

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

BACKSTAGEPLAY INC.

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
(unaudited)
Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim condensed consolidated financial statements, they must be accompanied by a notice indicating that these interim condensed consolidated financial statements have not been reviewed by the auditor of Backstageplay Inc. The accompanying unaudited interim condensed consolidated financial statements of Backstageplay Inc. have been prepared by and are the responsibility of the management of Backstageplay Inc.

BACKSTAGEPLAY INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024
(in Canadian dollars)

	Notes	March 31, 2025	December 31, 2024
CURRENT ASSETS			
Cash		\$ 173,774	\$ 189,734
Prepays and deposits		<u>4,652</u>	<u>3,206</u>
		178,426	192,940
Software license and intangible assets	4	<u>1</u>	<u>1</u>
		<u>178,427</u>	<u>192,941</u>
CURRENT LIABILITIES:			
Trade and other payables	8	<u>474,586</u>	<u>418,544</u>
		474,586	418,544
Total assets less current liabilities		<u>\$ (296,159)</u>	<u>\$ (225,603)</u>
SHAREHOLDERS' EQUITY			
Share capital	7	\$ 5,375,032	\$ 5,375,032
Contributed surplus	7	3,686,113	3,686,113
Accumulated deficit		<u>(9,357,304)</u>	<u>(9,286,748)</u>
Total shareholders' equity		<u>\$ (296,159)</u>	<u>\$ (225,603)</u>

Going concern (Note 1)

On behalf of the Board of Directors:

Signed: "Scott White"

Scott White
Director and Chief Executive Officer

Signed: "Sean Hodgins"

Sean Hodgins
Director and Chief Financial Officer

BACKSTAGEPLAY INC.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024
(in Canadian dollars)
(unaudited)

	Notes	<u>2025</u>	<u>2024</u>
EXPENSES:			
Accounting and bookkeeping	8	5,000	5,000
Audit and tax		3,750	3,750
Bank charges		287	250
Filings, press releases and AGM fees		2,378	10,156
Sales, marketing and business development		31,500	-
Site maintenance and support	8	<u>27,641</u>	<u>3,884</u>
Total expenses		<u>70,556</u>	<u>23,040</u>
Loss from operations		70,556	23,040
Net loss and net comprehensive loss		<u>70,556</u>	<u>23,040</u>
Net loss per share:			
Basic		\$ 0.003	\$ 0.001
Diluted		\$ 0.003	\$ 0.001
Weighted average number of common shares outstanding			
Basic		23,312,833	20,687,833
Diluted		23,312,833	20,687,833

BACKSTAGEPLAY INC.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024
(in Canadian dollars except for number of shares)
(unaudited)

	<u># of Shares</u>	<u>Common Shares Amount</u>	<u>Contributed Surplus</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance December 31, 2023	20,687,833	\$ 5,171,032	\$ 3,686,113	(9,175,850)	(318,705)
Net loss- Q1 2024	-	-	-	(23,040)	(23,040)
Balance March 31, 2024	20,687,833	5,171,032	3,686,113	(9,198,890)	(341,745)
Issuance of common shares for cash net of issuance costs	2,625,000	204,000	-	-	204,000
Net loss- Q2 - Q4 2024	-	-	-	(87,858)	(87,858)
Balance December 31, 2024	23,312,833	5,375,032	3,686,113	(9,286,748)	(225,603)
Net loss- Q1 2025	-	-	-	(70,556)	(70,556)
Balance March 31, 2025	23,312,833	\$ 5,375,032	\$ 3,686,113	\$ (9,357,304)	\$ (296,159)

BACKSTAGEPLAY INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(in Canadian dollars)
(unaudited)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Net loss and comprehensive loss	\$ (70,556)	\$ (23,041)
Changes in non-cash working capital items		
Prepays and deposits	(1,446)	(374)
Trade and other payables	<u>56,042</u>	<u>23,165</u>
	(15,960)	(250)
Net increase (decrease) in cash	<u>(15,960)</u>	<u>(250)</u>
Cash, beginning of year	189,734	27,950
Cash, end of period	<u>\$ 173,774</u>	<u>\$ 27,700</u>
Supplemental cash flow activities and non-cash transactions:		
Income taxes paid	\$ -	\$ -
Interest received	\$ -	\$ -

BACKSTAGEPLAY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(in Canadian dollars, except for per share amounts, unless otherwise noted)
(unaudited)

NOTE 1. – BUSINESS OF THE COMPANY AND GOING CONCERN

Backstageplay Inc. (the “Company”) seeks to operate in the Internet entertainment and marketing sectors. The Company trades on the TSX Venture Exchange under the trading symbol BP. Its registered office is Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The accompanying unaudited interim condensed consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As at March 31, 2025, the Company has a working capital deficiency of \$296,160 (December 31, 2024: \$225,604) and an accumulated deficit of \$9,357,304 (December 31, 2024: \$9,286,748). In assessing whether the going concern assumption is appropriate management takes into account all available information about the foreseeable future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company’s ability to continue operations and fund future business activities is dependent on management’s ability to secure additional financing or the Company’s ability to generate sufficient cashflow. Management is actively pursuing such additional sources of financing. However, there is no assurance that they will be able to do so successfully. As such, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The condensed consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

These condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 29, 2025.

NOTE 2. – BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the IASB have been condensed or omitted and these unaudited interim condensed financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2024.

Basis of Presentation

The preparation of its unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could significantly differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

BACKSTAGEPLAY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
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(unaudited)

NOTE 2. – BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (Continued)

The critical judgements and estimates applied in the preparation of the Company's unaudited condensed interim financial statements are consistent with those applied and disclosed in note 2 to the Company's financial statements for the year ended December 31, 2024.

Functional Currency

The presentation and functional currency of the Company is the Canadian dollar.

The Company's interim results are not necessarily indicative of its results for a full year.

NOTE 3. – SIGNIFICANT ACCOUNTING POLICIES

Intangible assets and software licenses

The Company's intangible assets consist of software development costs. These costs consist of software management costs, including costs incurred to develop its website and host a platform designed to earn revenue in respect to the Company's business operations.

Internally generated intangible assets

The Company recognizes expenditures on research activities as an expense in the year in which it incurs the expenditures. It recognizes an internally generated intangible asset arising from development if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditures attributable to the intangible asset during its development.

BACKSTAGEPLAY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3. – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 they may be impaired:

- an intangible asset with an indefinite useful life
- an intangible asset not yet available for use

The recoverable amount of an asset 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.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

In respect of assets other than intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Revenue recognition

Online subscription fees to contracted Artist's sites are recognized ratably over the subscription period. Payments received in advance are recorded as deferred revenue and recognized into revenue as services are delivered or subscription time elapses, net of payment processing costs and the Artist's revenue share.

NOTE 4. – SOFTWARE LICENSE, INTELLECTUAL PROPERTY AND COMMITMENTS

On the January 11, 2016, the Company entered into a Platform Software License ("PSA") and Managed Services Agreement ("MSA") with M Projects Assets S.A ("MPA"). The Company's Chief Executive Officer ("CEO") is a shareholder of MPA. The software license includes a customized version of MPA's online gaming software platform, management reporting tools and a site Application Program Interface "API" platform. The agreement is for an initial term of 3 years but will automatically renew for two additional years under the same terms and conditions unless terminated in accordance with the agreement. MPA also agreed to sell the URL www.backstageplay.com for the sum of USD\$50,000 (prior to the sale the Company was leasing this URL from MPA for payment of USD\$2,000 per month).

BACKSTAGEPLAY INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. – SOFTWARE LICENSE, INTELLECTUAL PROPERTY AND COMMITMENTS
(continued)

In consideration for the use of the platform and software, the Company is required to pay a monthly royalty based on 30% of the net revenue received through the use of the platform with a minimum monthly revenue guarantee of USD \$10,000 per month. The minimum revenue guarantee was suspended in 2019 until such times as the Company can deploy the software in a revenue generating capacity.

At any time during the initial term of the agreement, the Company has the option to purchase the software outright under a perpetual software license and access to applicable object and a source code development kit in order to operate independently from the managed services agreement. The perpetual software license fee is USD \$1,500,000 in the form of an upfront payment of USD \$250,000 and monthly payments of USD \$75,000 until the entire fee is paid subject to certain increases depending on the Company's revenues and funds raised.

On February 19, 2022, the Company entered into product co-development and revenue share agreements with Cash Live Entertainment Inc. ("Cash Live"). These agreements encompass software license and managed services agreements between the companies, whereby each company will contribute specified game and software source code to develop two new live format games. The terms of the agreements are for one year and amount to \$125,000 USD for each game.

Deposits for the co-development project were made by the Company on February 23, 2022 and June 22, 2022. In addition, in exchange for the Company's contribution of game source code and specified managed services, the Company will receive up to \$250,000 USD in shares of Cash Live. The net revenues after direct costs generated from the two new games will be split 25% to the Company and 75% to Cash Live. As at March 31, 2025, the Company has contributed \$263,172 towards the co-development project. In 2023, Cash Live advised the Company that it had suspended development efforts until it could either obtain funding to support additional development efforts or make other arrangements.

During the quarter ending March 31, 2025 and 2024, the Company expensed all software platform, licensing and service expenses to site development costs, site maintenance and support.

NOTE 5. – FINANCIAL RISK FACTORS

The Company's financial instruments consist of loans and receivables and other financial liabilities. As at March 31, 2025, the carrying values and fair values of the Company's financial instruments are approximately the same.

The Company is exposed, in varying degrees, to the following financial instrument related risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash and cash equivalents. This risk is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies.

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Liquidity Risk

Liquidity risk arises through the excess of financial obligations due at any point in time over available financial assets. The Company's objective in managing liquidity risk is to maintain sufficient readily available working capital to meet its liquidity requirements. At March 31, 2025, the Company had cash and cash equivalents of \$173,774 (December 31, 2024: \$189,734) available to settle current financial liabilities of \$474,586 (December 31, 2024: \$418,544).

Market Risk

The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents is relatively unaffected by changes in short-term interest rates.

NOTE 6. - SHAREHOLDERS' EQUITY

Authorized share capital

At March 31, 2025, the authorized share capital comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

There were no share issuances for the quarters ended March 31, 2025 or March 31, 2024.

Capital management

The Company's objectives when managing capital (defined as shareholders' equity or deficiency), are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to pursue new business interests. The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue shares or issue debt (secured, unsecured, convertible and/or other types of available debt instruments).

The Company has never declared a dividend to its shareholders and the Company is not subject to any externally imposed capital requirements.

NOTE 7. STOCK OPTION PLANS AND STOCK-BASED COMPENSATION

The Company has a stock option plan (the "Plan") which was approved by the Company's disinterested shareholders at its Annual General Meeting held on October 3, 2013. The Plan enables the Company to grant stock options which are used to assist the Company to maintain its compensation and employee retention strategies. Directors, officers, employees and consultants are eligible for grants of options under the Plan. The general provisions of the Plan include vesting period requirements whereby options vest on the date of grant of such options. Options issued to consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3-month period. The Company's stock option limit is a 10% rolling balance based on the outstanding shares. Should there be a corporate transaction such as an amalgamation or take-over, as defined, by the Company, unvested options shall vest immediately.

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THREE MONTHS ENDED MARCH 31, 2025 AND 2024
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NOTE 7. STOCK OPTION PLANS AND STOCK-BASED COMPENSATION (continued)

A summary of stock option activity for the periods ended March 31, 2025, and 2024 is presented below:

Voting Common Shares

	Q1- 2025		2024	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding - Beginning of year	1,325,000	0.15	1,325,000	0.15
Cancelled	-	-	-	-
Expired	-	-	-	-
Outstanding - End of period	<u>1,325,000</u>	0.15	<u>1,325,000</u>	0.15

There were no stock options granted during the quarter ending March 31, 2025 or 2024.

The following table summarizes information about stock options outstanding and exercisable at March 31, 2025:

Voting Common Shares

	Options outstanding and exercisable		
Exercise price \$	Number outstanding at March 31, 2025	Number exercisable at March 31, 2025	Weighted average remaining contractual life (years)
0.10	700,000	700,000	3.34
0.20	625,000	625,000	0.81
	<u>1,325,000</u>	<u>1,325,000</u>	

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NOTE 8. – RELATED PARTY TRANSACTIONS AND MANAGEMENT COMPENSATION

Transactions with key management personnel, including compensatory arrangements, require disclosure. Key management personnel are the Chief Executive Officer, the Chief Financial Officer and the independent members of the board of directors.

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Management and consulting fees and other		
Chief Executive Officer	\$ 6,000	\$ -
Chief Financial Officer	5,000	5,000
	<u>\$ 11,000</u>	<u>\$ 5,000</u>
Related party payables and accrued liabilities		
Chief Executive Officer	\$ 65,595	\$ 54,105
Chief Financial Officer	95,000	66,720
	<u>\$ 160,595</u>	<u>\$ 120,825</u>

During the year ended December 31, 2016, the Company entered into a customer finder's agreement with one of its Board Members. The agreement entitles the Director to receive three percent of any royalty or managed services revenues and 10% of any implementation fees secured through his network. No fees were accrued for this agreement through March 31, 2025.

During the year ended December 31, 2016, the Company entered into the MSA and PSA with a Company partially owned by the CEO as disclosed in Note 4. The Company incurred \$10,291 in site maintenance and support expenses during the quarter ending March 31, 2025 (quarter ending March 31, 2024- \$3,901 in maintenance and support).