



ARway.ai

ARway Corporation (formerly 1000259749 Ontario Ltd.)

Management's Discussion and Analysis

**For the year ended August 31, 2023
and the period from July 15, 2022 (incorporation) to August 31, 2022**

(Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of ARway Corporation (the "Company" or "Arway") provides analysis of the Company's financial results for the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022, and should be read in conjunction with the Company's audited financial statements (the "financial statements") for the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. For further information on the Company, reference should be made to its public filings on SEDAR+ at <https://www.sedarplus.ca>.

For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is current as of December 21, 2023 and was approved by the Company's Board of Directors.

In this MD&A, the words "we", "us", or "our", collectively refer to ARway Corporation. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022 are referred to as "Fiscal 2023" and "Fiscal 2022", respectively.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's financial statements and MD&A, is complete and reliable.

This MD&A includes trademarks, such as "ARway", which are protected under applicable intellectual property laws and are the property of ARway. Solely for convenience, our trademarks and trade names referred to in this MD&A may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. All other trademarks used in this MD&A are the property of their respective owners.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that relate to our current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this MD&A and may not be suitable for other purposes. We have based these forward-looking statements on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the economy generally;
- market participants' interest in ARway's services and products, both in respect of its current offerings and its proposed roll-out of future products and services;
- fluctuations in foreign currency exchange rates;
- business prospects and opportunities;
- anticipated and unanticipated costs;
- management's outlook regarding future trends;
- our expectations regarding our revenue, expenses and operations;
- our anticipated cash needs and our needs for additional financing;
- our plans for and timing of expansion of our solutions and services;
- our future growth plans including the entry into adjacent markets;

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)
Management's Discussion and Analysis
For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022
(Expressed in Canadian dollars)

- the acceptance by our customers and the marketplace of new technologies and solutions;
- our ability to attract new customers and develop and maintain existing customers;
- our ability to attract and retain personnel;
- our future growth and its dependence on continued development of our direct sales force and their ability to obtain new customers;
- our expectations with respect to advancement in our technologies;
- our competitive position and our expectations regarding competition;
- regulatory developments and the regulatory environments in which we operate;
- anticipated trends and challenges in our business and the markets in which we operate
- an increased demand for 3D content and experiences;
- the anticipated benefits of our product offerings and services; and
- the retention of earnings for corporate purposes and the payment of future dividends.

Forward-looking statements are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments and other factors we believe are appropriate. Expected future developments include growth in our target market, an increase in our revenue based on trends in customer behaviour, increasing sales and marketing expenses, research and development expenses and general and administrative expenses based on our business plans. Although we believe that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect.

Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks and uncertainties, including those set forth below under the heading "Risks and Uncertainties". These risks and uncertainties could cause our actual results, performance, achievements and experience to differ materially from the future expectations expressed or implied by the forward-looking statements. In light of these risks and uncertainties, readers should not place undue reliance on forward-looking statements.

The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A and are expressly qualified in their entirety by this cautionary statement. Except as required by law, we do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Readers should read this MD&A with the understanding that our actual future results may be materially different from what we expect.

All of the forward-looking statements in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

BUSINESS OVERVIEW

ARway is disrupting the Augmented Reality Way finding market with a no-code, no beacon spatial computing platform enabled by visual marker tracking. Visitors can access a venue map by scanning a visual marker (e.g., quick response code ("QR code")) with their smartphone and navigate to any point of interest by following an augmented path and step-by-step directions, while interacting with rich augmented reality ("AR") content and experiences. ARway only requires end-users to scan a QR code with their smartphone to activate.

The ARway platform includes:

Web Creator Platform

The Web-Based Creator Platform provides 'advanced' authoring capabilities compared to the mobile app, including the ability for creators to upload their own OBJ/GLB files, and create their own 3D objects. Placing content in a large area using only mobile app required the user to physically be in the specific location which was unscalable. The web studio allows the user to place and author content remotely and at scale.

Mobile app

With the ARway mobile app, anyone can spatially map their location within minutes using their smartphone, and populate it with interactive 3D content, augmented reality wayfinding, audio, text, images, and more. Nextech3D.ai Corp. ("Nextech"), the Company's parent, provides several pre-loaded 3D objects which creators can leverage to populate their metaverse.

Software development kit ("SDK")

The SDK contains code libraries and an application programming interface ("API") information that allows developers to build their own white label and private label mobile apps on both iOS and Android leveraging ARway's technology and creator tools to build AR wayfinding and spatial experiences. Creators will be able to develop white label and private label apps and access ARway APIs to author maps using the web creator portal. The SDK features the latest and greatest of the ARway mobile app.

ANNUAL HIGHLIGHTS

During the year ended August 31, 2023 and up to the date of this report the Company:

- On March 2, 2023, ARway announces Museum AR Wayfinding Pilot & Partnership with ERNACT, or European Regions Network for the application of communications technology
- On March 7, 2023, ARway files first provisional patent in a series for digital twin technology
- on March 28, 2023, ARway unveils patent-pending ai-powered 3d digital twin floor plan generation technology to capture a share of the \$44 billion indoor navigation market
- On April 4, 2023, ARway unveils SDK 2.3 with significant enhanced AI-features and AR experiences, opening up new markets
- On April 18, 2023, Harvard University Robotics and AR/VR Workshops showcase ARway, Snap, and Magic Leap's spatial computing and AR platforms capabilities
- On May 2, 2023, ARway announced Magic Leap AR glasses integration
- On May 3, 2023, ARway approved and now trading on the OTCQB exchange
- On May 4, 2023, ARway announced Microsoft HoloLens AR glasses integration
- On June 1, 2023, ARway announced cross platform compatibility across Magic Leap & HoloLens as it prepares for additional AR glasses compatibility
- On June 21, 2023, ARway files pivotal augmented reality patent for its ground-breaking indoor navigation technology
- On July 5, 2023, ARway's spatial computing platform launches v2.5 with AI-assisted augmented reality pathfinding experiences
- On July 12, 2023, ARway selected by tm forum to participate in smart airport initiative alongside Intel, Amazon, Vodafone and other technology partners
- On July 20, 2023, ARway secures \$500,000 annual license agreement for its augmented reality spatial computing navigation platform
- On August 2, 2023, ARway launches SAAS business model, anticipates increased adoption, revenue, and expansion
- On August 23, 2023, ARway signs multi-year contract with the largest car rental network in South America Localiza Rent a Car s.a.
- On September 7, 2023, ARway announces major win as it lands a contract with second largest academic institution in Turkey
- On September 12, 2023, ARway selected to participate at Apple Vision Pro developer labs
- On September 28, 2023, ARway completes first build of the ARway platform on Apple's Vision Pro hardware & announces platform + SDK updates

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)
Management's Discussion and Analysis
For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022
(Expressed in Canadian dollars)

SELECTED ANNUAL INFORMATION

The selected annual information is derived from the Company's Annual Financial Statements:

	Year ended August 31, 2023	Period from July 15 and August 31, 2022
	\$	\$
Total revenue	59,725	-
Net loss	(8,154,678)	-
Basic and diluted net loss per share	(0.36)	-
Working capital	176,586	1
Total assets	344,121	1
Total liabilities ⁽¹⁾	162,358	-

(1) As at August 31, 2023 and 2022, there were no non-current liabilities and total liabilities are current liabilities on the Company's statements of financial position.

Revenues result from the sale of renewable software licenses and technology services to the Company's customers. Refer to the section below for a discussion of the Fiscal 2023 developments.

Net loss for the year ended August 31, 2023, was \$8,154,678 or \$0.36 per share basic and diluted. The net loss is mainly due to expenses incurred related to selling and marketing, general and administrative, and research and development, as described below, in addition to an expense of \$1,298,737 for the year ended in relation to share-based compensation for stock options issued to employees and an expense of \$3,611,111 for the year ended in relation to impairment of intangible assets.

Working capital as of August 31, 2023, was \$176,586 (2022 - \$1). The increase in working capital was mainly due to the increase in the cash balance from the funds raised as part of the spinout of the Company from Nextech.

Total assets as at August 31, 2023, was \$344,121 (2022 - \$1). The increase in assets is mainly due to the cash raised from private placement.

Total liabilities as at August 31, 2023, was \$162,358 (2022 - \$nil). The increase in liabilities is mainly due to expense increases as operations have ramped up. Liabilities are mainly related to trade payables for normal business expenditures.

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)
Management's Discussion and Analysis
For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022
(Expressed in Canadian dollars)

RESULTS OF OPERATIONS

A summary of the Company's results of operations for the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022 is as follows:

	Fiscal 2023	Fiscal 2022
	\$	\$
Revenue	59,725	-
Operating expenses		
Amortization	1,388,889	-
Depreciation	1,362	-
General and administrative	677,559	-
Impairment of intangible assets	3,611,111	-
Research and development	391,746	-
Sales and marketing	801,937	-
Share-based compensation	1,298,737	-
Total operating expenses	8,171,341	-
Loss from operations	(8,111,616)	-
Other income (expense)		
Interest income	14,835	-
Loss on sales of shares	(57,897)	-
Total other income (expense)	(43,062)	-
Net loss and comprehensive loss for the period	(8,154,678)	-

Revenue

For the period from July 15, 2022, 2022 (incorporation) to August 31, 2022, the Company did not operate and as a result has no reported results of operations for this period. The Company reported a net loss of \$8,154,678 for the year ended August 31, 2023 which comprises:

- Revenue of \$59,725 from platform license and mobile application sales, \$41,667 of the sales related to license agreement with Nextech, as described in "Related Party Transactions and Balances" section below. The Company's revenue results were below internal expectations due to slower sales than anticipated, however, we have seen strong interest towards the end of the fiscal year and into the new fiscal year with several pilots signed to date. Along with recently implemented new pricing and sales strategies, and further development of the platform, we are very confident that we will meet our original fiscal year targets in the upcoming fiscal year.

Selling and marketing expenses

Sales and marketing expenses for the year ended August 31, 2023, was \$801,937. Selling and marketing expenses consist primarily of sales personnel salaries, advertising and marketing costs, and investor relations costs.

We plan to continue to invest in sales and marketing by expanding our domestic and international selling and marketing activities, building brand awareness, and sponsoring additional marketing events. We expect that in the future, selling and marketing expenses will increase once we see sustainable market opportunities.

General and administrative expenses

General and administrative expenses for the year ended August 31, 2023 was \$677,559. General and administrative expenses consist primarily of personnel and related costs associated with administrative functions of the business including finance, human resources, operations, management, and internal information system support. Additional costs in general and administrative includes professional fees for legal, audit and other regulatory compliance costs.

Research and development expenses

Research and development expenses for the year ended August 31, 2023, was \$391,746. This consists of developer fees related to the development and improvement of the ARway platform.

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)
Management's Discussion and Analysis
For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022
(Expressed in Canadian dollars)

QUARTERLY FINANCIAL INFORMATION

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	\$	\$	\$	\$
Operating loss	(5,090,004)	(1,447,103)	(1,420,807)	(153,702)
Net loss and comprehensive loss	(5,150,728)	(1,368,701)	(1,264,001)	(371,248)
Net loss per share - basic and diluted	(0.19)	(0.05)	(0.05)	(0.04)

	July 15, 2022 (incorporation) to August 31, 2022
	\$
Operating loss	-
Net loss and comprehensive loss	-
Net loss per share - basic and diluted	-

The Company is in early stages with most of the losses recorded resulting from research and development and selling and marketing expenses to improving products and expanding markets.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages its capital structure based on the funds available to it in order to support the continuation of and expansion of its operations and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company defines capital to include share capital, warrants and stock option component of its shareholders' equity. The primary cash flows have been through financing activities.

The following table provides a summary of the cash inflows and outflows by activity for operations:

	Fiscal 2023	Fiscal 2022
	\$	\$
Operating activities	(1,692,096)	-
Investing activities	(6,539)	-
Financing activities	1,979,806	1
Net cash inflow	281,171	1

During the year ended August 31, 2023, the Company had net cash inflow of \$281,171 (2022 - \$1).

Cash used in operating activities for the year ended August 31, 2023, was \$1,692,096 (2022 - \$nil). The cash outflow is mainly due to the loss of the year driven mainly by the expenditures of the period ended on August 31, 2023.

Cash used in investing activities for the year ended August 31, 2023, was \$6,539 (2022 - \$nil). The cash outflow is due to the purchase of computer equipment.

Cash provided by financing activities for year ended August 31, 2023, was \$1,979,806 (2022 - \$1). The cash inflow is due to net proceeds from the funds raised as part of the spinout of the Company from Nextech.

As of August 31, 2023, the Company had cash of \$281,172 (2022 - \$1), working capital of \$176,586 (2022 - \$1). We anticipate that the growth of our license revenue along with our license revenue with Nextech will generate cash flow to reduce the amount of working capital required to sustain operations, along with potential warrant exercises, and continued use of our employee warrant purchase program will all help improve the cash flow position of the Company. The Company may need to seek additional financing to continue to grow its operations. The amount and pricing of financing the Company is able to raise in the future is dependent on the cyclical nature of the equity markets, and the perception and adoption of AR and AR technologies in the mainstream.

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)
Management's Discussion and Analysis
For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022
(Expressed in Canadian dollars)

OUTSTANDING SHARE DATA

As at August 31, 2023 and as at the date of this MD&A, the Company had the following securities outstanding:

	September 30,	2023	Date of MD&A
Common shares	27,177,870		27,177,870
Warrants	7,640,792		7,640,792
Options	2,610,000		2,610,000

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as of the date of this report.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as of the date of this report.

RELATED PARTY TRANSACTIONS AND BALANCES

The Company considers the executive officers and directors as the key management of the Company. During the year ended August 31, 2023, the Company paid \$93,849 (2022 - \$nil) remuneration to management personnel including those persons having the authority and responsibility for the planning, directing, and controlling of the activities of the Company.

Related party agreements

On July 13, 2023, the Company entered into an intellectual property license agreement with Nextech, a major shareholder of the Company. As full consideration for the rights granted under this agreement, Nextech will pay an annual royalty fee of \$500,000 payable in monthly installments of \$41,667. After Nextech has earned \$500,000 in revenue generated from the use of the licensed intellectual property, a royalty equal to 10% of all revenue generated thereafter from the use of such property will be payable. During the year ended August 31, 2023, the Company received \$41,667 (2022 - \$nil) in fees as part of revenue.

On October 25, 2022, the Company entered into a management agreement with Nextech, which is a major shareholder of the Company. The contract stipulates that a management fee of up to \$100,000 per month will be paid to Nextech for consulting services, which consists of services performed by executive officers, technology consultants, and shared services such as, finance, human resources, and sales operations. The monthly amount represents the Company's portion of shared expenses with Nextech based on fair market rates. During the year ended August 31, 2023, the Company paid \$300,000 (2022 - \$nil) in fees as part of general and administrative.

A summary of the Company's related party transactions is as follows:

	Fiscal 2023	Fiscal 2022
	\$	\$
Management fees	300,000	-
Remuneration for services	93,849	-
	393,849	-

As at August 31, 2023, accounts payable and accrued liabilities included \$63,174 (2022 - \$nil) in respect of the services rendered. These are non-interest bearing with standard payment terms.

CRITICAL ACCOUNTING ESTIMATES

See our annual financial statements for the year ended August 31, 2023 and the related notes thereto for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations. The policies listed below are areas that may contain key components of our results of operations and are based on complex rules requiring us to make judgments and estimates and consequently, we consider these to be our critical accounting policies. The critical accounting policies which we believe are the most important to aid in fully understanding and evaluating our reported financial results include the following:

- Intangible Assets,
- Impairment of Non-Financial Assets, and
- Revenue Recognition.

Critical Accounting Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

- Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

CHANGES IN ACCOUNTING POLICIES

See our annual financial statements for the year ended August 31, 2023 and the related notes thereto for a discussion of the changes in accounting policies.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

As at August 31, 2023, the Company's financial assets and liabilities were classified as amortized cost.

The carrying values of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and cash equivalents. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's main source of cash resources is through equity financing. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year.

c) 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 assessed that interest rate risk is low for the financial assets as most investments are made in highly liquid instruments.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Foreign currency risk exposure arises with respect to some of the Company's cash and cash equivalents, receivables, and accounts payable and accrued liabilities denominated in a foreign currency. A significant change in the currency exchange rates between the Canadian dollar relative to the USD could affect the Company's results of operations, financial position or cash flows. Assuming all other variables constant, an increase or a decrease of 10% of the U.S. dollar against the Canadian dollar would impact the Company by \$20,652 during the year ended August 31, 2023. The Company had no hedging agreements in place with respect to foreign exchange rates.

Management of Capital

The Company's definition of capital includes equity, comprising share capital, reserves and accumulated deficit. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. As at August 31, 2023, the Company had shareholders' equity of \$181,763 (August 31, 2022 - \$1).

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business. The Company obtains funding primarily through equity issuance. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the year ended August 31, 2023.

As at August 31, 2023, the Company was not subject to any externally imposed capital requirements.

RISKS AND UNCERTAINTIES

We are exposed to risks and uncertainties in our business, including the risk factors set forth below:

- If we are unable to attract new customers or sell additional products to our existing customers, our revenue growth and profitability will be adversely affected.
- We encounter long sales cycles for technology services, particularly with our larger customers, which could have an adverse effect on the amount, timing and predictability of our revenue.
- Downturns or upturns in new sales will not be immediately reflected in operating results and may be difficult to discern.
- Our quarterly results of operations may fluctuate. As a result, we may fail to meet or exceed the expectations of investors or securities analysts which could cause our share price to decline.
- Our ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security relating to customer information.
- We have incurred operating losses in the past and may incur operating losses in the future.
- If we are unable to develop new products and services, sell our solutions into new markets or further penetrate our existing markets, our revenue will not grow as expected.
- Our inability to assess and adapt to rapid technological developments could impair our ability to remain competitive.
- Downturns in general economic and market conditions and reductions in spending may reduce demand for our solutions, which could negatively affect our revenue, results of operations and cash flows.
- We are subject to fluctuations in currency exchange rates.
- The markets in which we participate may become competitive, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

ARWAY CORPORATION (formerly 1000259749 Ontario Ltd.)

Management's Discussion and Analysis

For the year ended August 31, 2023 and the period from July 15, 2022 (incorporation) to August 31, 2022

(Expressed in Canadian dollars)

- If we fail to retain our key employees, our business would be harmed, and we might not be able to implement our business plan successfully.
- Our growth is dependent upon the continued development of our direct sales force.
- If we experience significant fluctuations in our rate of anticipated growth and fail to balance our expenses with our revenue forecasts, our results could be harmed.
- Interruptions or delays in the services provided by third party data centers and/or internet service providers could impair the delivery of our solutions and our business could suffer.
- The use of open-source software in our products may expose us to additional risks and harm our intellectual property.
- We may not receive significant revenue as a result of our current research and development efforts.
- Current and future accounting pronouncements and other financial reporting standards might negatively impact our financial results.
- The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies may have a conflict of interest.
- Our strategy includes pursuing acquisitions and our potential inability to successfully integrate newly acquired companies or businesses may adversely affect our financial results.
- The market price for our common shares may be volatile.
- We may issue additional common shares in the future which may dilute our shareholders' investments.
- We may face challenges to our intellectual property rights, which could have a material adverse impact on the Company.
- Uncertainties associated with the economic and market impact related to COVID-19.
- We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

Although the forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, these risks, uncertainties, assumptions, and other factors could cause our actual results, performance, achievements and experience to differ materially from our expectations, future results, performances or achievements expressed or implied by the forward-looking statements. In light of these risks, uncertainties and assumptions, readers should not place undue reliance on forward-looking statements.

Additional risks and uncertainties not presently known to us or that we currently consider immaterial may impair our business and operations and cause the price of our shares to decline. If any of the noted risks occur, our business may be harmed, and our financial condition and results of operations may suffer significantly.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes during year ended August 31, 2023, in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.