The sudden disruption of the supply chain and/or the manufacture of its customer's products caused by any of the foregoing risks could impact the Company's results of operations by impairing its ability to timely and efficiently deliver its products. Moreover, the international nature of its business subjects it to risks associated with the fluctuation of the U.S. dollar versus foreign currencies. Decreases in the value of the U.S. dollar versus currencies in jurisdictions where its third party manufacturers are located have significant costs and will increase the cost of such operations, which could harm its results of operations. If a major earthquake, flood, typhoon, tsunami or other natural disaster were to affect the Company's operations or those of its suppliers, the Company's product supply or testing schedule could be interrupted, which would seriously harm its business. Natural disasters could also affect the operations of the distributors and contract manufacturers it sells to, as well as the operations of its end use customers, which would adversely affect its operations and financial results. Natural disasters anywhere in the world may potentially adversely affect the Company by harming or causing interruptions to its supply chain or the supply chains of its suppliers, direct customers or end use customers.

Managing Growth

In order to manage growth and change in strategy effectively, the Company must continue to:

- a) maintain adequate systems to meet customer demand;
- b) expand research and development, sales and marketing, technical support, distribution capabilities and administrative functions;

- c) expand the skills and capabilities of its current management team;
- d) attract and retain qualified employees; and
- e) raise sufficient capital to fund these growth strategies.

While it intends to focus on managing its costs and expenses over the long term, the Company expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Tax Risks

The Company operates and is subject to income tax and other forms of taxation (which are not based upon income) in numerous tax jurisdictions, including international jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities.

The determination of the Company's worldwide provision for income taxes and other tax liabilities may require significant judgment. The Company believes that it has adequately provided for taxes based on all of the information that is currently available.

The Global Economy

The Company's business is in the United States, Canada, Europe, India and the Asia-Pacific region and the Company is exposed to the downturns and current uncertainties that impact its business in those economies. Economic uncertainty may cause an increased level of commercial and consumer delinquencies, lack of consumer confidence resulting in delayed purchases or reduced volumes by the Company's customers, credit tightening by lenders, increased market volatility and widespread reduction of business activity generally. To the extent that the Company may experience further economic uncertainty, or deterioration in one of the large markets in the United States, Europe or the Asia-Pacific region, the resulting economic pressure on the customers may cause them to end their relationship with the Company, reduce or postpone current or expected orders, or suffer from business failure, resulting in a material adverse impact to revenues, profitability, cash flow and bad debt expense.

Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors may impact the Company negatively.

Price and Volatility of Public Stock

The trading price of the Company's Common Shares will be subject to change and could in the future fluctuate significantly, which might not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Company. The fluctuations could be in response to numerous factors beyond the Company's control, including: quarterly variations in results of operations; changes in securities analysts' recommendations; announcements of acquisitions; changes in earnings estimates made by independent analysts; general fluctuations in the stock market; or revenue and results of operations below the expectations of public market securities analysts or investors. Any of these could result in a sharp decline in the market price of the Company's Common Shares. It may be anticipated that any market for the Company's Common Shares will be subject to market trends generally and the value of the Company's Common Shares on the TSX-V may be affected by such volatility. In the past, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Company's Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the Company. These broad market fluctuations may cause a decline in the market price of the Company's Common Shares.

The Company has no control over the information that is distributed and discussed on electronic bulletin boards and investment chat rooms. The intention of the people or organizations that distribute such information may not be in the Company's best interest and the best interests of its shareholders. This, in addition to other forms of investment information including newsletters and research publications, could result in a sharp decline in the market price of the Company's Common Shares.

Various risk factors are also described in comments made in this MD&A.

Further Information

Additional information on the Company may be obtained on SEDAR at www.sedarplus.com