



**nextech AR**  
s o l u t i o n s

**NEXTECH3D.AI CORPORATION**  
**(formerly NexTech AR Solutions Corp.)**

**Condensed Interim Consolidated Financial Statements**

**For the three months ended June 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended June 30, 2025 and 2024**

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 consolidated financial statements of NexTech3D.AI Corporation for the interim periods ended June 30, 2025 and 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 consolidated financial statements.

August 29, 2025

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	June 30, 2025 \$	March 31, 2025 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	5	38,412	16,311
Short term investment		-	251
Receivables	6	189,019	182,467
Current portion of net investment in sublease	8	184,101	189,437
Prepaid expenses and deposits		105,954	101,789
		517,486	490,255
Net investment in sublease	8	440,328	514,842
<b>Total assets</b>		<b>957,815</b>	<b>1,005,097</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9, 13	3,370,261	3,440,815
Deferred revenue	14(b)	521,739	498,171
Current portion of lease liability	8	141,682	150,417
		4,033,682	4,089,403
Lease liability	8	286,790	338,688
<b>Total liabilities</b>		<b>4,320,472</b>	<b>4,428,091</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	11(b)	97,237,227	96,963,333
Reserves		20,518,774	20,301,785
Accumulated other comprehensive income		607,370	565,183
Shareholder's equity attributable to Nextech shareholders		(124,788,143)	(124,254,816)
Total common shareholders' equity		(6,424,772)	(6,424,515)
Non-controlling interest		3,062,115	3,001,521
<b>Total equity</b>		<b>(3,362,657)</b>	<b>(3,422,994)</b>
<b>Total liabilities and shareholders' equity</b>		<b>957,815</b>	<b>1,005,097</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 19)

Approved and authorized for issue 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 consolidated financial statements.*

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian dollars, except per share amounts and number of shares)

	Note	Three months ended June 30, 2025	Three months ended June 30, 2024
		\$	\$
Revenue	14(a)	328,092	1,108,941
Cost of sales	13,15(a)	(32,468)	(288,468)
<b>Gross profit</b>		<b>295,624</b>	<b>820,473</b>
<b>Operating expenses</b>			
Sales and marketing	15(b)	146,467	392,022
General and administrative	13,15(c)	427,892	1,589,086
Research and development	15(d)	172,399	345,151
Share-based compensation	11(e)	59,907	146,030
Depreciation	7	-	35,203
<b>Operating loss</b>		<b>(511,041)</b>	<b>(1,687,019)</b>
<b>Other income (expenses)</b>			
Foreign exchange gain (loss)		13,278	(32,022)
Loss before taxes from continuing operations		(497,763)	(1,719,041)
Current income tax expense		-	-
Deferred income tax recovery		-	-
<b>Net loss from continuing operations</b>		<b>(497,763)</b>	<b>(1,719,041)</b>
Net loss from discontinued operations		-	-
<b>Net loss</b>		<b>(497,763)</b>	<b>(1,719,041)</b>
<b>Other comprehensive loss</b>			
Exchange loss on translation of foreign operations		42,187	(9,152)
<b>Comprehensive loss</b>		<b>(455,576)</b>	<b>(1,728,193)</b>
<b>Net loss from continuing operations:</b>			
Attributed to shareholders of the Company		(533,327)	(2,041,290)
Attributed to non-controlling interest		35,564	322,249
<b>Net loss from discontinued operations:</b>			
Attributed to shareholders of the Company		-	-
<b>Comprehensive loss:</b>			
Attributed to shareholders of the Company		(491,140)	(2,050,442)
Attributed to non-controlling interest		35,564	322,249
<b>Loss per share from continuing operations</b>			
Basic and diluted		(0.00)	(0.01)
<b>Loss per share from discontinued operations</b>			
Basic and diluted		-	-
<b>Weighted average number of common shares</b>			
Basic and diluted		199,533,059	139,985,334

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

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024
	\$	\$
<b>Operating activities:</b>		
Net loss for the period	(497,763)	(1,719,041)
Adjustments for:		
Interest income from sublease	(9,693)	(12,235)
Interest expense from lease	12,389	9,875
Share-based compensation	59,907	(449,409)
Amortization of intangible assets	-	595,439
Depreciation	-	35,203
Changes in non-cash working capital:		
Receivables	(6,552)	227,976
Contract asset	-	19,040
Prepaid expenses and deposits	(4,166)	76,455
Accounts payable and accrued liabilities	(70,554)	298,964
Deferred revenue	23,568	(195,311)
<b>Cash used in operating activities</b>	<b>(492,864)</b>	<b>(1,113,044)</b>
<b>Investing activities:</b>		
Purchase of equipment	-	(49,852)
Proceeds from deferred consideration	-	45,104
Investment in Short term deposit	251	-
Payments received from sublease	54,270	52,791
<b>Cash provided by (used in) investing activities</b>	<b>54,521</b>	<b>48,043</b>
<b>Financing activities:</b>		
NTAR - Proceeds from Employee Pay Program	447,475	960,348
Proceeds from securities issuances to NCI	8,531	244,582
Payments of lease liability	(48,602)	(47,296)
<b>Cash provided by financing activities</b>	<b>407,404</b>	<b>1,157,634</b>
Effect of foreign exchange on cash and cash equivalents	53,040	(13,616)
Change in cash and cash equivalents	(30,939)	92,633
Cash and cash equivalents, beginning of period	16,311	103,455
<b>Cash and cash equivalents, end of period</b>	<b>38,412</b>	<b>182,472</b>
Income taxes paid	-	-
Interest expense paid	(12,389)	9,875
Interest income received	9,693	656

Supplemental cash flow disclosures (Note 16)

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

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)**  
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of shares #	Share capital \$	Reserves \$	Accumulated other comprehensive income \$	Deficit \$	Non- controlling interest \$	Total shareholders' equity (deficiency) \$
Balance, March 31, 2024	131,409,353	92,576,166	14,503,393	662,098	(113,575,332)	2,963,703	(2,869,972)
Share issuance costs	8,575,981	1,162,098	(201,750)	-	-	-	960,348
Stock based compensation	-	-	128,768	-	-	17,262	146,030
Other net changes in capitalization	-	-	112,817	-	-	131,765	244,582
Translation of foreign operations	-	-	-	(9,152)	-	-	(9,152)
Total net loss	-	-	-	-	(2,041,290)	322,249	(1,719,041)
<b>Balance, June 30, 2024</b>	<b>139,985,334</b>	<b>93,738,264</b>	<b>14,543,228</b>	<b>652,946</b>	<b>(115,616,622)</b>	<b>3,434,979</b>	<b>(3,247,205)</b>
Balance, March 31, 2025	191,842,589	96,963,333	20,301,785	565,183	(124,254,816)	3,001,521	(3,422,994)
Shares for employee pay program	13,886,466	273,894	173,581	-	-	-	447,475
Stock based compensation	-	-	40,801	-	-	19,106	59,907
Other net changes in capitalization	-	-	2,607	-	-	5,924	8,531
Translation of foreign operations	-	-	-	42,187	-	-	42,187
Total net loss	-	-	-	-	(533,327)	35,564	(497,763)
<b>Balance, June 30, 2025</b>	<b>205,729,055</b>	<b>97,237,227</b>	<b>20,518,774</b>	<b>607,370</b>	<b>(124,788,143)</b>	<b>3,062,115</b>	<b>(3,362,657)</b>

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.) ("NexTech" or the "Company") is a metaverse company that provides augmented reality experience technologies, wayfinding technologies, and 3D model services. The Company was incorporated in the province of British Columbia, Canada on January 12, 2018. The Company's registered office is located at PO Box 64039 RPO Royal Bank Plaza, Toronto, Ontario, M5J 2T6. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "NTAR", on the Frankfurt Stock Exchange under the trading symbol "1SS", and in the United States of America on the OTCQX under the trading symbol "NEXCF".

These unaudited condensed interim consolidated financial statements for the three months ended June 30, 2025 and 2024 ("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. As at June 30, 2025, the Company had a working capital deficiency of \$3,516,196 (March 31, 2025 - \$3,599,148) and an accumulated deficit of \$124,788,866 (March 31, 2025 - \$124,254,816). For the three months ended June 30, 2025, the Company incurred a net loss of \$497,763 (2024 - \$1,719,041) and used total cash in operations of \$492,864 (2024 - \$1,113,044). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be 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 August 25, 2025.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") 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 December 31, 2023 (the "Annual Financial Statements").

### **b) Change in financial year end**

According to the most recent audited financial statements were prepared for the 15-months period ended March 31, 2025. This interim financial statement for the quarter ended June 30 2025, represents the first quarter of the new financial year ending March 31, 2026. During the last reporting period, the Company changed its financial year-end from December 31 to March 31 in order to align its reporting period with that of its other group entities. This change was intended to facilitate consistency in financial reporting across the group and improve comparability of financial information. As a result of this change, Q1 of current financial statements cover a 3-month period from April 1, 2025 to June 30, 2025 whereas the comparative figures 3 month ended related to the Q2 of prior period ended March 31, 2025.

### **c) 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 Accounting Standards. These financial statements have been prepared on an accrual basis, except for information presented in the condensed interim consolidated statements of cash flows.

**NexTech3D.AI Corporation (formerly NexTech AR Solutions Corp.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended June 30, 2025 and 2024**  
(Unaudited - Expressed in Canadian dollars, except where noted)

## **2. BASIS OF PREPARATION (continued)**

### **d) Functional and presentation currency**

The financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Company. An entity's functional currency is the currency of the primary economic environment in which an entity operates and is listed in Note 2(d) for each of the Company's subsidiaries. References to "\$" are to Canadian dollars, references to "US\$" or "USD" are to United States dollars.

### **e) Basis of consolidation**

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries as at June 30, 2025 is as follows:

<b>Name of subsidiaries</b>	<b>Country of incorporation</b>	<b>Percentage ownership</b>	<b>Functional currency</b>	<b>Principal activity</b>
NexTech AR Solutions USA LLC	United States	100%	USD	Holding company
NexTech AR Solutions Inc. (formerly Jolokia Corporation)	United States	100%	USD	Technology services
AR Ecommerce LLC ("VCM")	United States	100%	USD	E-Commerce platforms
Threedy.ai Inc	United States	100%	USD	Technology services
ARway Ltd.	England	100%	USD	Holding company
ARway Corporation ("ARway")	Canada	40%	CAD	Technology services
Toggle3D.ai Inc. ("Toggle")	Canada	31%	CAD	Technology services
Toggle 3D AR Solution India Private Limited	India	100%	CAD	India operations

(1) The Company has discontinued the operations of its eCommerce platforms. Note 7.

The Company obtained control over ARway and Toggle through its majority presentation on the board of directors in addition to its percentage of common share ownership.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

### **a) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

### **b) Equipment**

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses. Equipment is amortized on a straight-line basis over five years.

Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset. When parts of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The cost of major overhauls of parts of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.



### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **c) Intangible assets and goodwill**

Intangible assets are recognized and measured at cost. Intangible assets with finite useful lives are amortized using the straight-line method over the useful life of the asset. The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for intangible assets and any changes arising from the assessment are applied by the Company prospectively. The following table presents the Company's assessment of the useful lives of intangible assets:

Website	10 years
Customer relationships	5 - 10 years
Supplier relationships	5 - 10 years
Brand (Trademarks)	2 - 4 years
Technology	2 - 3 years

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the fair value of the acquiree's identifiable assets and liabilities. Any negative difference is recognized directly in profit or loss. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating unit or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those segments.

#### **d) Leases**

##### Lease accounting for lessee

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

##### Lease accounting for lessor

As the lessor, the Company classifies lease arrangements as either operating or finance leases, depending upon evaluating whether the risks and rewards associated with the underlying asset have been substantially transferred to the lessee. When the lease is treated as an operating lease, the Company recognizes lease payments from operating leases as income on profit or loss. In the case of a finance lease, the Company derecognizes the underlying asset and presents the asset held under finance lease on the statement of financial position, represented as a receivable at an amount equal to the net investment in the lease, which is determined by discounting contractual lease payments. Any difference between the carrying value of the derecognized asset and the net investment in the lease is recorded in profit or loss. The net investment in the lease is subsequently measured at amortized cost using the effective interest method.

When acting as a sublessor, the Company adheres to the aforementioned accounting policy, with the sublease being classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

#### **e) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually, whether or not there is any indication that it may be impaired:

- an intangible asset with an indefinite useful life;
- an intangible asset not yet available for use; and
- goodwill recognized in a business combination.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that impairment may have reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods.

#### f) Financial instruments

##### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

<b>Financial instrument</b>	<b>Classification</b>
Financial assets	
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Deferred consideration	Amortized cost
Short term investment	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

##### Measurement

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in profit or loss. The Company does not have any FVTPL financial assets and liabilities.

##### *Financial assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

#### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company recognize in the consolidated statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

For the Company's trade receivables, the simplified approach for determining expected credit losses is used under IFRS 9, which requires the Company to determine the lifetime expected losses for all its trade receivables. The lifetime expected credit loss provision for the Company's trade receivables is based on historical default rates and other relevant forward-looking information.

#### Derecognition

##### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

### **g) Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Under the guidance of IFRS 10 *Consolidated Financial Statements*, control is established by having power over the acquiree, exposure or rights to variable returns from the investor's involvement with the acquiree, and the ability to use its power over the acquiree to affect the amount of the acquirer's returns. The acquiree's identifiable assets, liabilities, and contingent liabilities are recognized at their fair value at the acquisition date. Goodwill is initially measured at cost being the excess of the purchase consideration of the business combination over the Company's share in the fair value of the acquiree's identifiable assets and liabilities. If the purchase consideration is less than the fair value of the identifiable net assets acquired, the difference is recognized directly in profit or loss.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **h) Foreign currency transactions**

For foreign currency transactions, the Company translates each transaction by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are restated using the closing exchange rate at the reporting date, and non-monetary assets and liabilities measured at fair value are translated using the exchange rate at the date when fair value was measured. Exchange differences are recognized in profit or loss for the period in which they arise. However, if fair value changes for a non-monetary item measured at fair value are recognized in other comprehensive income, the exchange difference component of the change in fair value is recognized in other comprehensive income.

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at the closing exchange rate prevailing at the reporting date.
- Income and expenses are translated at the average exchange rate for the period.

Exchange differences arising from translation of foreign operations are recognized in other comprehensive income in the period.

#### **i) Share-based payments**

##### Stock option plan

The Company has a stock option plan, which allows grants of options to purchase common shares by the Company's directors, officers, employees, and consultants. These stock options are treated as equity-settled share-based payment, with their fair value measured on the grant date and recognized as share-based compensation expense over the vesting period. The corresponding offset is recorded in reserves. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in reserves.

##### Shares issued for services

When the Company issues shares in exchange for services, the share issuance is treated as an equity-settled share-based payment. Company records an increase in share capital and the corresponding operating expense at the value of the services provided. If the value of the services cannot be reliably determined, the amount recognized equals the value of the shares, measured at the closing share price on the date of grant.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **j) Employee pay program**

On July 12, 2022, 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 common shares. Under this program, the Company issues warrants with a specified exercise price to its employees. The warrants convert to common shares pursuant to services being completed by employees. Subsequently, a third-party program administrator 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 greater of (i) value of the common shares measured at their exercise price (the "cost of shares") and (ii) the proceeds from the sale of the common shares.

The Company recognizes salaries and wages expense as employees render services, with the offset recorded within accounts payable and accrued liabilities at an amount equal to the cost of shares. When the Company completes the sale of the common shares, it records an increase in share capital at the fair value of the shares. In cases where the common shares are sold below their cost, the Company compensates employees for the shortfall and recognizes a loss on the sale of common shares in employee pay program in profit or loss.

#### **k) Valuation of equity units issued in private placements**

The Company follows the residual method with respect to the measurement of common shares and common share purchase warrants issued as private placement units. Proceeds from private placements are first allocated to the common shares contained in the units based on the market value of shares on the date of issuance, with any residual amount allocated to warrants in the units. If the proceeds are less than or equal to the estimated fair market value of the share issuance, a nil carrying amount is assigned to the warrants. The value of warrants is recorded within reserves. Consideration received on the exercise of warrants is recorded as share capital, and the amount previously recognized in reserves is transferred to share capital. For warrants that expire unexercised, the initial fair value recorded remains in reserves.

Professional, consulting, regulatory, and other costs directly attributable to equity transactions are recorded as share issuance costs.

#### **l) Revenue**

The Company recognizes revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*. Revenue represents the fair value on consideration received or receivable from customers for goods and services provided by the Company, net of discounts and sales taxes. The Company generates revenue from the sale of renewable software licenses and technology services.

##### Map D (Event Management Platform)

Revenue from Map D is derived from contracts with event organizers for the use of its self-serve event management platform, which includes features such as floorplans, exhibitor listings, lead retrieval, and event-specific support. Revenue is recognized on a straight-line basis over the period from contract initiation until the event date, as the Company provides ongoing access and support leading up to the event. This straight-line recognition reflects the Company's continuous fulfillment of its performance obligations over time.

##### ARway (Augmented Reality Wayfinding)

ARway generates revenue from software-as-a-service (SaaS) subscriptions and custom development for AR navigation and spatial experiences. Subscriptions provide platform access over a defined term and are recognized over time as the services are delivered. Custom development work and white-label solutions are evaluated for distinct performance obligations. If bundled with platform access, revenue is recognized over time based on the Company's progress in delivering the bundled solution using an input method.

##### Toggle3D (3D Design Studio)

Toggle3D revenue is generated through monthly subscription plans that provide customers access to its web-based platform for converting CAD files into 3D visuals and collaborating on design. Revenue is recognized upfront at the beginning of each monthly billing cycle, as the customer is granted access and control over the platform's functionalities from the start of the period.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### Threedy.AI (AI-Powered 3D Modeling Services)

NexTech3D.AI earns revenue by delivering custom 3D models created using proprietary AI-based production workflows. Contracts are typically milestone- or volume-based and include commitments for a specified number of models. Revenue is recognized over time based on the number of models delivered relative to the total contracted amount, as this best reflects the transfer of value to the customer. Where applicable, hosting and ancillary services are assessed for distinct performance obligations and recognized accordingly.

#### Contract asset and deferred revenue

##### Contract asset

Contract asset represents the revenue which has not been billed but are expected to be billed and collected from customers for provision of services to date and is valued at estimated net realizable value and capitalized costs that are identifiable and specifically attributable to certain revenue contracts.

##### Deferred revenue

Billings in excess of time value incurred on work in progress in accordance with customer contracts, for which future services will be provided, are recognized as deferred revenue. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### **m) Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the net income (loss) available to common shareholders by the weighted average number of shares issued and outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, when a loss is incurred during the period, diluted and basic loss per share are the same because the effect on loss per share of potential issuance of shares under options and warrants would be anti-dilutive.

#### **n) Income taxes**

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the profit or loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **p) Amendments to existing standards and new amendments not yet effective**

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at June 30, 2025. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on the financial statements of the Company.

#### **q) New accounting standards and interpretations**

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after April 1, 2025:

##### Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

##### Definition of accounting estimates - amendments to IAS 8

The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's financial statements.

##### Deferred tax related to assets and liabilities arising from a single transaction - amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's financial statements.

The Company has not early adopted any other new accounting standard, interpretation or amendment that has been issued but is not yet effective.

### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below.

#### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)**

##### **a) Determination of functional currency**

The functional currency for the Company and each of its subsidiaries is the currency of the primary economic environment in which each entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company reassesses the functional currency of an entity when there is a change in events and conditions which previously determined the primary economic environment of an entity.

##### **b) Classification as assets held for sale**

Judgment is required in determining if non-current assets (and disposal groups) meet the criteria for classification as assets and liabilities held for sale in the consolidated statements of financial position. Criteria considered by management include the existence of and commitment to a plan to dispose the assets, if the expected selling price is reasonable, the expected timeframe of the completion of the anticipated sale, and the length of time any amounts have been classified as assets held for sale. The determination of the carrying amount of assets held for sale involves estimating fair value less costs to sell, which is subject to estimation uncertainty.

##### **c) Assessment of the transactions as business combinations or asset acquisitions**

Management has had to apply judgment relating to an acquisition with respect to whether the acquisition is a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes, and outputs of the acquisition in order to reach a conclusion. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits.

##### **d) Valuation of net assets acquired in business combinations**

Estimates were made as to the fair value of assets and liabilities acquired in business combinations. In certain circumstances, such as the valuation of equipment and intangible assets, the Company will rely on independent third-party valuers. The Company measured all assets acquired and liabilities assumed at their acquisition-date fair values.

##### **e) Review of asset carrying values and impairment assessment**

The assessment of the fair value of equipment, intangible assets, and goodwill requires the use of estimates and assumptions for recoverable service costs, customer demands, discount rates, foreign exchange rates, future capital requirements, and operating performance. Changes in any of the estimates or assumptions used in determining the fair values could impact the impairment analysis.

Each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of the recoverable amount is performed, and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, technological obsolescence, competitive landscape, regulatory changes as well as operation budgets and forecasts.

The determination of fair value less costs to sell and value in use requires management to make estimates and assumptions about expected production, sales contract volumes, service costs and contract prices, discount rates, operating costs, taxes, and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in profit or loss.

##### **f) Share-based payments**

Management is required to make a number of estimates when determining the fair value of the stock options and share-based compensation to be recognized each reporting period. These estimates include assumptions about volatility of share price, risk-free rate and expected life of the instruments.



#### **4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)**

##### **g) Revenue recognition**

The Company derives its revenue from provision of technology services for virtual events which include the grant to use licenses, set up of the events and renewable software licenses which includes revenue from software licenses which is recognized over the term of the agreement. The assessment of whether such services are separately identifiable performance obligations and the allocation of the total price among the performance obligations requires judgement from management.

##### **h) Research and development costs**

Research costs are expensed as incurred, while development costs are potentially eligible for capitalization as intangible assets if specific conditions outlined in IAS 38 *Intangible Assets* are met. Management is required to exercise judgment in determining whether development costs qualify for capitalization. Following management's assessment, it has been determined that the development costs incurred do not meet the criteria for capitalization as specified in IAS 38. Consequently, all research and development costs have been expensed.

##### **i) Deferred income tax assets and liabilities**

The valuation of deferred tax assets and liabilities requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

#### **5. CASH**

As at June 30, 2025, the company has cash amounting to \$38,412 (March 31, 2025 - \$16,311).

##### **Cash held in relation to employee pay program**

As at June 30, 2025, in connection with the employee pay program, the Company had cash held in a trust account of \$nil (March 30, 2024 - \$251). The cash does not earn interest and is used to pay salaries and wages.

#### **6. RECEIVABLES**

A summary of the Company's receivables is as follows:

	<b>June 30, 2025</b>	<b>March 31, 2025</b>
	<b>\$</b>	<b>\$</b>
GST receivables	<b>19,538</b>	27,930
Trade receivables	<b>169,481</b>	154,537
<b>Balance, end of year</b>	<b>189,019</b>	182,467

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## 7. EQUIPMENT

A summary of the Company's equipment is as follows:

	Computer equipment	Trade show equipment	Office furniture and equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance, December 31, 2023	510,157	-	83,939	594,096
Additions	74,870	-	2,600	77,470
Disposal	(101,024)	-	(2,600)	(103,624)
Write-off	(503,546)	-	(86,459)	(590,005)
Currency translation effects	19,543	-	2,520	22,063
Balance, March 31, 2025 and June 30, 2025	-	-	-	-
<b>Accumulated depreciation</b>				
Balance, December 31, 2023	219,841	-	48,622	268,463
Depreciation	86,532	-	3,735	90,267
Disposal	(25,145)	-	(567)	(25,712)
Write-off	(292,442)	-	(53,853)	(346,295)
Currency translation effects	11,214	-	2,063	13,277
Balance, March 31, 2025 and June 30, 2025	-	-	-	-
<b>Carrying value</b>				
Balance, March 31, 2025	-	-	-	-
<b>Balance, June 30, 2025</b>	-	-	-	-

## 8. LEASES

The Company entered lease agreements for an office space and a warehouse space. The present value of future lease payments was measured using an incremental borrowing rate of 6% per annum. During the three months ended June 30, 2025, the office lease expired and was not renewed. As at June 30, 2025 and June 30, 2024, the lease liability solely pertains to the warehouse lease.

In March 2023, the Company entered into a sublease agreement to re-lease the warehouse which is leased by the Company to a third party. The sublease commenced on April 1, 2023 and expires on June 20, 2028. The Company classified this sublease as a finance lease, leading to the derecognition of the right-of-use asset with a carrying value of \$778,350. Accordingly, the Company recognized a net investment in the sublease of \$898,976, calculated as the present value of future lease payments at a 6% discount rate, corresponding to the Company's incremental borrowing rate applied to the head lease. The Company reported a gain of \$120,626 in profit or loss upon recognizing the sublease.

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**8. LEASES (continued)**

A summary of the Company's lease liability is as follows:

	\$
Balance, December 31, 2023	613,346
Interest expense	53,045
Lease payments	(224,521)
Currency translation effects	47,235
Balance, March 31, 2025	489,105
Interest expense	12,389
Lease payments	(48,602)
Currency translation effects	(24,420)
<b>Balance, June 30, 2025</b>	<b>428,472</b>
Current portion	141,682
Non-current portion	286,790

A summary of the Company's future lease payments is as follows:

	\$
2025	197,376
2026	203,303
2027	209,409
Total undiscounted lease liability	<b>610,088</b>
Effects of discounting	(181,616)
<b>Balance, June 30, 2025</b>	<b>428,472</b>

Interest expense from leases for the three months ended June 30, 2025 was \$12,389 (May 31, 2025 - \$9,875).

A summary of the Company's net investment in sublease is as follows:

	\$
Balance, December 31, 2023	842,916
Interest income	58,019
Payments received	(262,552)
Currency translation effects	65,896
<b>Balance, March 31, 2025</b>	<b>704,279</b>
Interest income	9,693
Payments received	(54,271)
Effects of movement in exchange rates	(35,272)
<b>Balance, June 30, 2025</b>	<b>624,429</b>
Current portion	184,101
Non-current portion	440,328

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## 8. LEASES (continued)

A summary of the Company's future minimum sublease receipts is as follows:

	\$
2026	215,586
2027	222,054
2028	228,716
Total undiscounted lease receivables	<b>666,356</b>
Effects of discounting	(41,927)
<b>Balance, June 30, 2025</b>	<b>624,429</b>

Interest income from the sublease for the three months ended June 30, 2025 was \$9,694 (May 31, 2025 - \$12,235) and was recorded within revenue in profit or loss.

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2025	March 31, 2025
	\$	\$
Accounts payables	<b>2,951,064</b>	2,965,822
Accrued liabilities	<b>419,197</b>	474,993
	<b>3,370,261</b>	3,440,815

## 10. FACTORING LIABILITY

In March 2023, the Company entered into a trade receivable factoring agreement ("Factoring Agreement") with a third-party factoring company. The Factoring Agreement allows the Company to receive in advance \$2,429,789 (US\$1,805,766), which is repaid with the sale of future trade receivables from a regular customer of the Company.

The trade receivables from the customer are transferred to the third-party factoring company upon invoicing to the customer of the performance obligations rendered for a determined period.

## 11. SHARE CAPITAL

### a) Authorized

The Company is authorized to issue unlimited number of common shares with no par value.

### b) Share capital

During the three months ended June 30, 2025, the Company had the following share transactions:

- From April 1, 2025 to June 30, 2025, the Company issued 13,886,466 common shares upon the exercise of warrants related to the employee pay program, with share prices between \$0.03 and \$0.04, for cash proceeds of \$441,594.

During the 15 month period ended March 31, 2025, the Company had the following share transactions:

- From January 1, 2024 to March 31, 2025, the Company issued 38,048,038 common shares upon the exercise of warrants related to the employee pay program, with share prices between \$0.04 and \$0.18, for cash proceeds of \$2,939,149.
- On March 12, 2024, the Company issued 200,000 common shares to two officers as compensation for their employment services, resulting in the recognition of \$41,000 as share-based compensation.
- On September 10, 2024, the Company issued 300,000 common shares to two officers as compensation for their employment services, resulting in the recognition of \$25,500 as share-based compensation.

## 11. SHARE CAPITAL (continued)

- On September 25, 2024, the Company closed a private placement in which the Company issued 4,750,000 units for gross proceeds of \$ 190,000. \$285,000 was expensed as Shares issuance cost against agreements with brokers to finalize the deal . Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.15 until September 25, 2026. Applying the residual method, fair value of \$ 308,750 was allocated to share capital and \$166,250 was allocated to reserves.
- On February 7, 2025, the Company issued 21,046,338 common shares to CEO as compensation for their employment services.

### c) Employee pay program

On May 30, 2025, the Company granted 15,500,351 warrants to its employees. Each warrant has exercise price of \$0.05 and matures on May 30, 2026. As at June 30, 2025, a total of 5,000,000 warrants have been converted into common shares, all of which occurred during the three months ended June 30, 2025.

### d) Warrants

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

	Number of warrants	Weighted average exercise price
	#	\$
Balance, December 31, 2023	36,884,091	0.80
Granted	46,848,468	0.15
Exercised	(38,048,038)	0.20
Expired	(14,405,533)	1.45
Balance, March 31, 2025	<b>31,278,988</b>	<b>0.21</b>
Granted	<b>15,500,351</b>	<b>0.05</b>
Exercised	<b>(13,886,465)</b>	<b>0.06</b>
<b>Balance, June 30, 2025</b>	<b>32,892,874</b>	<b>0.20</b>

The weighted average share price on the date of exercise for warrants exercised during the three months ended June 30, 2025 was \$0.03 (March, 31 2025 - \$0.02).

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

Expiry date	Number	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
July 25, 2026	6,708,094	0.52	1.07
November 10, 2026	5,300,360	0.17	1.36
November 24, 2026	3,815,722	0.17	1.40
November 29, 2026	379,320	0.17	1.42
July 17, 2025	1,383,027	0.13	0.05
September 25, 2026	4,806,000	0.15	1.24
May 30, 2026	10,500,351	0.05	0.92
	<b>32,892,874</b>	<b>0.20</b>	<b>1.09</b>

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**11. SHARE CAPITAL (continued)**

**e) Stock options**

A summary of the Company's outstanding and exercisable options is as follows:

	<b>Number of stock options</b>	<b>Weighted average exercise price</b>
	<b>#</b>	<b>\$</b>
Balance, December 31, 2023	15,575,952	0.56
Granted	5,465,000	0.08
Forfeited	(14,581,152)	0.50
Cancelled	(2,411,800)	0.53
Expired	(25,000)	1.92
Balance, March 31, 2025	4,023,000	0.13
Granted	7,150,000	0.04
Forfeited	(132,000)	0.17
Cancelled	(186,000)	0.33
Expired	(52,000)	0.55
<b>Balance outstanding, June 30, 2025</b>	<b>10,803,000</b>	<b>0.07</b>
<b>Balance exercisable, June 30, 2025</b>	<b>784,000</b>	<b>0.14</b>

On June 23, 2025, the Company granted 7,150,000 stock options to an various employees. These stock options vest in four equal tranches every six months from the grant date. Each stock option has an exercise price of \$0.04 and matures on June 23, 2027. The fair value of these stock options was \$224,465.

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

<b>Expiry date</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>#</b>	<b>\$</b>	<b>Years</b>
August 16, 2025	1,000,000	-	0.12	0.13
November 1, 2025	40,000	40,000	1.23	0.34
March 31, 2026	8,000	8,000	0.73	0.75
July 15, 2026	1,740,000	720,000	0.07	1.04
January 30, 2027	40,000	16,000	0.23	1.59
January 10, 2028	825,000	-	0.07	2.53
June 23, 2027	7,150,000	-	0.04	1.98
	<b>10,803,000</b>	<b>784,000</b>	<b>0.06</b>	<b>0.38</b>

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

	<b>2025</b>	<b>2025</b>
Share price	<b>0.06</b>	0.08
Exercise price	<b>0.06</b>	0.08
Risk-free interest rate	<b>3.34%</b>	3.63%
Expected life	<b>2 Years</b>	1.82
Expected volatility	<b>152%</b>	124%
Expected annual dividend yield	<b>0%</b>	0%

During the three months ended June 30, 2025, \$59,032 (2024 - \$146,030) was recognized as share-based compensation from vested options. Included in the share-based compensation expense is the amount from stock options granted to the non-controlling interest of ARway and Toggle as part of their option plans.

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**11. SHARE CAPITAL (continued)**

A summary of the Company's share-based compensation expense by function is as follows:

	<b>Three months ended June 30, 2025</b>	Three months ended June 30, 2024
	<b>\$</b>	<b>\$</b>
Cost of sales	<b>15,343</b>	64,998
Sales and marketing	<b>37,678</b>	125,180
General and administrative	-	6,198
Research and development	<b>6,886</b>	(50,346)
	<b>59,907</b>	146,030

**12. NON-CONTROLLING INTEREST**

A summary of the Company's non-controlling interest is as follows:

	<b>ARway</b>	<b>Toggle</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, December 31, 2023	1,289,452	2,666,598	3,956,050
SBC attributed to NCI	119,386	156,584	275,970
Other change in capitalization to NCI	457,314	342,412	799,726
Decrease in parents ownership - sale to NCI	100,000	50,000	150,000
Loss attributable to NCI	(1,593,033)	(587,193)	(2,180,225)
Balance, March 31, 2025	373,119	2,628,401	3,001,521
SBC attributed to NCI	8,590	10,515	19,106
Other change in capitalization to NCI	(522)	6,446	5,924
Loss attributable to NCI	17,476	18,089	35,564
<b>Balance, June 30, 2025</b>	<b>398,664</b>	<b>2,663,451</b>	<b>3,062,115</b>

**13. RELATED PARTY TRANSACTIONS AND BALANCES**

The Company entered into a number of transactions with key management personnel that have the authority and responsibility for the planning, directing and controlling of the activities of the Company. The Company considers the executive officers and directors as the key management of the Company.

A summary of the transactions with key management personnel is as follows:

	<b>Three months ended June 30, 2025</b>	Three months ended June 30, 2024
	<b>\$</b>	<b>\$</b>
Compliance fees included in general and administrative	<b>3,750</b>	538,383
Management fees included in general and administrative	<b>143,872</b>	343,198
Salaries of the Chief Financial Officer included in general and administrative	<b>37,500</b>	39,167
Share-based compensation	<b>73,816</b>	-
	<b>258,938</b>	920,748

The Company has an agreement with the Chief Executive Officer ("CEO") in which the Company compensates the CEO for management services on monthly basis, combining cash and share issuance over a five-year term until April 1, 2027. As at June 30, 2025, accounts payable and accrued liabilities included \$272,260 owed to the CEO (March 31, 2025 - \$163,829). The amounts are non-secured, non-interest bearing, payable on demand and represent the value of shares to be issued to the CEO.

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#### 14. REVENUE FROM CONTRACTS WITH CUSTOMERS

##### a) Revenue disaggregation

A summary of the Company's revenue disaggregation by service for the 3 month period ended June 30, 2025, and 3 month period ended June 30, 2024 is as follows:

	June 30, 2025	June 30, 2024
	\$	\$
MapD	271,536	454,543
Threedy	44,094	585,544
Arway	2,532	56,133
Toggle	-	190
Other revenue	9,930	12,532
	<b>328,092</b>	<b>1,108,941</b>

##### b) Deferred revenue

A summary of the Company's deferred revenue is as follows:

	\$
Balance, December 31, 2023	342,192
Revenue recognized	(3,415,701)
Revenue deferred	3,557,468
Currency translation effects	14,212
Balance, March 31, 2025	<b>498,171</b>
Revenue recognized	<b>(1,467,659)</b>
Revenue deferred	<b>1,494,220</b>
Currency translation effects	<b>(2,993)</b>
<b>Balance, June 30, 2025</b>	<b>521,739</b>

##### c) Contract asset

A summary of the Company's contract asset is as follows:

	\$
Balance, December 31, 2023	51,320
Contract asset billed	(51,521)
Currency translation effects	201
Balance, March 31 and June 30, 2025	-



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**15. EXPENSES BY NATURE**

The Company presents operating expenses by function with the exception of amortization, depreciation, and share-based compensation. A summary of the Company's operating expenses by nature is as follows:

**a) Cost of sales**

A summary of the Company's cost of sales is as follows:

	<b>Three months ended June 30, 2025</b>	<b>Three months ended June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Cost of products/services	<b>13,293</b>	-
Consultant fees	-	250,252
Employee benefits	-	-
Salaries, wages, and commissions	<b>19,175</b>	38,216
	<b>32,468</b>	288,468

**b) Sales and marketing**

A summary of the Company's sales and marketing expense is as follows:

	<b>Three months ended June 30, 2025</b>	<b>Three months ended June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Advertising	<b>1,112</b>	37,275
Consulting fees	<b>21,524</b>	64,140
Employee benefits	<b>1,113</b>	14,572
Investor relations	<b>40,219</b>	95,434
Salaries, wages, and commissions	<b>53,149</b>	123,921
Software and other expenses	<b>29,350</b>	56,680
	<b>146,467</b>	392,022

**c) General and administrative**

A summary of the Company's general and administrative expense is as follows:

	<b>Three months ended June 30, 2025</b>	<b>Three months ended June 30, 2024</b>
	<b>\$</b>	<b>\$</b>
Compliance fees	<b>29,906</b>	46,469
Computer, software and maintenance	<b>49,094</b>	215,121
Consultant fees	<b>19,913</b>	78,814
Employee benefits	<b>29,015</b>	81,001
Interest expense	<b>23,030</b>	21,335
Management fees	<b>107,639</b>	204,806
Professional fees	<b>43,470</b>	303,659
Salaries and wages	<b>72,293</b>	524,724
Shipping and warehouse costs	-	318
Office, general and other expenses	<b>53,532</b>	112,839
	<b>427,892</b>	1,589,086

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**15. EXPENSES BY NATURE (continued)**

**d) Research and development**

A summary of the Company's research and development expense is as follows:

	<b>Three months ended June 30, 2025</b>	Three months ended June 30, 2024
	\$	\$
Consulting fees	111,773	14,929
Employee benefits	269	7,057
Salaries and wages	19,815	176,190
Platform, maintenance and other expenses	40,542	146,975
	<b>172,399</b>	<b>345,151</b>

**15. SEGMENT INFORMATION**

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Financial Officer, who makes strategic decisions and allocates resources based on the information available by operating segment. The CODM determines the reportable segments of the Company based on the availability of discrete financial results and the nature of operations relating to each operating segment. The CODM identified three reportable segments being 1) the eCommerce platforms, 2) the technology services provided for eCommerce, virtual events, higher education and advertising, and 3) general corporate activities.

During the year ended December 31, 2022, the Company decided to discontinue the eCommerce platforms, resulting in this segment being reported as discontinued operations (Note 7). As at June 30, 2025, the Company's sole continuing operation that generates revenue is technology services.

**16. SUPPLEMENTAL CASH FLOW DISCLOSURES**

A summary of the Company's supplemental cash flow disclosures is as follows:

	<b>Three months ended June 30, 2025</b>	Three months ended June 30, 2024
	\$	\$
Non-cash share issuance costs	-	-
Proceeds from securities issued to non-controlling interest:		
Proceeds from employee pay program in Arway	-	151,165
Proceeds from employee pay program in Toggle	8,531	93,417
	<b>8,531</b>	<b>244,582</b>

**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at June 30, 2025, the Company's financial assets and liabilities include cash and cash equivalents, trade receivables, deferred consideration, and accounts payable and accrued liabilities. These instruments 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 is exposed to certain financial risks through its financial instruments. The risk exposures and the impact on the Company's financial instruments are summarized below.

## **17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

### **a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company is exposed to credit risk through its cash, Short term investment, trade receivables, and contract asset. The Company mitigates credit risk related to cash by placing cash with sound financial institutions. For sales contracts and trade receivables, the Company trades with recognized creditworthy third parties and regularly reviews the collectability of its accounts receivable.

### **b) Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. 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 and lease liabilities that have a fixed schedule of payment.

As at June 30, 2025, the Company had cash and cash equivalents of \$38,412 (March 31, 2025 - \$16,311) and working capital deficit of \$3,516,195 (March 31, 2025 - \$3,599,148).

### **c) Currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of the Company's expenses are incurred in USD. 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. The Company has not hedged its exposure to currency fluctuations. As at June 30, 2025, the Company is exposed to currency risk through cash and cash equivalents, receivables, deferred consideration and accounts payable denominated in USD. A 10% change in exchange rate could increase or decrease the Company's net loss by \$93,041.

### **d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as there is no financial asset or liability that has a variable interest rate.

## **18. CAPITAL MANAGEMENT**

The Company's definition of capital includes equity, comprising share capital, reserves, accumulated other comprehensive income, deficit and non-controlling interest. 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 June 30, 2025, the Company had shareholders' deficiency of \$3,362,657 (March 31, 2025 - shareholders' deficiency of \$3,422,994).

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 3 month period ended June 30, 2025.

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

## **19. SUBSEQUENT EVENTS**

From April 1, 2025 to June 30, 2025, 88,000 stock options with exercise prices between \$0.07-\$1.23 cancelled unexercised.

On July 6, 2025, the Company has issued 5,000,000 common shares upon the exercise of warrants related to the employee pay program.

On August 18, 2025, the Company has issued 5,382,751 common shares upon the exercise of warrants related to the employee pay program.