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ARway Corporation

Condensed Interim Financial Statements

For the three and six months ended September 30, 2025 and August 31, 2024

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Financial Statements for the Three and Six Months Ended September 30, 2025 and August 31, 2025

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of ARway Corporation for the interim periods ended September 30, 2025 and August 31, 2024, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Davidson & Company LLP, have not performed a review of these unaudited condensed interim financial statements.

November 7, 2025

ARWAY CORPORATION
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

		September 30, 2025	March 31, 2025
	Note	\$	\$
ASSETS			
Current			
Cash and cash equivalents		11,065	6,628
Receivables	10(a)	96,380	96,674
Prepaid expenses and deposits	5	88,519	24,939
Total current assets		195,964	128,241
Due from related parties		764,904	456,627
Total assets		960,868	584,868
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6, 8	256,495	221,031
Due to related parties		835,831	595,181
Deferred revenue		479,153	454,696
Total liabilities		1,571,479	1,270,908
SHAREHOLDERS' EQUITY			
Share capital	7	8,785,865	8,785,865
Reserves	7	1,400,513	1,379,155
Deficit		(10,796,989)	(10,851,060)
Total shareholders' equity		(610,611)	(686,040)
Total liabilities and shareholders' equity		960,868	584,868

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors:

<u>/s/ "Evan Gappelberg"</u> Director	<u>/s/ "Anthony Pizzonia"</u> Director
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The accompanying notes are an integral part of these condensed interim financial statements.

ARWAY CORPORATION. (formerly 1000259749 Ontario Ltd.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except per share amounts and number of shares)

		Three months ended		Six months ended	
	Note	September 30, 2025	August 31, 2024	September 30, 2025	August 31, 2024
		\$	\$	\$	\$
Revenue		283,089	(312,380)	555,455	(163,629)
Cost of Sales		(13,396)	-	(26,688)	-
Gross Profit		269,693	(312,380)	528,767	(163,629)
Operating expenses					
Depreciation of equipment		-	181	-	1,144
General and administrative	9(a)	110,792	360,584	225,004	542,301
Impairment		-	670,050	-	670,050
Research and development	9(b)	40,734	65,905	81,468	166,159
Sales and marketing	9(c)	85,226	111,735	145,344	201,065
Share-based compensation	7(f)	6,952	93,693	21,358	(65,710)
Bad Debts		1,522	-	1,522	-
Total Operating expenses		245,226	1,114,762	474,696	1,515,009
Income/ (loss) from operations		24,467	(1,427,142)	54,071	(1,678,638)
Other income					
Loss on sale of assets		-	(3,034)	-	(3,034)
Income/ (loss) before income taxes		24,467	(1,430,176)	54,071	(1,681,672)
Deferred income tax recovery		-	-	-	-
Income/ (loss) after income taxes		24,467	(1,430,176)	54,071	(1,681,672)
Net loss per share					
Basic and diluted		0.00	(0.03)	0.00	(0.04)
Weighted average number of common shares					
Basic and diluted		32,933,780	33,370,974	37,157,337	28,376,678

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

ARWAY CORPORATION
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended September 30 2025	Six months ended August 31 2024
	\$	\$
Operating activities:		
Net income/ (loss) for the period	54,071	(1,681,672)
Adjustments for:		
Depreciation	-	1,144
Impairment of intangible assets	-	670,050
Share-based compensation	21,358	(65,708)
Accruals of management fees	-	162,000
Loss on sale of Assets	-	3,034
Bad debts	1,522	-
Changes in non-cash working capital:		
Receivables	(1,228)	136,796
Long term receivables	(308,277)	-
Due from related parties	-	44,860
Prepaid expenses and deposits	(63,580)	10,561
Accounts payable and accrued liabilities	35,464	(23,149)
Due to related parties	240,650	-
Deferred revenue	24,457	220,607
Cash used in operating activities	4,437	(271,477)
Financing activities:		
Proceeds from exercise of options and warrants	-	50,000
Proceeds from employee pay program	-	192,499
Cash provided by financing activities	-	242,499
Change in cash and cash equivalents	4,437	(28,978)
Cash and cash equivalents, beginning of period	6,628	29,376
Cash and cash equivalents, end of period	11,065	398
Supplemental cash flow information:		
Cash paid during the period for income tax	-	-
Cash received from interest income of operating activities	-	-

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

ARWAY CORPORATION**Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except for number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance, August 31, 2024	33,370,974	8,520,819	1,328,555	(10,523,770)	(674,396)
Share-based compensation	-	-	50,600	-	50,600
Share issued to CEO in settlement of payable	3,786,363	265,046	-	-	265,046
Net loss for the period	-	-	-	(327,290)	(327,290)
Balance, March 31, 2025	37,157,337	8,785,865	1,379,155	(10,851,060)	(686,040)
March 31, 2025	37,157,337	8,785,865	1,379,155	(10,851,060)	(686,040)
Share-based compensation	-	-	21,358	-	21,358
Net income for the period	-	-	-	54,071	54,071
Balance, September 30, 2025	37,157,337	8,785,865	1,400,513	(10,796,989)	(610,611)

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

ARWAY CORPORATION

Notes to the Condensed Interim Financial Statements

For the three and six months ended September 30, 2025 and August 31, 2024
(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

ARway Corporation (formerly 1000259749 Ontario Limited) (the "Company") develops and operates intellectual property which includes the ARway application. ARway is a mobile app, all-in one no code real-world Metaverse creation tool, with self-generating augmented reality ("AR") mapping solutions for consumers and brands alike. The Company was incorporated under the Business Corporations Act (Ontario) on July 15, 2022 and is a spin out of Nextech3D.ai Corp. ("Nextech"), a Metaverse company and leading provider of AR solutions. The Company's registered and head office is located at PO Box 64039 RPO Royal Bank Plaza, Toronto, Ontario, M5J 2T6.

The Company's shares trade in Canada on the Canadian Securities Exchange ("CSE") under the trading symbol "ARWY", on the OTCQB under the trading symbol "ARWYF", and on the Frankfurt Stock Exchange under the trading symbol "FSE: E65".

a) Going concern

These condensed interim financial statements for the three and six months ended September 30, 2025 and August 31, 2024 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. During the three and six months ended September 30, 2025, the Company had net profit and comprehensive profit of \$24,467 and \$54,071 (August 31, 2024 – loss of \$1,430,176 and \$1,681,672), respectively. During the six months ended September 30, 2025, the Company provided cash of \$4,437 in operating activities (August 31, 2024 -cash used of \$271,477). As at September 30, 2025, the Company had an accumulated deficit of \$10,796,989 (March 31, 2025 - \$10,851,060). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms that are acceptable to the Company. These factors cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on November 7, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended March 31, 2025 and August 31, 2024 (the "Annual Financial Statements").

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim statements of cash flows.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency is the currency of the primary economic environment in which an entity operates.

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024
(Unaudited - Expressed in Canadian dollars, except where noted)

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgments and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	September 30, 2025	March 31, 2025
	\$	\$
Investor relations	13,519	24,939
Legal retainer	75,000	-
	88,519	24,939

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30, 2025	March 31, 2025
	\$	\$
Accounts payable	254,162	203,060
Accrued liabilities	2,333	17,971
	256,495	221,031

7. SHARE CAPITAL**a) Authorized**

The authorized share capital of the Company is an unlimited number of common shares.

b) Issued share capital

As at September 30, 2025, 37,157,337 common shares were issued and outstanding (March 31, 2025 – 37,157,337).

7. SHARE CAPITAL (continued)**c) Share issuances**

During the 6 months period ended September 30, 2025:

During the 6 months period ended September 30, 2025, the company has issued nil common shares.

During the 7 months ended March 31, 2025:

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

During the 7 months period ended March 31, 2025, the Company issued 3,786,363 common shares with a fair value of \$265,046 to settle \$208,250 of salary of Chief Executive Officer. As a result, the company recorded a loss on settlement of \$56,795.

d) Employee pay program

On July 26, 2023, the Company introduced an employee pay program for the purpose of maintaining a sustainable cash position by allowing the Company to pay for services through the issuance and sale of the Company's shares. Through this program, the Company is allowed to issue warrants, with a specified exercise price, to its employees. The warrants convert to common shares pursuant to services being completed by employees. A third-party program administrator (TPPA) subsequently completes the sale of the common shares, and the proceeds are used to facilitate cash disbursements in connection with employee services rendered. The employees are guaranteed an amount equal to the maximum of (i) value of shares measured at exercise price (the "cost of shares") and (ii) the proceeds from the sale of shares.

The Company does not recognize the warrants issued to the employees. Recognition occurs only when the warrants are exercised by TPPA, the Company then records an increase in share capital at the market value of shares on the exercise date. Subsequently, when the shares are sold for less than the cost of shares previously recognized, the Company will compensate the shortfall and recognize the amount in reserves.

e) Warrants

A summary of the Company's outstanding warrants is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance August 31, 2024	6,425,611	0.50
Expired	(226,057)	0.53
Balance, March 31, 2025	6,199,554	0.50
Expired	-	-
Balance, September 30 2025	6,199,554	0.50

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
October 25, 2025	6,199,554	0.50	0.07
September 30, 2025	6,199,554	0.50	0.07

f) Stock options

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	\$	\$
Balance, March 31, 2025	2,140,000	0.31
Cancelled	(40,000)	0.91
Balance, September 30, 2025	2,100,000	0.30
Exercisable	1,300,000	0.49

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

A summary of the Company's stock options outstanding as at September 30, 2025, is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
November 3, 2025	500,000	500,000	0.91	0.09
December 14, 2026	500,000	300,000	0.22	1.21
November 26, 2027	500,000	500,000	0.05	2.16
January 10, 2028	600,000	-	0.06	2.28
	2,100,000	1,300,000	0.30	1.47

During the three and six months period ended September 30, 2025, the Company recognized share-based compensation of \$6,952 and \$21,358 respectively (August 31, 2024 - \$93,693 and \$(65,710)) from vesting options.

A summary of the Company's inputs used in the Black-Scholes option pricing model for stock options granted during the three months ended September 30, 2025 and March 31, 2025 is as follows:

	September 30, 2025	March 31, 2025
Stock price	\$0.06	\$0.06
Exercise price	\$0.05	\$0.05
Expected life of options	3 years	3 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Risk-free interest rate	3.11%	3.11%

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company considers the executive officers and directors as the key management of the Company. During the three and six months ended September 30, 2025, the Company incurred \$21,691 and \$26,963 (August 31, 2024 - \$164,948 and \$166,374) in remuneration to management personnel including those persons having the authority and responsibility for the planning, directing, and controlling of the activities of the Company.

A summary of the Company's related party transactions for the three and six months ended September 30, 2025 and August 31, 2024 is as follows:

	Three months ended		Six months ended	
	September 30, 2025	August 31, 2024	September 30, 2025	August 31, 2024
	\$	\$	\$	\$
Management fees	82,597	164,958	123,747	166,374
Share based compensation	3,452	30,619	11,799	6,525
	86,049	195,577	135,546	172,899

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024
(Unaudited - Expressed in Canadian dollars, except where noted)

A summary of the Company's related party accounts receivables and account payable and accrued liabilities as of September 30, 2025 and March 31, 2025, is as follows:

	September 30, 2025	March 31, 2025
	\$	\$
Receivables:		
Jolokia	764,904	456,627
Payables:		
Evan - CEO	134,525	51,928
Toggle	17,702	9,488
Toggle 3D AR Solutions India	2,451	2,451
NTAR Canada	815,677	583,242
	970,355	647,109

These are non-interest bearing with standard payment terms.

9. EXPENSES BY NATURE

The Company presents operating expenses by function except for amortization, depreciation, and share-based compensation.

The following presents operating expenses by nature:

a) General and administrative

A summary of the Company's general and administrative costs for the three and six months ended September 30, 2025 and August 31, 2024 is as follows:

	Three months ended		Six months ended	
	September 30, 2025	August 31, 2024	September 30, 2025	August 31, 2024
	\$	\$	\$	\$
Compliance fees	16,418	185	21,692	9,073
Consulting fees	-	82,683	-	117,851
Management fees and remuneration for services	41,447	162,000	82,597	162,000
Computer, software, and maintenance	570	22,059	1,565	36,880
Professional fees	5,572	25,480	5,572	126,302
Rent	267	6,086	534	16,539
Salaries, wages, and commissions	50,474	11,688	86,707	18,877
Office, general, and other	(3,956)	50,743	26,337	54,779
	110,792	360,584	225,004	542,301

b) Research and development

A summary of the Company's research and development costs for the three and six months ended September 30, 2025 and August 31, 2024 is as follows:

	Three months ended		Six months ended	
	September 30, 2025	August 31, 2024	September 30, 2025	August 31, 2024
	\$	\$	\$	\$
Consulting fees	34,298	30,686	64,452	101,699
Computer, software, and maintenance	6,436	19,398	17,016	19,811
Salaries, wages, and commissions	-	15,821	-	44,649
	40,734	65,905	81,468	166,159

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024
(Unaudited - Expressed in Canadian dollars, except where noted)

c) Sales and marketing

A summary of the Company's sales and marketing costs for the three and six months ended September 30, 2025 and August 31, 2024 is as follows:

	Three months ended		Six months ended	
	September 30,	August 31,	September 30,	August 31,
	2025	2024	2025	2024
	\$	\$	\$	\$
Advertising	-	9,385	-	28,100
Investor relations	5,794	16,353	11,420	31,484
Consulting fees	-	3,639	1,343	25,311
Salaries, wages, and commissions	79,432	82,358	132,581	116,170
	85,226	111,735	145,344	201,065

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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 September 30, 2025, the Company's financial assets and liabilities were classified as amortized cost.

The carrying values of cash and cash equivalents, receivables (except for GST 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 currency risk

Foreign currency risk is the risk that the fair value or 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 US dollar 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

ARWAY CORPORATION**Notes to the Condensed Interim Financial Statements**

For the three and six months ended September 30, 2025 and August 31, 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

US dollar against the Canadian dollar would impact the Company by \$8,346 during the three and six months ended September 30, 2025. The Company had no hedging agreements in place with respect to foreign exchange rates.

11. CAPITAL MANAGEMENT

The Company's definition of capital includes all accounts of shareholders' equity. The Company's objective when managing capital is to maintain its ability to continue as a going concern to provide returns to shareholders and benefits for other stakeholders. As at September 30, 2025, the Company had shareholders' deficiency of \$610,611 (March 31, 2025 - \$686,040).

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 three and six months ended September 30, 2025.

As at September 30, 2025, the Company was not subject to any externally imposed capital requirements.

12. SUSEQUENT EVENTS

On October 25, 2025, 6,199,554 warrants with exercise price of \$0.50 expired unexercised. On November 03, 2025, 500,000 options with exercise price of \$0.91 expired unexercised.

Arway and its parent are in the process of negotiating a definitive agreement governing the terms and conditions of the Transaction. The Transaction is expected to proceed by way of a three-cornered amalgamation, whereby Arway will amalgamate with a wholly-owned subsidiary of its parent and shareholders of Arway will receive common shares of its parent in exchange for each Arway share held. Final terms, including the exchange ratio and deemed price, are currently under review and will be disclosed in due course.