

IDG HOLDINGS INC.

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2023

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited interim financial statements of IDG Holdings Inc. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

IDG HOLDINGS INC.

Interim Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	March 31	June 30
	2023	2022
ASSETS		
Current assets		
Cash	\$ 83,057	\$ 168,197
Prepaid expenses	1,750	-
Total assets	\$ 84,807	\$ 168,197
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,651	\$ 22,946
Total liabilities	6,651	22,946
SHAREHOLDERS' EQUITY		
Share capital (note 3)	1,456,342	1,456,342
Contributed surplus (note 4)	40,138	40,138
Deficit	(1,418,324)	(1,351,229)
Total equity	78,156	145,251
Total liabilities and equity	\$ 84,807	\$ 168,197

Basis of presentation (note 2)

Approved on behalf of the Board:

Director "Peter Born"
Peter Born

Director "Mark Ferguson"
Mark Ferguson

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

IDG HOLDINGS INC.

Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31		Nine months ended March 31	
	2023	2022	2023	2022
EXPENSES				
Advisory fees	\$ -	\$ -	\$ 31,500	\$ -
Management compensation (note 5)	4,998	4,998	14,994	14,994
Office and insurance	1,765	1,812	5,300	5,074
Professional and regulatory fees	2,772	4,613	15,301	16,262
Loss and comprehensive loss	\$ (9,535)	\$ (11,423)	\$ (67,095)	\$ (36,330)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	13,839,500	13,839,500	13,839,500	13,839,500

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

IDG HOLDINGS INC.

Interim Statements of Cash Flow

(Unaudited - Expressed in Canadian dollars)

	Nine months ended March 31	
	2023	2022
Cash provided by (used in):		
Operating activities		
Net loss	\$ (67,095)	\$ (36,330)
Change in non-cash working capital:		
Prepaid expenses	(1,750)	(922)
Accounts payable and accrued liabilities	(16,295)	(20,069)
Net cash flows used in operating activities	(85,140)	(57,321)
Change in cash and cash equivalents during the period	(85,140)	(57,321)
Cash and cash equivalents, beginning of the period	168,197	335,500
Cash and cash equivalents, end of the period	\$ 83,057	\$ 278,179

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IDG HOLDINGS INC.

Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance at June 30, 2021	13,839,500	\$ 1,456,342	\$ 40,138	\$ (1,187,423)	\$ 309,057
Net loss	-	-	-	(36,330)	(36,330)
Balance at March 31, 2022	13,839,500	1,456,342	40,138	(1,223,753)	272,727
Balance at June 30, 2022	13,839,500	1,456,342	40,138	(1,351,229)	145,251
Net loss	-	-	-	(67,095)	(67,095)
Balance at March 31, 2023	13,839,500	\$ 1,456,342	\$ 40,138	\$ (1,418,324)	\$ 78,156

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

IDG HOLDINGS INC.

NOTES TO THE FINANCIAL STATEMENTS

For the nine months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

IDG Holdings Inc. ("IDG" or the "Company") is incorporated under the Business Corporations Act (Alberta). Its business operations, previously conducted through subsidiary companies, were sold with effect from July 1, 2006. The only activities since the sale were collection of amounts owing from that sale and short-term investment of cash resources. The Company is currently in the process of identifying and evaluating corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory and shareholder approval as applicable. The Company's shares are listed on the TSX Venture Exchange ("Exchange") under the symbol "IDH".

The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

The outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Company or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

These interim financial statements of the Company are for the nine months ended March 31, 2023 and were authorized for issue on April 17, 2023 by the directors of the Company.

2. BASIS OF PRESENTATION

Statement of compliance

These interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, and the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has consistently applied the same accounting policies in its interim financial statements and throughout all periods presented. These interim financial statements do not contain all of the information required for full annual financial statements. These interim financial statements for the nine months ended March 31, 2023 should be read in conjunction with the audited annual June 30, 2022 financial statements, which were prepared in accordance with IFRS as issued by the IASB.

IDG HOLDINGS INC.**NOTES TO THE FINANCIAL STATEMENTS**

For the nine months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)***Going Concern Assumption***

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. For the period ended March 31, 2023, the Company had no active operations, had no profits, had an accumulated deficit of \$1,408,789 and expects to continue incurring losses until it successfully develops its business. These conditions result in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Measurement Basis

These interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies within Note 3 of the June 30, 2022 financial statements. All amounts are expressed in Canadian dollars unless otherwise stated.

New accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IDG HOLDINGS INC.**NOTES TO THE FINANCIAL STATEMENTS**

For the nine months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

3. SHARE CAPITAL***Authorized***

Unlimited common shares without par value

Issued

Shares issued and outstanding at March 31, 2023 are 13,839,500 (June 30, 2022 – 13,839,500).

On March 31, 2021, the Company completed a private placement of 5,450,000 common shares at a price of \$0.05 per share for gross proceeds of \$272,500. The Company paid legal fees of \$9,438 and no finder's fees in connection with the private placement.

Pursuant to a stock option plan (the "Plan") for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. No options are currently outstanding.

4. CONTRIBUTED SURPLUS

Contributed surplus includes the net excess of average carrying value over the cost of purchase of shares re-purchased on the open market in previous years, and the value of stock options granted in previous years. There was no change in contributed surplus during the year. The components of contributed surplus are as follows:

	March 31	June 30
	2023	2022
Excess of average carrying value over cost of own shares purchased	\$ 34,109	\$ 34,109
Stock-based compensation	6,029	6,029
	\$ 40,138	\$ 40,138

IDG HOLDINGS INC.**NOTES TO THE FINANCIAL STATEMENTS**

For the nine months ended March 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS*Related Party Transactions*

Key management compensation for the nine months ended March 31, 2023 and 2022 consisted of the following:

- Management fees paid to a company controlled by a director of \$5,994 (2022 - \$5,994) and \$9,000 (2022 - \$9,000) paid to an officer of the Company.

Related Party Balances

As of March 31, 2023, \$Nil is included in accounts payable and accrued liabilities related to these fees.

6. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements.

IDG HOLDINGS INC.**NOTES TO THE FINANCIAL STATEMENTS**

For the nine months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2023, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying value of cash and accounts payable approximates their fair value due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at March 31, 2023, the Company had a balance in cash and cash equivalents of \$83,057 to settle current liabilities of \$6,651. The Company's financial liabilities include accounts payable which have contractual maturities of 30 days or are due on demand.

The Company manages liquidity risk through its capital management as outlined in Note 6 to the financial statements.

As at March 31, 2023, the Company has sufficient cash to settle all of its accounts payable and accrued liabilities. At some point within the next year, the Company will need to raise additional funds through equity or debt to continue with its operations.

IDG HOLDINGS INC.**NOTES TO THE FINANCIAL STATEMENTS**

For the nine months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)***Market Risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates. The Company is not exposed to price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are exposed to interest rate risk as the Company invests cash and cash equivalents at floating rates of interest in highly liquid instruments. Fluctuations in interest rates impact the value of cash and cash equivalents.

Currency Risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2023, the Company's expenditures are exclusively in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

8. PROPOSED TRANSACTION

On May 14, 2021, the Company entered a letter of intent to acquire all of the issued and outstanding securities of each of Mister Cannabis GmbH ("Mister Cannabis") and 1290356 B.C. Ltd. ("Management Fundco"). The acquisition is subject to completion of due diligence, regulatory review and approval. Comprehensive disclosure on the Proposed Transaction and the business of the Company, Mister Cannabis and Management Fundco has been filed on SEDAR under IDG's profile.