Wi2Wi Corporation

Condensed Consolidated Interim Financial Statements

(Unaudited, expressed in US Dollars)

Three Month Period March 31, 2025 and March 31, 2024

Notice to Reader

These condensed consolidated interim financial statements of Wi2Wi Corporation for the three months ended March 31, 2025 have been prepared by Management and were authorized for issue in accordance with a resolution of the Board of directors on May 14, 2025. Wi2Wi Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entities auditors.

Toronto, Canada
May 15, 2025

Wi2Wi Corporation

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Wi2Wi Corporation
Unaudited Condensed Consolidated Interim Statements of Financial Position
(In thousands of U.S. dollars)

		March 31, 2025		December 31, 2024
Assets				
Current Assets				
Cash	$	422	$	431
Trade accounts receivable (Note 7)		1,447		1,097
Inventories (Note 8)		2,534		2,613
Prepaid expenses and other current assets		393		184
Total current assets		4,796		4,325
Property and equipment (Note 9)		723		746
Right of use assets (Note 10)		4,212		4,307
Total Assets	$	9,731	$	9,378
Liabilities				
Current Liabilities				
Accounts payable	$	946	$	730
Accrued liabilities (Note 11)		411		419
Current portion of lease obligations (Note 12)		241		241
Current portion of note payable (Note 14)		64		64
Total current liabilities		1,662		1,454
Lease obligations (Note 12)		4,378		4,435
Note payable (Note 14)		221		236
Economic injury disaster loan (Note 13)		150		150
Total Liabilities		6,411		6,275
Shareholders' Equity				
Common shares (Note 16)		30,115		29,487
Reserves (Note 17)		3,937		3,931
Accumulated other comprehensive loss		(3)		(3)
Accumulated deficit		(30,729)		(30,312)
Total shareholders' equity		3,320		3,103
Total Liabilities and Shareholders' Equity	$	9,731	$	9,378

Nature and Description of Company and Going Concern (Note 1)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board of Directors:

/s/ Ted Clark, CEO and Director

/s/ Gary DuBroc, Chairman

Wi2Wi Corporation
Unaudited Consolidated Interim Statements of Loss and Comprehensive Loss
(In thousands of U.S. dollars, except net income per share)

For the three months ended March 31,		**2025**		**2024**
Revenues	$	1,553	$	1,508
Cost of revenues (Notes 8 and 9)		1,381		1,357
Gross profit		172		151
Operating expenses (Note 18)				
Research and development (Note 9)		73		86
Selling, general and administrative (Note 9)		427		397
Total operating expenses		500		483
Loss from operations		(328)		(332)
Other income (expense)		(8)		3
Interest expense		(81)		(33)
Loss before income taxes		(417)		(362)
Provision for (benefit from) tax		-		-
Net loss	$	(417)	$	(362)
Net loss per share, basic and diluted (Note 16)	$	(0.00)	$	(0.00)

See accompanying notes to consolidated financial statements.

Wi2Wi Corporation
Consolidated Statements of Changes in Shareholders' Equity
(In thousands of U.S. dollars, except per share data)

	Common Shares					
	Shares	Amount	Reserves	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total shareholders' Equity
Balances, January 1, 2022	**152,933,313**	**$ 29,092**	**$ 3,836**	**$ (2)**	**$ (27,646)**	**$ 5,280**
Share-based compensation	100,000	1	21	-	-	22
Net and comprehensive loss	-	-	-	-	(1,325)	(1,325)
Balances, December 31, 2023	**153,033,313**	**29,093**	**3,857**	**(2)**	**(28,971)**	**3,977**
Net and comprehensive loss	-	-	-	-	(362)	(362)
Balances, March 31, 2024	**153,933,313**	**29,093**	**3,857**	**(2)**	**(29,333)**	**3,615**
Share-based compensation	-	-	76	-	-	76
Exercise of restricted share units	100,000	2	(2)	-	-	-
Issuance of common shares	12,000,000	418	-	-	-	418
Share issuance costs	-	(26)	-	-	-	(26)
Net loss and comprehensive loss	-	-	-	(1)	(979)	(980)
Balances, December 31, 2024	**165,133,313**	**29,487**	**3,931**	**(3)**	**(30,312)**	**3,103**
Share-based compensation	-	-	6	-	-	(6)
Issuance of common shares	19,099,700	628	-	-	-	628
Net loss and comprehensive loss	-	-	-	-	(417)	(417)
Balances, March 31, 2025	**184,233,013**	**$ 30,115**	**$ 3,937**	**$ (3)**	**$ (30,729)**	**$ 3,320**

Wi2Wi Corporation
Unaudited Consolidated Interim Statements of Cash Flows
(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Three months ended March 31,	2025	2024
Cash Flows from Operating Activities		
Net loss for the year	$ (417)	$ (362)
Adjustments for non-cash items:		
Depreciation	141	177
Share-based compensation	6	-
Changes in non-cash working capital:		
Trade accounts receivable	(350)	(279)
Inventories	79	107
Prepaid expenses and other current assets	(209)	(44)
Accounts payable	216	245
Accrued liabilities	(8)	11
Net Cash Used in Operating Activities	(542)	(145)
Cash Flows from Investing Activity		
Additions to property and equipment	(23)	(188)
Net Cash Used in Investing Activity	(23)	(188)
Cash Flows from Financing Activities		
Repayment of notes payable	(15)	160
Repayment of Economic Injury Disaster Loan	-	(1)
Restricted cash returned	-	-
Common shares issued	628	-
Lease payments	(57)	(107)
Net Cash Provided by (Used in) Financing Activities	556	52
Net decrease in Cash	(9)	(281)
Cash, beginning of year	431	917
Cash, end of year	$ 422	$ 636
Supplemental cash flow information		
Cash paid for interest	$ 81	$ 33
Cash paid for income taxes	-	-

See accompanying notes to consolidated financial statements.

1. Nature and Description of the Company and Going Concern

Sargeant Bay Capital, Inc., a Canadian entity, was incorporated pursuant to the Canada Business Corporations Act on July 9, 2004. On December 12, 2005, Sargeant Bay Capital, Inc. changed its name to Wi2Wi Corporation (the "Company") and became the legal parent of its wholly owned operating subsidiary, Wi2Wi Inc., a Delaware company, through a reverse takeover transaction. Wi2Wi Inc., was incorporated on April 29, 2005 and was mainly inactive until it acquired the original equipment manufacturing (OEM) products division of Actiontec Electronics on October 1, 2005.

Wi2Wi is a vertically integrated manufacturer providing wireless connectivity solutions, precision timing devices, frequency control products and microwave filters to the global market addressing various applications in the market segments; Internet of Things (IoT), Industrial Internet of Things (IoT/M2M/Industry 4.0), Avionics, Space, Military and Industrial. The Company shares trade on the TSX Venture Exchange under the symbol "YTY".

On February 4, 2016, Wi2Wi LLC was organized in the State of Wisconsin, a wholly owned subsidiary of Wi2Wi Inc. to conduct all or a portion of the Company's business in the State of Wisconsin.

On September 3, 2016, WI2WI (India) PRIVATE LIMITED was incorporated in India, as a wholly owned subsidiary of Wi2Wi, Inc. This is an engineering office for the wireless connectivity products, which works on developing new products.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its success in generating future profitable operations sufficient to eliminate its cumulative deficit, and continuing lender and shareholder support. There is no assurance that the steps the Company is taking to maintain future profitable operations will be successful. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of Preparation

The consolidated financial statements are presented in U.S. dollars ("USD") and all values are rounded to the nearest thousand dollars except where otherwise indicated. The consolidated financial statements have been prepared on an accrual basis except for cash flow information, and are based on historical costs except for certain financial instruments, which are measured at fair value.

Statement of Compliance and Authorization

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under IAS 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB). These unaudited condensed consolidated interim financial statements do not include all the information and notes required by IFRS for annual financial statements and, therefore, should be read in conjunction with the audited consolidated financial statements and notes for the Company's year ended December 31, 2024, which are available on SEDAR at www.sedarplus.com.

The unaudited condensed consolidated interim financial statements include the financial statements of Wi2Wi Corporation and its wholly owned subsidiaries, Wi2Wi Inc., Wi2Wi LLC and Wi2Wi (India) PRIVATE LIMITED. All intercompany balances and transactions have been eliminated on consolidation.

Substantially all of the assets of the Company are located in one geographic location, the United States.

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements
These condensed consolidated interim financial statements of Wi2Wi Corporation for the three months ended March 31, 2025 have been prepared by Management and were authorized for issue in accordance with a resolution of the Board of Directors on May 14, 2025. Wi2Wi Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements, in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entities auditors.

3. Capital Management

The Company considers its capital to be comprised of the items included in the consolidated statements of changes in shareholders' equity, which totaled $3,320 at March 31, 2025 (2024 - $3,615). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's definition of capital or capital management objectives during the three months ended March 31, 2025 and 2024.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

4. Material Accounting Policy Information

Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost is determined on a first in first out basis and includes all costs of purchase, costs of conversion (direct costs and an allocation of fixed and variable production overheads) and other costs incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price less estimated costs to complete. As a supplier of system in package and modular products, inventory cost consists of amounts paid to the Company's contract manufacturers for product that is drop shipped to customers or shipped to the Company.

Property and Equipment

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

- Three years for computer equipment and software;
- Five years for furniture and fixtures;
- Five to ten years for machinery and equipment; and
- Over the term of lease or estimated useful life of leaseholds, whichever is shorter.

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

Impairment of Non-Financial Assets

Non-financial assets to be held and used by the Company are reviewed for possible impairment annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If changes in circumstances indicate that the carrying amount of an asset that an entity expects to hold and use may not be recoverable, the Company must estimate the difference between the carrying amount of the asset and the recoverable amount. If the carrying amount exceeds the recoverable amount, the difference is recognized as an impairment loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Impairment charges can be subsequently reversed if they no longer exist but cannot exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized in the prior years. No impairment charges have been recorded for any of the periods presented.

Common shares and equity instruments

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. Common shares and warrants issued by the Company are classified as equity.

The Company has adopted a residual value method with respect to the measurement of common shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placement was determined to be the most easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve.

Costs directly attributable to the issue of common shares and warrants are recognized as a deduction from equity, net of any related income tax effects.

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 method. The effective interest 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 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 (loss).

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

Measurement

All 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 carried 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.

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 measures expected credit losses by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. Recoveries of trade accounts receivable previously written off are recorded in profit or loss when received.

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
Notes payable	Amortized cost	Amortized cost
Economic injury disaster loan	Amortized cost	Amortized cost

Income Taxes

The Company applies the liability approach to recording current and deferred taxes. Current 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.

Foreign Currency

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 material gains or losses arising from transactions denominated in currencies other than the functional currency for the three months ended March 31, 2025 and 2024.

Foreign currency translation, non-USD functional currency entities

For the preparation of these consolidated financial statements, all assets and liabilities are translated into the presentation currency of USD using the foreign exchange rate in effect as at the reporting date with revenue and expenses 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 accumulated other comprehensive loss 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 sells product directly to end customers as well as through distributors. 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 the Company expects to be entitled. Generally, control is transferred when legal title of the asset moves from the Company to the customer. The Company sells 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 when control has transferred to the customer, the Company also considers:

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

- 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; and
- when the customer has accepted the goods.

Disaggregated Revenue

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

For the three months ended March 31,	**2025**	**2024**
Product Family		
Frequency Control	$ 1,553	$ 1,502
Connectivity	-	6
	$ 1,553	$ 1,508

For the three months ended March 31,	**2025**	**2024**
Geographical Area		
United States	$ 1,401	$ 1,272
Foreign Countries	152	236
	$ 1,553	$ 1,508

Product Warranty

The Company offers a standard one-year product replacement warranty on its connectivity solutions. On frequency control products Company offers for a period of one-year from the date of delivery of the products, the Company warrants that the products will be free from defects in materials or workmanship. This warranty extends solely to buyer, and does not extend to any third parties. The Company assesses the level and materiality of return authorizations and determines the estimated returns for defective products at the time revenue is recognized. On occasion, management may determine to accept product returns beyond the standard one-year warranty period. In those instances, the Company accrues for the estimated cost at the time the decision to accept the return is made. As a consequence of the Company's standardized manufacturing processes and product testing procedures, returns of defective product are infrequent and the quantities have not been significant. Accordingly, historical warranty costs have not been material. Actual claim costs may differ from management's estimates. During the year ended December 31, 2024 the Company accrued $75K for warranty costs, $65K remained in accrued liabilities at March 31, 2025 and is expected to be used in fiscal 2025. Warranty costs during the year and as at March 31, 2024 were $nil.

Research and Development

Research costs are expensed in the period incurred. Development costs are capitalized as an asset if certain criteria are satisfied. Costs incurred in the three months ended March 31, 2025 and 2024, respectively, did not satisfy the criteria to qualify them as development costs, and therefore were expensed.

Share-Based Compensation

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 stock options expected to vest. Estimates are subsequently revised, if there is any indication that the number of stock options expected to vest differs from previous estimates. All share-based compensation is recognized as an expense in profit or loss with a corresponding credit to reserves. Upon exercise of stock options, the proceeds received and the amount originally credited to reserves are allocated to common shares. 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 equity instrument granted.

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. Restricted Share Units ("RSUs") are settled in common shares.

The fair value of the RSUs are measured at fair value at the date of grant and are expensed as share-based compensation 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 shares on the day the RSUs are granted. Upon vesting of the RSUs the amount originally credited to reserves is allocated to common shares.

Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share is equivalent to basic loss per share for the years presented, as the effect of including those dilutive instruments would be anti-dilutive.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Right of use asset</u>
The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of

costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right of use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term using the straight line method.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following payments during the lease term: fixed payments (including in-substance fixed payments), and the exercise price under a purchase option that the Company is reasonably certain to exercise.

It is remeasured when there is a change in future lease payments and/or lease term arising mainly if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option, or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Company used the following practical expedients permitted by the standard:
-the election not to recognize right of use assets and lease liabilities for which the lease is of low value, or short term, less than 12 months.

5. New Accounting Policies

New standards and interpretations adopted January 1, 2025:

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, 2025. 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 net 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.

Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of 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.

6. Critical Accounting Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions based on currently available information that affect the application of accounting policies and reported amounts of assets and liabilities at the date of the consolidated statements of financial position and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results may differ from these estimates. Revisions to accounting estimates or judgments are recognized in the year in which they are revised and future periods if the revision affects both current and future years. Estimates and underlying assumptions and judgments are reviewed on an ongoing basis, the Company has not identified any significant estimates. Significant judgments and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Significant judgments in applying accounting policies

Inventories

Inventories are recorded at the lower of cost (first in first out method) 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.

Useful Lives of Depreciable Assets

Management reviews the useful lives of property and equipment at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence. Details of the property and equipment useful lives are provided in Note 4.

7. Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest.

		March 31, 2025		December 31, 2024
Trade accounts receivable	$	1,455	$	1,105
Less provision for impairment of trade receivables		(8)		(8)
Trade receivables - net	$	1,447	$	1,097

8. Inventories

		March 31, 2025		December 31, 2024
Raw materials	$	1,057	$	1,130
Work in progress		190		342
Finished goods		1,287		1,141
Total	$	2,534	$	2,613

For the three months ended March 31, 2025, inventories recognized as an expense in cost of revenues amounted to $483 (2024- $504). During the year, inventories were reviewed for obsolescence as part of ongoing operations. As at March 31, 2025, accumulated deficit includes write-downs against inventories totaling $1,444 (2024 - $1,428).

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

9. Property and Equipment

	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Leaseholds	Total
Cost					
At December 31, 2023	$ 2,853	$ 160	$ 14	$ 203	$ 3,230
Additions	231	-	-	39	270
Disposals	-	(5)	-		(5)
At December 31, 2024	3,084	155	14	242	3,495
Additions	18	-	-	5	23
Disposals	-	-	-	-	-
At March 31, 2025	$ 3,102	$ 155	$ 14	$ 247	$ 3,518
Accumulated Depreciation					
Balance, December 31, 2023	$ 2,170	$ 120	$ 14	$ 194	$ 2,449
Additions	231	9	-	11	251
Disposals	-	-	-		-
Balance, December 31, 2024	2,401	129	14	205	2,749
Additions	41	3	-	2	46
Disposals	-	-	-	-	-
At March 31, 2025	$ 2,442	$ 132	$ 14	$ 207	$ 2,795
Net Carrying Amount					
At December 31, 2024	$ 683	$ 26	$ -	$ 37	$ 746
At March 31, 2025	$ 660	$ 23	$ -	$ 40	$ 723

Depreciation for the three months years ended March 31, 2025 of $46 (2024 - $65) was included in Cost of revenues $43 (2024-$61) and Selling, general and administrative $3 (2024 - $4) expenses.

Substantially all long lived assets of the Company are located in one geographic location, the United States.

10. Right Of Use Assets

	Premises	Equipment	Total
Cost			
Recognized at December 31, 2023	$ 3,593	$ -	$ 3,593
Additions	2,765	-	2,765
Disposals	-	-	-
At December 31, 2024	6,358	-	6,358
Additions	-	-	-
Disposals	-	-	-
At March 31, 2025	$ 6,358	$ -	$ 6,358
Accumulated Depreciation			
Recognized at December 31, 2023	$ 1,647	$ -	$ 1,647
Additions	404	-	404
Disposals	-	-	-
At December 31, 2024	2,051	-	2,051
Additions	95	-	95
Disposals	-	-	-
At March 31, 2025	$ 2,146	$ -	$ 2,146
Net Carrying Amount			
At December 31, 2024	$ 4,307	$ -	$ 4,307
At March 31, 2025	$ 4,212	$ -	$ 4,212

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Depreciation for the three months ended March 31, 2025 of $95 (2024 - $113) was included in Cost of revenues $66 (2024-$73), research and development $9 (2024-$13) and selling, general and administrative $20 (2024-$27) expenses.

11. Accrued Liabilities

	March 31, 2025	December 31, 2024
Accrued compensation	$ 121	$ 92
Accrued warranty	65	75
Accrued property taxes	86	113
Other accrued expenses	139	139
	$ 411	$ 419

12. Lease obligations

Lease obligations	
Lease obligations, December 31, 2023	$ 2,205
Leases remeasured	2,765
Lease payments	(518)
Interest expense on lease obligations	224
Lease obligations, December 31, 2024	4,676
Lease remeasured	-
Lease payments	(127)
Interest expense on lease obligations	69
Lease obligations at March 31, 2025	$ 4,618

Variable lease payments paid in 2025 were $27 (2024 - $29).

Maturity analysis of the contractual undiscounted cash flows for lease obligations	
Less than one year (current portion)	$ 383
One to five years	6,005
Total undiscounted lease obligations	$ 6,388
Lease obligations	$ 4,372
Current portion of lease obligations	246
Lease obligations at March 31, 2025	$ 4,618

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

13. Economic Injury Disaster Loan

In January 2021 the Company received an Economic Injury Disaster Loan (EIDL) in the amount of $150. EIDL provides the necessary working capital to help small businesses impacted by a disaster survive until normal operations resume. This is provided by the U.S. Small Business Administration. Monthly instalment payments of $1 began thirty (30) months from the date of the promissory note. The loan is amortized over thirty (30) years from the date of the promissory note. Interest will accrue at the rate of 3.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance.

14. Notes Payable

During 2023, the Company obtained two notes through a leasing company with original principal of $79. The notes are payable in monthly installments of $2 at interest rates of 15% and 16% per annum. The notes are secured by pieces of equipment financed through the notes.

During 2024, the Company obtained two new notes through a leasing company, original principal is $267K, payable in monthly installments of $6K at interest rates of 10% and 16% per annum, the notes are secured by the equipment financed with a net book value of $254.

Balance December 31, 2024	$	300
Note payable		-
Payments made		(15)
Balance March 31, 2025	$	285

Future minimum payments on the notes payable for the years then ended are as follows:

March 31,		
2025	$	45
2026- 2030		240
	$	285

15. Contingencies

Accrual for Legal Proceedings and Settlement

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 March 31, 2025 and 2024, there are no such claims against the Company which are expected to be material to the Company’s profit or loss, or financial condition.

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

16. Share Capital

Common Shares The authorized capital stock of the Company consists of an unlimited number of common shares without par value. Holders of common shares are entitled to one vote for each share held on all matters submitted to a vote of shareholders.

On February 13, 2025, 7,300,000 units were issued for $253 (CDN$365) cash proceeds through a private placement. Each unit was comprised of a common share and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share of the Company at an exercise price of CDN$0.10 for a period of 2 years from the closing date. Using the residual value method proceeds of $253 were attributed to the common shares and $nil were attributed to the warrants.

On March 4, 2025, 11,799,700 units were issued for $386 (CDN$590) cash proceeds through a private placement. Each unit was comprised of a common share and one half of one common share purchase warrant. Each whole warrant is exercisable to purchase one common share of the Company at an exercise price of CDN$0.10 for a period of 2 years from the closing date. Total share issue costs of $19 were incurred in connection with the private placement. Using the residual value method proceeds of $386 were attributed to the common shares and $nil were attributed to the warrants.

Per Share Calculation
The basic and diluted loss per share has been calculated based on 184,233,013 average shares outstanding for the three months ended March 31, 2025. The basic and diluted loss per share has been calculated based on 165,133,313 average shares outstanding for the year ended December 31, 2024.

17. Share-Based Payments and Warrants

Stock Option Plan
At March 31, 2025, the Company had only one stock option plan, the Wi2Wi Corporation Stock Option Plan (the Plan). The Plan is a fixed plan and the number of common shares reserved for issuance may not exceed 16,096,084 common shares. Options are granted at an exercise price not less than the Discounted Market Price (as defined) of the Company's shares at the date of grant. Options granted to employees, directors, officers and certain consultants have an expiration date that is up to 10 years from the grant date, generally vest over periods of up to 48 months as determined by the Board of Directors.

The following table summarizes the stock options:

	Options	Weighted Average Exercise Price
Options outstanding at December 31, 2023	4,000,000	$ 0.03
Options granted[1]	6,600,000	0.03
Options outstanding at December 31, 2024	10,600,000	0.03
Options granted[2]	300,000	0.05
Options outstanding at March 31, 2025	10,600,000	$ 0.023

1. Certain of these stock options, issued in Canadian dollars, were converted to US$ at the December 31, 2024 exchange rate of 1.44.
2. Certain of these stock options, issued in Canadian dollars, were converted to US$ at the March 31, 2025 exchange rate of 1.44.

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

The following table summarizes stock options outstanding and exercisable as of March 31, 2025:

Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Life	Options Exercisable
0.03[1]	1,300,000	2.64	1,300,000
0.01[4]	4,800,000	5.89	4,000,000
0.05[2]	1,000,000	1.24	1,000,000
0.04[5]	300,000	6.95	-
0.02[3]	3,500,000	5.84	1,500,000
	10,900,000	4.93	7,800,000

1. These stock options have an exercise price of CAD $0.045 and have been converted to US$ at the March 31, 2025 exchange rate of 1.44 for disclosure purposes here.
2. These stock options have an exercise price of CAD $0.075 and have been converted to US$ at the March 31, 2025 exchange rate of 1.44 for disclosure purposes here.
3. These stock options have an exercise price of CAD $0.035 and have been converted to US$ at the March 31, 2025 exchange rate of 1.44 for disclosure purposes here.
4. These stock options have an exercise price of CAD $0.020 and have been converted to US$ at the March 31, 2025 exchange rate of 1.44 for disclosure purposes here.
5. These stock options have an exercise price of CAD $0.050 and have been converted to US$ at the March 31, 2025 exchange rate of 1.44 for disclosure purposes here.

The fair value of the options granted is estimated at the issuance date based on the Black Scholes option pricing model and expensed using the graded vesting method over the related service period. The Company estimates its expected stock price volatility using historical trading activity over a period equal to the expected term of options granted. The Company estimates the expected term of options granted as being the time from grant to vest plus the midpoint of the time from vest to option expiration. The risk-free interest rate for periods within the contractual life of the option is based on U.S. Treasury zero-coupon rates for the expected term of the option.

Restricted Share Units (RSU's*)*

At March 31, 2025, the Company had the Wi2Wi Corporation Restricted Share Unit Plan, administered by the Board of Directors. The maximum number of Common shares which may be awarded is 5,000,000 and shall not, in combination with the Stock Option Plan exceed 20% of the issued and outstanding common shares. RSU's granted to employees, directors, officers and certain consultants vest as determined by the Board of Directors.

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

The following table summarizes the RSU's issued by the Company:

	RSU's	Weighted Average Grant Date Fair Value
RSU's outstanding at December 31, 2023	200,000	$ 0.025
RSU's exercised	(100,000)	0.025
RSU's outstanding at December 31, 2024	100,000	0.025
RSU's exercised	-	0.025
RSU's outstanding at March 31, 2025	100,000	$ 0.025

At the vesting date accumulated compensation from the current and prior year of $0 (2024 - $0) was transferred from reserves to common shares.

Share-based compensation expense related to stock options and RSU's is recognized in selling, general and administrative, as follows:

March 31,	2024	2024
Selling, general and administrative	$ 6	$ -
	$ 6	$ -

Reserves
The March 31, 2025 balance in shareholders' equity reserves of $3,931 (2024 - $3,857) is related to share-based compensation.

Warrants
At March 31, 2025 a total of 15,549,850 warrants exercisable at CDN$0.10 were issued and outstanding.

18. Expenses by Nature

For the three months ended March 31,	**2025**	**2024**
Research and Development		
Compensation	$ 62	$ 72
Other costs	11	14
Total research and development	**$ 73**	**$ 86**
Selling, General and Administrative		
Compensation	$ 197	$ 179
Business insurance	24	21
Depreciation	22	30
Audit and tax	28	29
Professional and consulting services	69	45
Facility related expenses	27	29
Software costs	17	17
Other costs	43	47
Total selling, general and administrative	**$ 427**	**$ 397**

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

19. Financial Instrument Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company does not believe it has significant liquidity risk. As of March 31, 2025, the Company had working capital of $3,134 and reported cash outflows from operations of $542 (2024 – $145).

The following are the undiscounted amounts, contractual maturities and anticipated timing of settlements of its liabilities as at March 31, 2025 and December 31, 2024:

March 31, 2025	Less than one year	One to five years	Over five years	Total
Accounts payables and accrued liabilities	$1,357	$ -	$ -	$1,357
Leases obligations	383	2,149	3,856	6,388
Note payable	49	236	-	285
EIDL Loan payable	-	40	110	150
Total	$ 1,789	$ 2,425	$ 3,966	$ 8,180

December 31, 2024	Less than one year	One to five years	Over five years	Total
Accounts payables and accrued liabilities	$ 1,149	$ -	$ -	$ 1,149
Leases obligations	511	2,149	3,856	6,516
Note payable	64	236	-	300
EIDL Loan payable	-	40	110	150
Total	$ 1,724	$ 2,425	$ 3,966	$ 8,115

The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on cash and trade accounts receivable. The Company believes it has no significant credit risk with respect to cash balances which are maintained with national banks. The maximum exposure is equal to the carrying amount of cash and trade accounts receivable.

The Company had significant exposure to several customers as of March 31, 2025 and December 31, 2024 as follows:

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

	March 31, 2025		December 31, 2024	
Customer	Revenue %	Trade Accounts Receivable %	Revenue %	Trade Accounts Receivable %
A	22%	35%	18%	14%
B	19%	26%	16%	25%
C	9%	0%	3%	1%

The Company has $341 and $199 in outstanding receivables over 90 days at March 31, 2025 and December 31, 2024, respectively. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company believes it has no significant market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash balances. The interest earned approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates as it does not have any debt bearing interest at floating rates. The Company's exposure to and management of interest rate risk has not changed materially from that of the prior year.

Foreign currency risk

The Company is exposed to minimal foreign currency risk due to the infrequency of transactions in currencies other than the US dollar. The Company does not use derivatives to hedge against this risk. At March 31, 2025 the Company had accounts payable and accrued liabilities denominated in foreign currencies of CDN $39 (2024 - CDN $14). The Company's exposure to and management of foreign currency risk has not changed materially from that of the prior year.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Company is not exposed to material price risk with respect to commodity or equity prices. The Company's exposure to and management of price risk has not changed materially from that of the prior year.

20. Fair Value of Financial Assets and Liabilities

The Company's financial instruments at March 31, 2025 include cash, trade accounts receivable, accounts payable, accrued liabilities, notes payable and Economic Injury Disaster Loan. The carrying amounts of cash, trade accounts receivable and accounts payable and accrued liabilities approximate their fair value amounts due to the relatively short periods to maturity of these items or because they are receivable or payable on demand. The fair value of the notes payable approximates carrying amount as it bears a market rate of interest, and fair value of the Economic Injury Disaster Loan approximates carrying amount as the interest rate approximates market rates.

When applicable, the Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

(All dollar amounts in thousands of U.S. dollars, unless otherwise noted)

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no transfers into or out of level 3.

21. Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. The remuneration of key management personnel of the Corporation, which includes both members of the Board of Directors and leadership team, which includes the CEO and CFO, recognized in selling, general and administrative, is set out below in aggregate:

For three months ended March 31,	2025	2024
Officer compensation	$ 59	$ 38
Benefits and other personnel costs	14	10
Share-based compensation current directors	-	-
	$ 73	$ 48

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