



ARway.ai

ARway Corporation

Condensed Interim Financial Statements

For the three and nine months ended December 31, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Financial Statements for the Three and Nine Months Ended December 31, 2025 and November 30, 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 December 31, 2025 and November 30, 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.

February 18, 2026

ARWAY CORPORATION
Condensed Interim Statements of Financial Position
As at December 31, 2025
(Unaudited - Expressed in Canadian dollars)

	Note	December 31, 2025	March 31, 2025
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		2,916	6,628
Receivables	10(a)	71,639	96,674
Prepaid expenses and deposits	5	90,433	24,939
Total current assets		164,988	128,241
Non-Current			
Due from related parties	8	926,002	456,627
Total assets		1,090,990	584,868
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6, 8	81,639	221,031
Due to related parties		911,268	595,181
Deferred revenue		439,590	454,696
Total liabilities		1,432,497	1,270,908
SHAREHOLDERS' EQUITY			
Share capital	7	8,941,666	8,785,865
Reserves	7	1,407,310	1,379,155
Deficit		(10,690,484)	(10,851,060)
Total shareholders' equity		(341,508)	(686,040)
Total liabilities and shareholders' equity		1,090,990	584,868
Working Capital (deficiency)		(1,267,509)	(1,142,667)

Nature of operations and going concern (Note 1)

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

/s/ "Evan Gappelberg"
Director

/s/ "Anthony Pizzonia"
Director

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

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

	Note	Three months ended		Nine months ended	
		December 31, 2025	November 30, 2024	December 31, 2025	November 30, 2024
		\$	\$	\$	\$
Revenue		310,287	158,114	865,742	(5,514)
Cost of Sales		(18,446)	(15,472)	(45,134)	(15,472)
Gross Profit		291,841	142,642	820,608	(20,986)
Operating expenses					
Depreciation of equipment		-	-	-	1,144
General and administrative	9(a)	105,096	118,416	330,100	660,717
Impairment		-	-	-	670,050
Research and development	9(b)	39,654	47,532	121,122	213,691
Sales and marketing	9(c)	65,204	127,106	210,548	328,171
Share-based compensation	7(f)	14,216	34,816	35,574	(30,984)
Loss on sale of shares		-	-	-	-
Bad Debts		-	1,127	1,522	1,127
Liability Extinguishment		(38,834)	-	(38,834)	-
Total Operating expenses		185,336	328,997	660,032	1,844,006
Income/ (loss) from operations		106,505	(186,355)	160,576	(1,864,993)
Other Income					
Loss on sale of assets		-	-	-	(3,034)
Income/ (loss) before income taxes		106,505	(186,355)	160,576	(1,868,027)
Deferred income tax recovery		-	-	-	-
Income/ (loss) after income taxes		106,505	(186,355)	160,576	(1,868,027)
Net Income/loss per share					
Basic and diluted		0.00	(0.01)	0.00	(0.06)
Weighted average number of common shares					
Basic and diluted		37,859,361	33,370,974	37,393,889	33,370,974

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)

	Nine months ended December 31 2025	Nine months ended November 30 2024
	\$	\$
Operating activities:		
Net income/ (loss) for the period	160,576	(1,868,027)
Adjustments for:		
Depreciation	-	1,144
Impairment of intangible assets	-	670,050
Share-based compensation	35,574	(30,892)
Accruals of management fees	-	162,000
Loss on sale of Assets	-	3,034
Liability Extinguishment	(38,834)	
Bad debts	1,522	-
Changes in non-cash working capital:		
Receivables	23,513	175,290
Due from related parties	(469,375)	138,426
Prepaid expenses and deposits	(65,494)	23,325
Accounts payable and accrued liabilities	(100,558)	30,940
Due to related parties	316,087	54,388
Deferred revenue	(15,106)	368,216
Cash used in operating activities	(152,094)	(272,106)
Financing activities:		
Proceeds from exercise of options and warrants	148,382	50,000
Proceeds from employee pay program	-	192,499
Cash provided by financing activities	148,382	242,499
Change in cash and cash equivalents	(3,712)	(29,607)
Cash and cash equivalents, beginning of period	6,628	29,376
Cash and cash equivalents, end of period	2,916	(231)

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, February 29, 2024	27,633,238	7,379,707	1,617,599	(8,842,098)	155,208
Shares issued from exercise of warrants	100,000	50,000			50,000
Shares issued for employee pay program	1,044,017	14,992	(37,217)		(22,225)
Share-based compensation	506,000	186,119	(217,011)	-	(30,891)
Shares for cash	87,719	50,000		-	50,000
Acquisition of intangible assets	4,000,000	840,000			840,000
Net loss for the period	-	-	-	(1,868,027)	(1,868,027)
Balance, November 30, 2024	33,370,974	8,520,818	1,363,371	(10,710,125)	(825,935)
March 31, 2025	37,157,337	8,785,865	1,379,155	(10,851,060)	(686,040)
Shares issued for warrants exercised	1,483,824	155,801	(7,419)	-	148,382
Share-based compensation	-	-	35,574	-	35,574
Net income for the period	-	-	-	160,576	160,576
Balance, December 31, 2025	38,641,161	8,941,666	1,407,310	(10,690,484)	(341,508)

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 nine months ended December 31, 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 nine months ended December 31, 2025 and November 30, 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 nine months ended December 31, 2025, the Company had net profit and comprehensive profit of \$106,505 and \$160,576 (November 30, 2024 – profit (loss) of \$(186,355) and \$(1,868,027)), respectively. During the nine months ended December 31, 2025, the Company used cash of \$152,094 in operating activities (November 30, 2024 -cash used of \$272,106). As at December 31, 2025, the Company had an accumulated deficit of \$10,690,484 (March 31, 2025 - \$10,851,061). 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 February 18,2026.

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 nine months ended December 31, 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 judgements 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:

	December 31, 2025	March 31, 2025
	\$	\$
Investor relations	6,737	24,939
Compliance	66,680	-
Other prepaid	17,016	-
	90,433	24,939

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	December 31, 2025	March 31, 2025
	\$	\$
Accounts payable	79,306	203,060
Accrued liabilities	2,333	17,971
	81,639	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 December 31, 2025, 38,641,161 common shares were issued and outstanding (March 31, 2025 – 37,157,337).

c) Share issuances

During the 9 months period ended December 31, 2025:

During the 9 months period ended December 31, 2025, the company issued 1,483,824 common shares with a fair value of \$155,801.

During the 7 months ended March 31, 2025:

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

For the three and nine months ended December 31, 2025 and August 31, 2024

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

7. SHARE CAPITAL (continued)

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, to 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	(6,199,554)	0.50
Balance, December 31 2025	-	-

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	(1,640,000)	0.12
Expired	(500,000)	0.91
Balance, December 31, 2025	-	-
Exercisable	-	-

During the three- and nine-months period ended December 31, 2025, the Company recognized share-based compensation of \$14,216 and \$35,574 respectively (November 30, 2024 - \$34,816 and \$(30,894)) from vesting of options.

A summary of the Company's inputs used in the Black-Scholes option pricing model for stock options granted during the nine month period ended December 31, 2025 and 15 month period ended March 31, 2025 is as follows:

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

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

	December 31, 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 nine months ended December 31, 2025, the Company incurred \$41,668 and \$124,265 (November 30, 2024 - \$51,740 and \$221,543) 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 nine months ended December 31, 2025 and November 30 2024 is as follows:

	Three months ended		Nine months ended	
	December 31, 2025	November 30, 2024	December 31, 2025	November 30, 2024
	\$	\$	\$	\$
Management fees	41,668	51,740	124,265	221,453
Share based compensation	5,852	24,467	17,651	30,992
	47,250	76,207	141,916	252,445

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

	December 31, 2025	March 31, 2025
	\$	\$
Receivables:		
Jolokia	926,002	456,627
Payables:		
Evan - CEO	27,810	51,928
Toggle	17,702	9,488
Toggle 3D AR Solutions India	2,451	2,451
NTAR Canada	891,115	583,242
	939,078	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:

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

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

a) General and administrative

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

	Three months ended		Nine months ended	
	December 31, 2025	November 30, 2024	December 31, 2025	November 2024
	\$	\$	\$	\$
Compliance fees	4,510	23,783	26,201	32,856
Consulting fees	-	-	-	117,851
Management fees and remuneration for services	41,668	51,740	124,265	213,740
Computer, software, and maintenance	570	1,291	2,135	38,171
Professional fees	3,542	14,743	9,113	141,045
Rent	267	178	801	16,717
Salaries, wages, and commissions	40,514	21,932	127,222	40,809
Office, general, and other	14,025	4,749	40,363	59,526
	105,096	118,416	330,100	660,717

b) Research and development

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

	Three months ended		Nine months ended	
	December 31, 2025	November 30, 2024	December 31, 2025	November 2024
	\$	\$	\$	\$
Consulting fees	35,087	-	99,541	101,699
Development costs	-	30,721	-	30,721
Computer, software, and maintenance	4,567	16,811	21,581	36,622
Salaries, wages, and commissions	-	-	-	44,649
	39,654	47,532	121,122	213,691

c) Sales and marketing

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

	Three months ended		Nine months ended	
	December 31, 2025	November 30, 2024	December 31, 2025	November 30, 2024
	\$	\$	\$	\$
Computer, software and Maintenance	-	19,307	-	19,307
Advertising	-	-	-	28,100
Investor relations	5,794	12,763	17,214	44,247
Consulting fees	-	2,093	1,343	27,404
Salaries, wages, and commissions	59,410	92,943	191,991	209,113
	65,204	127,106	210,548	328,171

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

ARWAY CORPORATION

Notes to the Condensed Interim Financial Statements

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

- Level 3 - Inputs that are not based on observable market data.

As at December 31, 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 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 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 US dollar against the Canadian dollar would impact the Company by \$3,635 during the three and nine months ended December 31, 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 December 31, 2025, the Company had shareholders' deficiency of \$341,508 (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 nine months ended December 31, 2025.

As at December 31, 2025, the Company was not subject to any externally imposed capital requirements.