**CSE FORM 2A**
**LISTING STATEMENT**

**Nextgen Digital Platforms Inc.**

**September 24, 2025**

***This Listing Statement is intended to provide full, true and plain disclosure about the Company. It is not, and is not to be construed as a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Statement.***

**TABLE OF CONTENTS**

## PRELIMINARY NOTES

### Introduction

This listing statement ("**Listing Statement**") of NextGen Digital Platforms Inc.'s ("**we**", "**our**", "**us**", the "**Company**" or "**NextGen**") has been prepared in accordance with CSE Form 2A and NI 41-101F1 – *Information Required in a Prospectus.*

"**NextGen**" or the "**Company**" refers to NextGen and/or the management and employees of the Company (as the context may require).

Except as otherwise stated, the information in this Listing Statement is current as of September 24, 2025.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

### Caution Regarding Forward-Looking Statements and Risk Factors

This Listing Statement contains certain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to the Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to:

- the implementation and execution of the Company's treasury strategy to incorporate crypto assets—such as acquisitions of Bitcoin, Ethereum, Solana, and Bittensor (TAO) or similar crypto assets and custody through regulated, institutional-grade providers;

- the potential allocation of the Company's excess treasury holdings into crypto assets, as approved by the Board;

- planned strategic integration with the TAO or similar ecosystem, including the deployment of validator nodes, development of AI subnets, and staking of TAO tokens;

- any proposed involvement in cryptocurrency or blockchain-related activities, including the potential use of digital assets as a means of payment or settlement within the Company's business lines;

- the Company's business plans focussed on the acquisition and development of revenue-generating Micro-technology platforms;

- the proposed development and operations of the website and business of PCSections.com ("**PCS**"), an e-commerce platform facilitating direct wholesaler-to-consumer sales of premium gaming electronics and other specialized hardware;

- the proposed development and operations of the business line for cloud AI hosting ("**Cloud AI Hosting**"), a hardware-as-a-service business whereby the computing power of NextGen's specialized hardware workstations are leased to third-party end users for artificial intelligence applications, via a cloud-based portal;

- costs and timing of future acquisition and development activities;
- ability to attract and retain skilled management and staff, as applicable;
- market competition;
- the market for and potential revenues to be derived from the Company's products;
- timing and receipt of securities regulatory approvals;
- business objectives and milestones; and
- deployment of available funds, and adequacy of financial resources.

Such forward-looking statements are based on a number of material factors and assumptions, including, but not limited to, those disclosed elsewhere in this Listing Statement. These assumptions include the successful development, integration, and commercialization of the Company's proposed blockchain and cryptocurrency initiatives, including the viability of business models tied to digital asset custody, staking, mining, or other blockchain-based services; the security, scalability, and reliability of blockchain networks used by the Company; the availability of compliant and secure digital asset custody and payment solutions; the Company's ability to obtain and maintain all required licenses, registrations, or exemptions to operate crypto-related businesses under applicable securities, anti-money laundering, and financial crime legislation; the development of, and continued access to, a supportive regulatory environment for digital assets in Canada and other jurisdictions where the Company may operate; and the willingness of potential customers and partners to adopt blockchain-based products and services. Additional assumptions include the availability of sufficient working capital to acquire, develop, and operate the Company's proposed micro-technology platforms and digital initiatives; continued access to necessary services, supplies, and infrastructure; stable economic and market conditions; current and future prices of the Company's common shares (the "**Common Shares**"); foreign currency exchange rates and interest rates; access to equity and debt markets on reasonable terms; and the associated costs of funds. Other assumptions include the availability of a qualified workforce; the Company's ability to obtain and maintain intellectual property rights in a timely and cost-efficient manner; the impact of competition; and both anticipated and unanticipated costs. While the Company believes these assumptions are reasonable based on the information currently available, they may prove to be incorrect. As a result, actual results may differ materially from those expressed or implied in the forward-looking statements for a variety of reasons, including but not limited to the risk factors and uncertainties described in this Listing Statement. See "*Risk Factors*".

For the reasons set forth above, investors should not place undue reliance on forward looking statements. This Listing Statement includes many cautionary statements, including those stated under the heading "*Risk Factors*". You should read these cautionary statements as being applicable to all related forward-looking statements wherever they appear in this Listing Statement.

Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. Many of these factors are beyond the control of NextGen. All forward-looking statements included in this Listing Statement are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this

Listing Statement are made as at the date hereof and NextGen undertakes no obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws.

### Industry and Market Data

Information contained in this Listing Statement concerning the industry and the markets in which NextGen operates, including NextGen's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), NextGen's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from NextGen's internal research, and are based on assumptions made by NextGen from such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain sources utilized in this Listing Statement have not consented to the inclusion of any data from their reports, nor has NextGen sought their consent. NextGen's internal research has not been verified by any independent source and NextGen has not independently verified any third-party information. While NextGen believes the market opportunity and market share information included in this Listing Statement is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of NextGen's future performance and the future performance of the industry and the markets in which NextGen operates constitute forward-looking statements herein and are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to in the "*Risk Factors*" and other sections of this Listing Statement.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on November 12, 2010, under the *Business Corporations Act* (British Columbia) ("**BCBCA**") under the name "1266457 B.C. Ltd." The Company's registered office and records office is located at 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7. The Company's head office is located at Suite 228, 1122 Mainland Street, Vancouver, British Columbia, V6B 5L1. The Company's mailing address is PO Box 1385, 70 Trius Drive, Second Floor, Fredericton, New Brunswick, E3B 5E3.

### Intercorporate Relationships

The Company does not have any subsidiaries.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

*Year Ended March 31, 2023*

On November 16, 2022, the Company completed a private placement issuing 5,000,000 Common Shares at an issue price of $0.02 per Common Share for gross proceeds of $100,000.

On January 20, 2023, the Company officially launched a predecessor website to PCS, its inaugural platform that facilitates business-to-consumer sales of a range of premium gaming electronics and other specialized hardware. On March 14, 2023, the Company officially re-launched PCS in its current incarnation.

On February 17, 2023, the Company issued 1,154,980 Common Shares in a private placement at a price of $0.05 per Common Share, for gross proceeds of $57,749.

*Year Ended March 31, 2024*

On April 12, 2023, PCS obtained authorized electronics reseller status from D&H Canada ("**D&H**"), a recognized Canadian distributor of IT, business technology and other consumer electronics. As an authorized reseller, the Company is granted access to D&H's comprehensive catalogues of technology products and services, which includes but is not limited to computer hardware, software, networking equipment, consumer electronics, and other relevant offerings.

On May 17, 2023, PCS acquired another authorized electronics reseller status from Ingram Micro Inc. ("**Ingram**"), another recognized Canadian distributor of IT and consumer electronics. Similarly, PCS gained access to Ingram's extensive catalogues of technology products and services.

On May 17, 2023, the Company also entered into a mutual referral agreement with CCM Mining Investments Inc. ("**CCM**"), pursuant to which NextGen and CCM may mutually refer sales of new and used hardware and electronics products, in addition to specialized services, to each other.

On May 25, 2023, PCS became an authorized Canadian reseller of Lenovo North America ("**Lenovo**", and together with Ingram and D&H, the "**Authorized Distributors**"), the Canadian division of a multinational manufacturer (Lenovo Group Limited) of personal computers, smartphones, televisions, and wearable devices. As a member of this program, PCS is authorized to directly purchase commercial Intelligent Devices products and Infrastructure Solutions products, including associated services, from the manufacturer at favourable prices for resale purposes. In connection with PCS obtaining reseller status with the Authorized Distributors, the Company entered into various contracts and received authorization letters, as described in more detail in "*Material Contracts*."

On June 15, 2023, the Company issued 500,000 Common Shares in the first tranche of a private placement at a price of $0.10 per Common Share, for gross proceeds of $50,000.

On September 26, 2023, the Company completed a crowdfunding private placement of 298,000 special warrants at a price of $0.10 per special warrant for aggregate gross proceeds of $29,800. In connection with the closing of the crowdfunding, the Company issued an additional 200,000 compensatory special warrants to Vested Technology Corp. Each special warrant entitled the holder to receive, upon voluntary exercise or deemed exercise by the Company, one Common Share without payment or additional consideration. On June 3, 2024, the 498,000 special warrants were exercised for 498,000 Common Shares.

On October 31, 2023, the Company issued 893,295 Common Shares in the second tranche of its private placement at a purchase price of $0.10 per Common Share, for gross proceeds of $89,329.

On December 16, 2023, the Company established its business line referred to as Cloud AI Hosting, a hardware-as-a-service business whereby the computing power of NextGen's specialized hardware workstations are leased to third-party end users for artificial intelligence applications, via a cloud-based portal. The Company's operations for Cloud AI Hosting are governed by the Standard Hosting Agreement, as described in more detail in "*Material Contracts*."

On March 11, 2024, and March 13, 2024, respectively, the Company entered into referral agreements with Phase 2 Consulting Inc. and Logic V Inc., respectively (the "**Referrers**"), pursuant to which the Referrers may refer potential customers and other business opportunities to the Company.

On March 27, 2024, the Company issued 2,070,000 Common Shares in the third tranche of its private placement at a purchase price of $0.10 per Common Share, for gross proceeds of $207,000.

*Year Ended March 31, 2025*

On July 9, 2024, the Company entered into an escrow agreement with Olympia Trust Company (the "**Escrow Agreement**"), pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings*.

On August 7, 2024, the Company received final approval to list its Common Shares on the Canadian Securities Exchange (the "**CSE**").

On December 20, 2024, the Company announced the intention to split the Common Shares on a basis of two post-split Common Shares for each issued Common Share. The Company also announced, further to its plans to expand the Company's hardware-as-a-service business, that its AI-powering workstation purchases were in delivery. Additionally, the Company announced the launch of its strategic expansion into the cryptocurrency sector.

On December 23, 2024, the Company announced that its Common Shares have been accepted for listing on the Frankfurt Stock Exchange and commenced trading under the symbol "Z12".

On January 6, 2025, the Company announced that it had commenced the evaluation of additional opportunities within the cloud computing and data hosting sector.

On January 23, 2025, the Company closed a non-brokered private placement issuing 633,750 units, with each unit consisting of one Common Share and one Common Share purchase warrant, for aggregate gross proceeds to the Company of $811,200. In connection with the non-brokered private placement, the Company paid finder's fees to eligible finders consisting of $31,848 in cash and 24,631 common share purchase warrants.

On January 24, 2025, the Company announced that Web3 and blockchain industry veteran Mr. Mario Nawfal had been appointed as Strategic Advisor to the Company. Mr. Nawfal, founder of the IBC Group and a respected voice in the Web3 space, has been at the forefront of blockchain innovation, building and investing in successful global ventures.

On January 27, 2025, the Company announced it has entered into a letter of intent with a publicly traded TSX Venture Exchange company to acquire the claim of approximately 10,000 Solana coins or an equivalent cash amount for up to $5.5 million, payable by the issuance of Common Shares. As at the date hereof, the parties have not yet entered into a definitive agreement in respect of the transaction, nor has any consideration been paid pursuant thereto. Completion of the transaction is subject to various conditions, including, but not limited to, the parties entering into a definitive agreement, which will contain terms, conditions, representations, and warranties customary for transactions of this nature. The transaction is also subject to the receipt of all necessary corporate and regulatory approvals, including the approval of the CSE. There are no material updates as at the date hereof, and the parties remain in the process of satisfying conditions and obtaining the required approvals.

On January 29, 2025, the Company acquired 664.27 XRP tokens for a total purchase price of $3,000. On March 27, 2025, the Company sold its entire position of 664.27 XRP tokens for total proceeds of $2,187. For the year ended March 31, 2025, the resulting loss of $813 was recorded in the Statement of Loss and Comprehensive Loss under "Loss on asset disposal." At the time of acquisition, the Company viewed the XRP investment as part of a "strategic entry" into digital assets and did not initially intend for the position to be temporary. Following further evaluation of its business objectives, and in connection with the appointment of Matthew Priebe as CEO in July 2025, the Company determined to pivot away from XRP and instead focus its digital asset strategy on other cryptocurrencies, including Bittensor.

On March 10, 2025, the Company announced that that its common shares commenced trading on the OTCQB marketplace under the symbol "NXTDF" and that its Common Shares were eligible for electronic clearing and settlement in the United States through the Depository Trust Company.

On March 14, 2025, Mr. Alexander Tjiang, the Company's Interim Chief Executive Officer, was appointed to the Company's board of directors upon the resignation of Mr. Michael Rennie as a director of the Company.

*Subsequent to the Year Ended March 31, 2025 to the date of this Listing Statement*

On April 2, 2025, Mr. Anthony Zelen was appointed to the Company's board of directors.

On April 16, 2025, the Company announced its strategic plan for building long-term value. As part of the expansion to its current operations, the Company plans to acquire or purchase digital assets (cryptocurrency), specifically for use in staking activities. These assets will be deployed as part of the Company's infrastructure operations to validate blockchain transactions, earn staking rewards, and enhance network security. The acquisition of cryptocurrency for staking purposes is an operational input, similar to acquiring hardware or computing resources, rather than a passive financial investment.

On May 8, 2025, the Company completed the first tranche of a non-brokered private placement, issuing 3,118,366 special warrants at a price of $0.30 per special warrant, for aggregate gross proceeds of approximately $935,510. In connection with this tranche, the Company paid finder's fees to eligible finders totaling approximately $5,390.70 in cash and 17,969 common share purchase warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24 months. The special warrants issued in this tranche automatically converted into common shares on September 9, 2025.

On May 16, 2025, the Company completed the second tranche of a non-brokered private placement, issuing 3,393,100 special warrants at a price of $0.30 per special warrant and 440,000 common shares at a price of $0.30 per share, for aggregate gross proceeds of approximately $1,149,930.10. In connection with this tranche, the Company paid finder's fees to eligible finders totaling approximately $41,845.31 in cash and 131,244 common share purchase warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24 months. The special warrants issued in this tranche automatically converted into common shares on September 17, 2025.

On May 23, 2025, the Company completed the third and final tranche of a non-brokered private placement, issuing 2,468,032 special warrants at a price of $0.30 per special warrant, for aggregate gross proceeds of approximately $740,409.74. In connection with this tranche, the Company paid finder's fees to eligible finders totaling approximately $7,476 in cash and 13,320 common share purchase warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24 months. The special warrants issued in this tranche automatically converted into common shares on September 24, 2025.

Each special warrant automatically converted, for no additional consideration, into one common share on the date that was four months and one day following the closing of the applicable tranche of the non-brokered private placement. As of the date hereof, all special warrants issued by the Company under the private placement have converted into common shares in accordance with their terms.

On May 26, 2025, Mr. Matt Zahab was appointed to the Company's board of directors upon the resignation of Mr. Steven Sirbovan as a director of the Company.

On June 5, 2025, the Company announced that it had expanded its fleet of computing workstations for its Cloud AI Hosting business and that the newly acquired workstations have begun generating revenue. The three new workstations, each equipped with a high-performance Nvidia graphics processing unit ("**GPU**"), bring the Company's total active GPU fleet to five. The expansion enables the Company to further increase its operational cash flows in the near-term and capture more demand in the artificial intelligence computing sector. This initiative also underscores the Company's efforts and intention to expand its existing operations into the digital asset ecosystem, including cryptocurrency mining, staking, and blockchain infrastructure support.

On June 6, 2025, the Company granted an aggregate of 1,400,000 incentive stock options to certain consultants and directors under its stock option plan. The options are exercisable at $0.55 per share, vest immediately, and expire between three and five years from the date of grant. The Company also entered into debt settlement agreements in respect of $250,000 of outstanding fees owed to a service provider. In settlement of this debt, the Company agreed to issue 431,034 common shares at a deemed price of $0.58 per share.

On June 11, 2025, the Company filed a preliminary short form base shelf prospectus with securities regulators in all provinces and territories of Canada. The Company subsequently withdrew the preliminary base shelf prospectus filing with the applicable securities regulators.

On July 9, 2025, NextGen announced that it had entered into a term sheet with an arm's-length purchaser for a non-brokered private placement of up to 2,000 special warrants, for total gross proceeds of up to $2,000,000. The purchaser was expected to fund the placement through the contribution of Bitcoin and/or Ethereum, which would have been held in segregated custody by a third-party custodian. Each special warrant was to automatically convert, at no additional cost, into $1,000 principal amount of 10% secured convertible notes of the Company. These notes were to mature one year from issuance and could have been repaid in cash, converted into units of the Company (each unit consisting of one common share and one warrant), or repaid through the return of the contributed digital assets, subject to applicable CSE policies. The notes were to be senior secured obligations of the Company and secured by the contributed digital assets. Warrants issued as part of any unit would have been exercisable into one additional common share for a period of 24 months at a 25% premium to the conversion price. Subsequent to the announcement, the Company determined not to proceed with the proposed private placement.

On July 18, 2025, the Company appointed Matthew Priebe as Chief Executive Officer. Mr. Priebe succeeded Alexander Tjiang, who stepped down as Interim Chief Executive Officer but continues to serve as a Director of the Company, providing strategic guidance and oversight. In connection with his appointment, the Company granted Mr. Priebe 300,000 stock options exercisable at $0.56 per share for a period of five years, vesting quarterly over 36 months, and 350,000 restricted share units, vesting in six tranches over 24 months upon achievement of specified milestones.

On July 21, 2025, the Company announced that it had acquired 6.070 Bitcoin (approximately $1.0 million at the time) as part of a newly adopted corporate treasury strategy. The strategy allows the Company to allocate up to 80% of its treasury reserves into digital assets, including Bitcoin, Ethereum, and Solana, alongside traditional holdings such as cash and marketable securities. All crypto assets acquired will be custodied through a regulated, institutional-grade custodian in compliance with applicable laws and industry best practices. The Company subsequently sold 2.464 Bitcoin on July 30, 2025 for $400,000 and 1.5 Bitcoin on September 15, 2025 for $236,688. As at the date hereof, the Company holds 2.106 Bitcoin.

On July 23, 2025, NextGen. announced the appointment of Mr. Mahyar Akhbari as an advisor to the Company. In connection with his appointment, NextGen granted Mr. Akhbari 265,000 incentive stock options, exercisable at $0.63 per share. The options begin vesting after four months and are exercisable for a five-year term, subject to the Company's stock option plan and CSE policies.

On July 25, 2025, NextGen announced that it had entered into a six-month advertising agreement with Gold Standard Media, LLC ("**GSM**"). Under the agreement, GSM will provide digital marketing services including landing pages, email campaigns, influencer marketing, and related promotional support. The agreement is scheduled to begin on July 28, 2025, and provides for total compensation of US$400,000, which has been paid by the Company. Either party may terminate the agreement at any time.

On August 29, 2025, the Company entered into a non-binding letter of intent with Centi Ltd. ("**Centi**"), a fintech company specializing in enterprise-grade digital payment solutions. Centi's platform includes consumer mobile applications, merchant processing infrastructure, stablecoin systems, and cross-border settlement capabilities, which may be deployed on a white-label basis for financial institutions and merchants. Pursuant to the letter of intent, NextGen has proposed to invest $300,000 in Centi, based on a $7,000,000 pre-money valuation, which would result in NextGen acquiring approximately 4.286% of Centi's issued and outstanding shares upon closing. In connection with the proposed investment, NextGen would also receive an exclusive licence to commercialize Centi's technology in North America for a period of 60 months and an option, exercisable for 24 months, to increase its ownership in Centi by up to 50% based on Centi's valuation at the time of any such investment. The letter of intent will terminate on October 15, 2025, unless extended by the parties. The Company does not intend to incur the $300,000 investment cost under the letter of intent unless and until it raises additional funds sufficient to cover such costs. The Company has not yet acquired the Centi licence or completed the proposed investment. The transaction remains subject to standard conditions precedent, including the negotiation and execution of a definitive agreement, completion of satisfactory due diligence (which the parties are currently conducting), receipt of all applicable regulatory approvals (including approval of the CSE), and other customary closing conditions. There can be no assurance that the proposed investment or the related licensing arrangement will be completed as contemplated or at all.

On September 5, 2025, the Company announced that it appointed Mark Creaser as an advisor. In connection with his appointment, the Company granted Mr. Creaser 200,000 incentive stock options, exercisable at $0.50 per share for a period of five years, in accordance with the Company's stock option plan and the policies of the CSE. The options vest in equal quarterly installments over a 12-month period beginning four months from the grant date, subject to Mr. Creaser's continued service as an advisor.

**Significant Acquisitions**

The Company has not completed any significant acquisitions in the most recently completed financial year.

**Change of Business**

The CSE has determined that the Company's strategic expansion into the cryptocurrency sector (including its Digital Asset Infrastructure Operations), together with its recent changes in its management, constitutes a redeployment of assets and resources that constitutes a "Change of Business" under the policies of the CSE. As a result, this Listing Statement is being filed in connection with the Change of Business.

## DESCRIPTION OF THE BUSINESS

### Company Overview

NextGen operates in the technology sector with a strategic focus on building and acquiring revenue-generating platforms in emerging digital industries. While the Company's early initiatives included the development of PCS (PCSections.com), an e-commerce platform for premium gaming electronics, and a Cloud AI Hosting business that provides GPU-based computing power for artificial intelligence applications, its primary growth strategy now centers on the digital asset ecosystem.

In particular, NextGen is expanding into cryptocurrency mining, staking, blockchain infrastructure support, and related activities (collectively, "**Digital Asset Infrastructure Operations**"). This strategic expansion aligns with the Company's technical capabilities and reflects its long-term vision for scalable, tech-driven growth.

As part of this initiative, NextGen plans to, among other things, integrate with the Bittensor network, a decentralized protocol for AI model training and coordination. Subject to regulatory approvals, the Company intends to deploy validator nodes, co-develop AI-focused subnets targeting real-world applications such as natural language processing and predictive analytics, and acquire and stake TAO tokens to secure network participation and generate staking-based revenue. These operations build on and complement the existing Cloud AI Hosting platform, leveraging hardware infrastructure into blockchain-enabled services. The Company may also expand into other comparable crypto assets or ecosystems as opportunities arise, further diversifying its digital infrastructure strategy.

In addition, NextGen intends to manage a crypto treasury program to support its Digital Asset Infrastructure Operations. The Company may acquire and hold digital assets, such as Bitcoin, Ethereum, Solana, TAO, or other cryptocurrencies, for purposes aligned with its operational strategy. These assets will not be held as passive financial investments, but as operational inputs-similar to hardware-used to facilitate staking, provide collateral for validator participation, and maintain reserves of liquid assets to support ongoing infrastructure operations. The treasury will be actively managed with risk oversight policies to mitigate volatility, liquidity, and custodial risks.

By combining its expertise in GPU-based infrastructure, blockchain validation, and decentralized compute networks, NextGen's expansion underscores its objective to maximize asset utilization across hardware, software, and digital networks. The Company's strategy positions it at the intersection of AI, blockchain, and Web3 infrastructure, with the goal of creating value through the provision of infrastructure services, the validation of decentralized networks, and management of its crypto treasury.

### Principal Products and Services

NextGen operates across several integrated business lines that together position the Company at the intersection of e-commerce, artificial intelligence, blockchain infrastructure, and payments innovation. The Company’s initial platform, PCS (PCSections.com), is an e-commerce business offering premium PC gaming technologies, productivity hardware, and specialized electronics from leading brands such as ASUS, Corsair, and Dell. PCS sources its products from reputable suppliers and distributors, relying on competitive pricing strategies and limited-time promotions to attract new customers. The platform is proprietary and custom-coded, designed to provide flexibility and efficiency in reselling PC products and hardware directly to consumers. By employing a drop-shipping model, PCS minimizes warehousing requirements while still maintaining product quality and customer reach.

Building on its hardware expertise, NextGen has also developed Cloud AI Hosting, a hardware-as-a-service business line in which the Company leases the computing power of its GPU-based workstations to third-party end users for artificial intelligence applications, via a cloud-based portal. This model replicates, on a smaller scale, the approach employed by large-scale data centres and is designed to capture growing demand for AI computing resources. Cloud AI Hosting also benefits from operational synergies with PCS, including shared marketing campaigns and the resale of used workstations through the PCS platform.

The Company's primary growth strategy now centers on Digital Asset Infrastructure Operations, which encompass cryptocurrency mining, staking, validator node deployment, and blockchain infrastructure support. This expansion leverages the Company's existing GPU fleets and technical expertise, extending its operations into decentralized networks. In particular, NextGen plans to integrate with the TAO Network, a decentralized protocol for AI model training and coordination, by deploying validator nodes, co-developing AI-focused subnets, and staking TAO tokens to secure network participation and generate rewards. The Company also intends to establish a crypto treasury strategy, acquiring and managing digital assets not as passive investments but as operational inputs, essential for staking, validator operations, and long-term participation in blockchain ecosystems.

NextGen is also actively developing a fourth business pillar focused on bridging digital assets with traditional finance and operational businesses. This includes its recently announced proposed exclusive North American licence to commercialize Centi's enterprise-grade payment network. The licence has not yet been acquired, and the transaction remains subject to customary conditions and approvals prior to closing, including the negotiation and execution of a definitive agreement. The Centi platform features consumer mobile applications, merchant processing infrastructure, stablecoin systems, and cross-border settlement capabilities. Beyond the Centi platform, NextGen may pursue related opportunities such as rewards and loyalty programs built on digital assets, crypto-backed credit and debit cards, and incubating early-stage fintech and blockchain projects that advance adoption of digital payments. Together, these initiatives are intended to build a comprehensive payments and services ecosystem that complements the Company's infrastructure operations and enables real-world applications of blockchain technology.

Through these combined business lines, NextGen is evolving from a traditional technology company into a diversified digital infrastructure and fintech provider. Its strategy is focused on maximizing the utilization of its assets—across hardware, software, payments platforms, and digital assets—while positioning the Company to participate in and help secure emerging blockchain-based AI networks and the broader Web3 economy.

*Principal Markets*

The Company's markets are diversified across its business lines—e-commerce (PCS), Cloud AI Hosting, Digital Asset Infrastructure Operations, and payments services. Through PCS, the Company primarily targets Canadian consumers purchasing premium PC gaming technologies and productivity hardware. Select international customers may also access PCS in limited circumstances, subject to supplier arrangements, shipping logistics, and applicable trade restrictions.

Customers of Cloud AI Hosting are expected to be global in scope, renting GPU computing power through third-party cloud platforms. This customer base includes developers, researchers, and enterprises engaged in artificial intelligence, machine learning, and data processing applications, provided that such services are not restricted by local laws or regulations.

With respect to Digital Asset Infrastructure Operations, the Company's principal markets extend to the decentralized blockchain economy. These markets are global by nature, as cryptocurrency mining, staking, and validator services operate across international networks without centralized geographic boundaries.

Specifically, NextGen anticipates participation in the TAO Network and other blockchain ecosystems, where the Company's validator operations, staking activities, and infrastructure support are accessible worldwide. The Company's crypto treasury operations—including the acquisition and deployment of tokens for operational purposes—are similarly tied to international digital asset markets, with activities conducted in compliance with applicable securities and financial regulations.

The payments and fintech segment further expands NextGen's addressable market by enabling it to serve merchants, financial institutions, and consumers seeking blockchain-integrated transaction solutions. The proposed exclusive Centi licence, which remains subject to standard conditions, approvals, and the execution of a definitive agreement prior to closing, is expected to provide NextGen with an entry point into North America's payment processing market. Potential initiatives, such as loyalty programs, digital-asset rewards systems, and crypto-backed credit solutions, could create additional avenues for adoption. These efforts are intended to extend the Company's reach beyond infrastructure providers and into everyday financial transactions, positioning NextGen to participate in bridging crypto assets with traditional commerce and financial services.

Taken together, these markets reflect a broad global opportunity base, with NextGen's e-commerce business anchored in Canada, its AI hosting services extending internationally, its digital asset operations integrated into decentralized networks, and its payments and fintech services aimed at both domestic and international users seeking to transact across crypto and fiat economies.

**Specialized Skill and Knowledge**

The Company's executives are not required to possess highly specialized technical skills to oversee the Company's operations. Day-to-day management is supported by a Director of Platforms and Marketing, who reports directly to the CEO and has the experience and knowledge necessary to build and manage e-commerce platforms and oversee the deployment of desktop workstations for Cloud AI Hosting.

In addition, the Company's management team and Board of Directors bring extensive expertise across areas critical to the Company's business, including legal, capital markets, finance, and technology. This mix of skills ensures that the Company is able to pursue its strategic initiatives while maintaining compliance with applicable regulatory frameworks.

The Company supplements its internal capabilities through strategic partnerships with established counterparties and project-based consulting engagements with external professionals. This approach provides the Company with access to specialized expertise in product development, technology integration, sales, and digital asset operations without requiring permanent in-house specialization in every domain.

Certain aspects of the Company's operations do, however, require specialized knowledge and technical expertise, particularly in relation to distributed ledger technology, crypto assets, blockchain infrastructure, crypto asset valuation, cybersecurity and risk management, as well as regulatory compliance in the areas of securities, anti-money laundering, and financial reporting. The Company has successfully engaged qualified directors, officers, consultants, and strategic partners in these areas and believes it will continue to be able to attract and retain the necessary expertise on an ongoing basis to support the growth of its Digital Asset Infrastructure Operations and broader technology businesses.

**Competitive Conditions**

*Major Competitors of PCS*

PCS operates in a crowded and extremely competitive landscape within the Canadian computer hardware and e-commerce industries, facing significant competition from major players including but not limited to Amazon, Newegg, ASUS, MSI, and Best Buy. PCS also faces competition from many other smaller established online retailers and specialized gaming hardware manufacturers, all vying for a share of the market. The factors that impact customers' choices include product quality, pricing, brand reputation, product selection, and customer service. PCS therefore differentiates itself by, among other things, offering niche specialized products and responsive customer service.

*Competitive Advantages of PCS*

As it seeks to develop market presence and reputation, PCS competes initially on price, specifically employing a low-cost model, by strategically sourcing its products from Authorized Distributors and others at the lowest prices the Company is able to obtain. The Company aims to pass on these cost benefits to customers, providing them with very competitive pricing on premium gaming and productivity hardware. To further enhance its competitive position, PCS offers periodic discounts and promotions to attract and retain customers.

While pricing is an essential aspect of the competitive strategy, PCS also differentiates itself by exclusively focusing on premium gaming and specialized hardware. By curating a comprehensive range of top-tier products, the Company caters to the diverse needs of gaming enthusiasts and professionals. The Company's partnerships with experienced professionals in technology further enhance its ability to offer high-performance solutions to the market.

*Major Competitors in Cloud AI Hosting*

In Cloud AI Hosting, the competitive landscape is characterized by the presence of two distinct categories of providers: community cloud providers and secure cloud providers.

Community cloud providers, which encompass a range of smaller-scale hosts (including the Company), typically offer network speeds between 100Mbps to 1 Gbps burst. These providers primarily compete in terms of pricing, striving to offer cost-effective solutions to their clientele. While their rental rates are often lower, community cloud providers tend to have limitations in terms of network capabilities and redundancy, which limit their appeal to larger customers.

On the other hand, secure cloud providers represent tier 3 or 4 data centers that boast extensive network capabilities, including speeds of 10+ Gbps burst, failover and redundancy features, strict privacy and security protocols, and enterprise-grade hardware infrastructure. Their primary focus is on delivering high-quality services that prioritize reliability, data security, and performance. These providers cater to businesses and organizations with demanding requirements for data protection, uninterrupted service availability, and the use of advanced hardware components.

*Competitive Advantages of Cloud AI Hosting*

The Company leverages a competitive edge in Cloud AI Hosting by initially focusing on a pricing strategy that appeals to cost-conscious customers. By offering competitive rates and reliable network, it attracts clients seeking cost-effective solutions without compromising significantly on performance. Moreover, the Company provides flexibility to customers through its offering of both “On Demand” and “Interruptible” leasing instances. “On Demand” instances feature fixed prices for uninterrupted computing, while “Interruptible” instances allow clients to bid for availability, optimizing cost and performance. As of the date of this Listing Statement, the Company’s Cloud AI Hosting workstation has generated revenue for approximately 90% of the days it has been listed on the online cloud-based portal and maintains an excellent reliability rating on the same platform, which means the occurrences of disconnects, outages, and other errors are infrequent.

*Major Competitors in Digital Asset Operations*

The Company's Digital Asset Infrastructure Operations—which include staking, validator node deployment, blockchain infrastructure support, and management of a crypto treasury program—operate in a highly competitive and rapidly evolving industry. Competition arises from institutional asset managers, blockchain infrastructure providers, and specialized staking platforms that offer validator services at scale across networks such as Ethereum, Solana, and Bittensor. In particular, competition is strong in networks where validator concentration and institutional participation can create barriers to entry.

Competitors in staking and validator operations include both global institutional players and specialized technology companies with established staking-as-a-service platforms. In addition, blockchain-native firms with significant capital resources often operate large validator fleets across multiple protocols, giving them scale advantages. Within the TAO ecosystem, the Company will face competition from technically advanced operators who are early movers in deploying validator nodes and developing AI-focused subnets.

*Competitive Advantages of Digital Asset Operations*

NextGen believes it can differentiate itself from these competitors through its integrated approach that combines infrastructure operations with a managed crypto treasury program. Unlike firms that treat cryptocurrency holdings as passive investments, the Company will acquire and manage assets such as Bitcoin, Ethereum, Solana, and TAO specifically as operational inputs. These assets will be deployed to facilitate staking, provide collateral for validator participation, and maintain liquid reserves to support infrastructure operations. This model ensures that the Company's treasury strategy is directly aligned with its operating objectives.

Furthermore, the Company's prior experience in managing GPU-based systems through its Cloud AI Hosting business provides a competitive foundation for validator node operations. By leveraging this expertise, NextGen can optimize hardware utilization across both AI workloads and blockchain networks, creating synergies that many single-focus competitors cannot replicate.

The Company also expects to achieve a competitive edge through its focus on the Bittensor protocol, where it intends to deploy validator nodes, co-develop AI subnets, and stake TAO tokens to secure active network participation. This emphasis positions NextGen uniquely at the intersection of blockchain infrastructure and artificial intelligence applications.

Finally, NextGen's treasury management policies—which include active oversight of liquidity, volatility, and custodial risks—are expected to help provide resilience in volatile markets. By adopting disciplined oversight while maintaining flexibility in protocol participation, the Company intends to mitigate risks while pursuing scalable growth in the digital asset economy.

**New Products**

The Company does not currently have any new products under development outside of those already described in this Listing Statement. The only new business initiative being pursued by the Company is its planned expansion into Digital Asset Infrastructure Operations, as outlined herein.

The Digital Asset Infrastructure Operations remain in early development phases, with proof-of-concept work underway. Formal announcements and operational rollouts will be made once milestones are achieved and, where applicable, regulatory approvals are obtained.

**Components**

The Company does not engage in the direct manufacturing of hardware components or physical products. However, it relies on a range of third-party suppliers and service providers to support its business operations, including Cloud AI Hosting and Digital Asset Infrastructure Operations

For Cloud AI Hosting, cloud infrastructure and computing resources are sourced from major providers such as Vast AI and other global platforms. Pricing for these services is generally usage-based and subject to change depending on vendor pricing models and overall market demand. While availability has remained stable, increasing global demand for AI workloads could lead to future pricing volatility or temporary constraints in resource allocation.

For both Cloud AI Hosting and Digital Asset Infrastructure Operations, the Company procures GPUs and high-performance computing hardware from global manufacturers and distributors, including NVIDIA and other specialized vendors. Hardware pricing is influenced by global supply chain dynamics, semiconductor availability, and heightened demand from AI, gaming, and datacenter sectors. The Company actively monitors procurement risks related to supply shortages, price spikes, and delivery delays, and employs flexible sourcing strategies to mitigate these risks.

With respect to Digital Asset Infrastructure Operations, the Company requires both computing hardware and digital assets as operational inputs. Digital assets—including Bitcoin, Ethereum, Solana, TAO, or other cryptocurrencies—are acquired not as passive financial investments but to facilitate staking, validator node operations, and liquidity management. These digital assets are held in secure custody arrangements and are essential components of NextGen's blockchain participation strategy. Their availability, pricing, and liquidity are subject to market dynamics, regulatory developments, and network-specific conditions. The Company maintains active oversight and risk management practices to address potential volatility, custodial risks, and compliance requirements.

**Intangible Properties**

The Company owns the website domains pcsections.com and nextgendigital.ca, and all intellectual property associated with PCS, including coding, logo, customer subscription lists and design elements.

With respect to its Digital Asset Infrastructure Operations, the Company does not hold patents or proprietary rights.

**Cycles**

The Company does not consider its business to be seasonal. PCS sales and revenues remain sensitive to broader economic cycles, particularly downturns, as the products offered are premium-priced consumer discretionary purchases. Cloud AI Hosting provides diversification to this revenue profile and benefits from the secular growth of the AI industry, which the Company believes to be largely insulated from near- to medium-term cyclicality.

In addition, Digital Asset Infrastructure Operations expose the Company to dynamics specific to blockchain networks and digital asset markets. Revenue from staking and validator operations is influenced by blockchain transaction volumes, network participation rates, and protocol-specific reward structures. While these revenues may be volatile due to changes in network economics or digital asset valuations, they are tied to long-term adoption trends in decentralized infrastructure and AI-blockchain convergence, which the Company views as structural growth drivers rather than short-term cyclical factors.

**Economic Dependence**

The Company has sourced products for re-distribution by PCS from multiple suppliers to reduce reliance on any single counterparty. Similarly, in its Cloud AI Hosting business, the Company identifies and evaluates alternative cloud platforms through which it may deploy its hardware resources, in order to avoid dependence on a single service provider and to secure competitive rental rates.

For its Digital Asset Infrastructure Operations, the Company's activities require access to reliable blockchain networks, custodial solutions, and staking protocols. Dependence arises from counterparties such as third-party custodians, liquidity providers, and blockchain infrastructure partners. To mitigate this concentration risk, the Company pursues a diversified approach to asset custody, validator deployment, and staking engagement, while maintaining oversight designed to address liquidity, volatility, and custodial risks.

**Changes to Contracts**

No part of the Company's business is reasonably expected to be affected in the current financial year by either the renegotiation or termination of any contract.

**Employees**

As at the date of this Listing Statement, the Company has no employees and several consultants, including, at the management level, the Company's Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), and Director of Platforms and Marketing. As the business grows the Company may continue to supplement its team with additional hires and engagements. Additionally, to fulfill operational needs, the Company may, from time to time, engage third-party contractors who possess specialized expertise and skills, particularly with respect to programming, coding and website design.

**Foreign Operations**

PCS has no intention to enter or operate in any foreign markets for the time being.

Customers leasing computing power from NextGen's Cloud AI Hosting workstations, via third-party cloud-based platforms, may be located globally, provided such access is not prohibited by applicable local laws and regulations. The Company does not directly establish physical operations abroad to facilitate these services, as all deployment is cloud-based.

With respect to its Digital Asset Infrastructure Operations, the Company's activities are inherently global in nature given the decentralized structure of blockchain networks. Participation in staking, validator operations, and related infrastructure services occurs across distributed networks that are not confined by geographic borders. While these activities are conducted from the Company's Canadian operations, the blockchain protocols in which the Company participates are used by global communities of developers, users, and validators. The Company may also utilize custodial, exchange, or staking service providers located outside of Canada in connection with the management of its digital asset treasury and validator operations. Accordingly, the Company is subject to certain foreign operational considerations, including differences in legal frameworks, regulatory treatment of digital assets, and the risk of evolving cross-border compliance requirements. To mitigate these risks, the Company intends to maintain oversight that emphasize regulatory compliance, counterparty due diligence, and diversification of service providers across multiple jurisdictions.

**Lending**

The Company does not engage in lending activities.

**Bankruptcy and Similar Procedures**

There are no bankruptcies, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceeding, by the Company during its last three financial years.

**Reorganizations**

The Company has not completed any material reorganization and no reorganization is proposed for the current financial year.

**Social or Environmental Policies**

The Company recognizes the importance of aligning its operations with broader social and environmental responsibilities. Although the Company operates primarily in the digital technology and infrastructure sectors, where environmental impact is relatively limited compared to traditional industries, it will periodically review its social and environmental practices as part of its broader governance responsibilities.

**Sales and Marketing Strategy**

The sales and marketing strategy of PCS focuses on advertising across various social media platforms and online marketplaces, utilizing proprietary channels on Facebook, Instagram, X (formerly, Twitter), YouTube and TikToK. The Company aims to promotes new products and services through these social media channels and through active discount strategies to boost sales and website traffic. Additionally, PCS relies on word-of-mouth marketing by the Company’s management and consultants and from customers by providing discounts for referrals. PCS also seeks to differentiate itself from competitors through, initially, a low-cost pricing strategy intended to attract and establish an initial customer base.

To increase its potential distribution network, PCS has established referral agreements with third parties and invested in search engine optimization to drive targeted traffic to its platform. The target audience for PCS includes computer gaming and technology enthusiasts, professionals, and businesses in need of productivity hardware.

Aiming to generate synergies from shared marketing initiatives and costs, the Company plans to utilize PCS's proprietary social media channels to promote the resale and leasing of its Cloud AI Hosting. The target audience for Cloud AI Hosting primarily consists of technology professionals seeking computing power and productivity hardware for AI applications, which may overlap with PCS's target audience. This integrated approach allows the Company to leverage its existing marketing channels and audience base to promote its Cloud AI Hosting services to a relevant audience.

With respect to its Digital Asset Infrastructure Operations, the Company’s marketing strategy emphasizes transparency, education, and credibility in a fast-evolving sector. The Company intends to position itself as a trusted participant in blockchain infrastructure by highlighting its focus on validator operations, staking, and crypto treasury management. Marketing initiatives may include targeted digital campaigns, participation in blockchain and fintech industry events, and the publication of educational content through its existing social media channels and corporate website. The Company's target audience for these operations includes blockchain developers, digital asset networks seeking validator participation, and institutional or individual token holders evaluating trusted validator partners.

**Trends, Commitments, Events or Uncertainties**

The most significant trends and uncertainties that may affect the Company's business and financial condition include: (i) ongoing semiconductor supply constraints,[1] which could raise hardware costs and drive greater reliance on cloud-based services; (ii) evolving gaming and work habits[2] that may impact demand for premium consumer hardware; (iii) the growing adoption of AI and cloud applications, [3] which may reduce demand for high-performance personal hardware but increase demand for computing power[4] through the Company's Cloud AI Hosting operations; (iv) risks to the Company's Digital Asset Infrastructure Operations from regulatory developments, asset valuations, and network adoption trends; (v) volatility in the value of digital assets such as Bitcoin, Ethereum, Solana, and TAO, which may affect staking economics, collateral requirements, and treasury value; (vi) increasing performance, compliance, and collateral requirements for validator operators, which may impact scalability of the Company's digital asset operations; and (vii) evolving regulatory frameworks for cloud and digital asset activities, particularly regarding custody, staking, and treasury management, which may impose additional licensing, compliance, or reporting costs.

There are significant risks associated with the business of the Company, as described above and in the section "*Risk Factors.*" Readers are strongly encouraged to carefully read all of the risk factors contained in that section.

**Regulatory Matters**

The regulation of digital assets, e-commerce activities, and emerging cloud computing services continues to evolve across Canada, the United States, and internationally. Governments and regulators are actively assessing how existing frameworks in areas such as securities, consumer protection, financial crime compliance, data privacy, and competition apply to new business models. This creates a degree of uncertainty for companies operating in these sectors, as requirements may change or expand with little notice.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently — some banning their use outright while others have permitted their trade and integration into financial markets. Ongoing and future regulatory actions may alter, perhaps materially and adversely, the Company's ability to operate. The effect of any such change on a cryptocurrency, project, or protocol that the Company may hold is impossible to predict, but may be significant for both the broader industry and the Company. Governments may in the future restrict or prohibit the acquisition, use, or redemption of cryptocurrencies, which could make ownership, trading, or custody illegal or subject to sanction, or could increase compliance costs through the introduction of additional regulation.

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[1] *The Global Semiconductor Chip Shortage: Causes, Implications, and Potential Remedies*. Mohammad et al. (2022, October 26). https://www.sciencedirect.com/science/article/pii/S2405896322017293

[2] *Worldwide PC Shipments Declined 2.7% Year Over Year in the Fourth Quarter of 2023 but Visions of Growth Lie Ahead, According to IDC.* IDC. (2024, January 10). https://www.idc.com/getdoc.jsp?containerId=prUS51753924

[3] *Gartner Forecasts Worldwide Public Cloud End-User Spending to Reach $679 Billion in 2024*. Gartner. (2023, November 13). https://www.gartner.com/en/newsroom/press-releases/11-13-2023-gartner-forecasts-worldwide-public-cloud-end-user-spending-to-reach-679-billion-in-20240

[4] *Growth of AI creates unprecedented demand for global data centers*. Steele, K. (2024, January 31). https://www.jll.ca/en/newsroom/growth-of-ai-creates-unprecedented-demand-for-global-data-centers

In Canada, oversight of crypto asset trading and custody is coordinated through the Canadian Securities Administrators ("**CSA**") and provincial securities commissions. Since 2017, the CSA has issued a series of staff notices clarifying how securities laws apply to the cryptocurrency industry. While most guidance has focused on trading platforms and custodial businesses, which the Company does not operate, the CSA has also published notices on when a cryptocurrency or token may constitute a security. While the Company does not create or sell its own digital assets, it intends to hold a number of digital assets. If any of these were determined to be securities, trading in such assets could be subject to prospectus and registration requirements, reducing liquidity and market value and potentially impairing the Company's holdings. In addition, Canada's anti-money laundering legislation applies to certain virtual asset activities and may require the Company to register or maintain specific compliance systems if it engages in covered activities. The Company has not received any exemptive relief from Canadian regulators and regularly consults external legal counsel on regulatory compliance.

With respect to the Company's e-commerce platform, operations are subject to consumer protection, advertising, and privacy laws in each jurisdiction where customers are located. Canadian and U.S. regulators continue to strengthen rules around online disclosures, refund rights, data security, and the handling of personal information. As the Company expands its e-commerce activities, it will be required to comply with Canada's Personal Information Protection and Electronic Documents Act, comparable U.S. state privacy laws, and emerging international standards such as the EU's General Data Protection Regulation.

The Company's Cloud AI Hosting Business is also subject to regulatory considerations, particularly in the areas of data protection, cybersecurity, and artificial intelligence governance. Regulators in Canada, the U.S., and internationally are evaluating how existing frameworks apply to AI and cloud services, and in some cases have proposed or enacted new rules to govern the collection, storage, and processing of data. Canadian privacy authorities have emphasized requirements for consent, transparency, and accountability in the use of AI, while U.S. agencies have issued policy statements addressing responsible AI deployment. As global standards develop, the Company will be required to monitor regulatory guidance and adapt its cloud hosting operations accordingly.

In the United States, the regulatory environment for digital assets, e-commerce, and cloud services remains complex and fragmented. Federal and state regulators continue to assess how securities, commodities, financial services, consumer protection, and data privacy rules apply to digital businesses. Although some guidance has emerged in recent years, U.S. law remains underdeveloped in key areas such as staking and lending, fungibility, settlement, collateralization, custody, repo, margin, and insolvency. There can be no assurance that rules or practices will develop in a manner that is timely, clear, or favorable to the Company, or that they will align with approaches taken in other jurisdictions. Furthermore, emerging regulation or enforcement activity could materially impact the Company's ability to operate certain business lines, potentially affecting revenues, profitability, or reputation. Any future U.S. expansion will need to be carefully evaluated in light of these uncertainties.

Outside of North America, regulatory approaches vary widely. Certain jurisdictions, such as the European Union and Singapore, have moved to implement licensing regimes for digital asset service providers, adopted stringent privacy and consumer protection standards for online platforms, and introduced new frameworks to govern artificial intelligence. Others have restricted or prohibited aspects of the industry altogether. As the Company evaluates potential international opportunities, it will carefully assess local laws and regulatory expectations on a case-by-case basis.

The Company believes that it has the technical expertise and industry knowledge to execute its business plan across its Digital Asset Infrastructure Operations, e-commerce platform, and Cloud AI Hosting Business within this evolving regulatory landscape. However, there can be no assurance that future regulatory changes will not impose additional compliance costs, restrict certain activities, or otherwise have a material effect on the Company's operations. See "*Risk Factors*."

## RISK FACTORS

The following are certain factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase Common Shares in the Company's authorized capital. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Listing Statement. These risks and uncertainties are not the only ones the Company is facing. Additional risk and uncertainties not presently known to NextGen, or that NextGen currently deems immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

### Risks Relating to the Business and Industry of the Company

#### *Product Innovation Risks*

The Company's success depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands. In addition, products and enhancements must remain compatible with the other products and systems used by the Company's customers. If new industry standards emerge that the Company does not anticipate or adapt to, its PCS and/or Cloud AI Hosting lines of business could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed.

The development and success of products in the AI sector, in particular, carry inherent risks stemming from the rapidly evolving nature of this field. The dynamic and ever-changing landscape of AI technology means that predicting the exact outcomes or market reception of AI-based products is uncertain. As a result, there is no assurance of achieving the desired results or widespread market acceptance within the AI industry, and the Company's ability to innovate and adapt to emerging AI technologies and market demands is crucial.

There can be no assurance that the Company will be successful in the introduction, marketing and production of any new products or product innovations or develop and introduce in a timely manner updates to its existing product which satisfy customer needs or achieve market acceptance. The Company's failure to develop new products and introduce them successfully and in a timely manner could harm its ability to grow its business and could have a material adverse effect on its business, results of operations and financial condition.

#### *Business Expansion and Integration Risks*

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to changing technologies, customer needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary intellectual property, businesses, solutions or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming and costly and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquires. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience.

Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may:

- issue additional equity securities that would dilute the holders of Common Shares;
- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- encounter difficulties retaining key employees of the acquired companies or integrating technologies; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

***Artificial Intelligence as an Emerging Industry***

The artificial intelligence industry, including Cloud AI Hosting, is an emerging industry and NextGen cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, NextGen cannot predict the time required to secure all appropriate regulatory approvals for future services, or the extent of licensing and documentation that may, from time to time, be required by governmental authorities.

***Data Security and Privacy Risks***

The Company's data-related activities, including data transmission, storage, and privacy protection, are subject to various laws and regulations across multiple jurisdictions. These regulations aim to safeguard consumer privacy and prevent unauthorized disclosure of personal information. While the Company implements technical safeguards, it cannot ensure complete protection against unauthorized access or breaches. If third parties gain improper access to the Company's systems or databases, confidential customer data could be compromised, resulting in severe impacts on its business, customer trust, and revenues. Breaches could lead to regulatory actions, litigation, increased operating expenses, and damage to the Company's reputation. Moreover, the implementation of mandatory data breach notifications in certain Canadian provinces may amplify negative publicity and erode customer confidence in the Company's data security measures, affecting its ability to conduct business and potentially harming its overall reputation.

Data security and privacy risks primarily pertain to the Company's PCS platform. Cloud AI Hosting is conducted on a third-party platform, so the Company does not collect or store customer data for this service.

***Risks Related to the Cloud AI Hosting Third-Party Platform***

The Company's Cloud AI Hosting services rely on a third-party platform, which introduces risks related to both reliability and data privacy. Any technical issues, service interruptions, or downtime experienced by the third-party platform can directly impact the Company's service delivery and customer satisfaction. Additionally, although the Company does not collect or store customer data for Cloud AI Hosting, the third-party platform handles data transmission and storage. If the third-party platform experiences a data breach or unauthorized access, the confidentiality and integrity of customer data could be compromised, leading to regulatory scrutiny, potential litigation, and reputational harm for the Company.

***Information Technology Systems, Cyber-Attacks and Security Breaches***

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or malfunctioning technology. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, increase in capital expenses, financial losses, the inability to process transactions, the unauthorized release of customer information and reputational risk. If there was a breach in security or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact the Company's reputation, business continuity and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The risks of IT systems, cyber-attacks and security breaches are inherent in all online digital platforms, including the Company's PCS and Cloud AI Hosting services. The Company monitors for potential vulnerabilities and updates its security protocols as necessary.

***Concentration Risks***

Both of the Company's businesses, PCS and Cloud AI Hosting, involve computer hardware, making the Company susceptible to losses due to adverse occurrences that may impact this industry. The Company may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Company's revenues more than the market as a whole.

***Cryptocurrencies Risk***

Cryptocurrencies have a limited history; their fair values have historically been volatile, and the value of cryptocurrencies held by the Company could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Company's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware and could lead to theft of the Company's digital wallets and the loss of the Company's cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, which could have an adverse effect on the Company.

The cryptocurrency exchanges on which the Company may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets. Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Company to recover money or cryptocurrencies being held on the exchange. Further, the Company may be unable to recover cryptocurrencies awaiting transmission into or out of the exchange, all of which could adversely affect an investment of the Company. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of cryptocurrencies, or may adversely affect the Company, its operations, and its investments.

***Loss of Access Risk***

The loss of access to the private keys associated with the Company's cryptocurrency holdings may be irreversible and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that posses both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed, or otherwise compromised and no backup is accessible the Company may be unable to access the cryptocurrency. Irrevocability of transactions Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Company may not be capable of seeking compensation.

***Volatility of Digital Asset Markets***

The market prices of cryptocurrencies and other digital assets have historically been subject to significant volatility and may continue to fluctuate dramatically. Such volatility could materially impact the valuation of any digital assets the Company may hold or accept as payment and could result in substantial losses.

***Regulatory Uncertainty***

The regulatory environment governing digital assets, including staking, mining, validator operations, and treasury management, remains highly uncertain and continues to evolve across jurisdictions. In Canada, the United States, and other regions, regulators may introduce new licensing regimes, disclosure obligations, or custody requirements that could directly affect the Company’s Digital Asset Infrastructure Operations. For example, securities regulators may determine that certain digital assets constitute securities or derivatives, triggering registration, reporting, or investment restrictions. Similarly, financial crime regulators may impose enhanced anti-money laundering and know-your-client obligations on entities engaged in digital asset activities. Any adverse developments, such as enforcement actions, retroactive guidance, or the imposition of prohibitive capital requirements, could materially impair the Company’s ability to operate, increase compliance costs, or render certain business lines uneconomic or prohibited. The lack of regulatory harmonization across jurisdictions further exposes the Company to conflicting or overlapping obligations, complicating cross-border operations.

***Safeguarding of Digital Assets***

The Company recognizes the critical importance of safeguarding digital assets and acknowledges that the protection of such assets is material information for investors. To this end, the Company has engaged a third-party custodian to hold and safeguard its digital asset holdings.

The Company relies on Bitbuy (the trade name of Coinsquare Capital Markets Ltd.), a Toronto, Ontario-based and regulated Canadian crypto platform, for custody. Bitbuy is registered with the Financial Transactions and Reports Analysis Centre of Canada and is a member of the Canadian Investment Regulatory Organization. Bitbuy is not a related party of the Company.

Bitbuy provides custodial services that include both fiat-to-cryptocurrency transactions and the secure storage of digital assets. The Company's Bitcoin holdings are segregated from Bitbuy's proprietary assets and are held for the sole benefit of the Company. More than 90% of assets (and in practice approximately 97–99% of Bitcoin and other major tokens) are stored offline in insured cold storage with qualified custodians such as BitGo. Hot wallets are used only to maintain minimal operational liquidity. All custodied assets are maintained on a 1:1 basis and are fully insured. The Company is not aware of any circumstances related to Bitbuy's operations that would adversely affect its ability to obtain an unqualified audit opinion on its financial statements, nor is it aware of any security breaches or incidents at Bitbuy that have resulted in the loss or theft of digital assets.

In the event of Bitbuy's insolvency or bankruptcy, the Company's digital assets would remain segregated and would not form part of Bitbuy's estate available to creditors. Bitbuy does not appoint sub-custodians for the Company's Bitcoin holdings.

As part of its oversight process, the Company has reviewed the adequacy of Bitbuy's systems and controls. Bitbuy engages external auditors to produce annual Service Organization Control (SOC 1 and SOC 2) reports, provides proof-of-reserves reporting, and conducts regular security and financial audits. It also uses blockchain analytics tools such as Chainalysis to monitor transactions for illicit activity and applies robust risk management and compliance practices.

Complementing these institutional safeguards, the Company has implemented internal governance measures. Any transfer of digital assets requires multi-step internal approval, including authorization from at least two directors or officers, each using two-factor authentication. This process ensures centralized oversight, accountability, and enhanced protection in addition to Bitbuy's custodial controls.

The Company is not aware of any security breaches, operational failures, or other adverse events affecting its custodian. The Company intends to continue monitoring Bitbuy's operations and will review its custodial arrangements regularly to ensure they remain appropriate and consistent with industry best practices and applicable regulatory guidance.

***Custodial and Security Risks***

Staking and validator operations require the secure custody of digital assets, either directly or through third-party custodians. While the Company intends to utilize reputable custodial service providers, there can be no assurance that such custodians will not suffer security breaches, operational failures, or insolvency events. Loss of access to assets through theft, fraud, hacking, mismanagement, or technology malfunction could result in permanent financial losses. In addition, reliance on third-party custodians introduces counterparty risk, including the risk that assets may become subject to creditor claims in the event of custodian bankruptcy. Beyond third-party custody, the Company's own validator nodes and supporting infrastructure may be targeted by malicious actors seeking to expropriate assets, corrupt data, or disrupt operations. Even successful mitigation of such attempts may require significant expenditures and lead to reputational harm.

***Market and Price Volatility***

The value of digital assets such as Bitcoin, Ethereum, Solana, or Bittensor (TAO) is highly volatile and subject to sudden and material fluctuations. Sustained declines in asset prices may directly impair the value of the Company's treasury holdings and reduce staking yields, adversely affecting cash flows and financial results. Conversely, sharp increases in prices may raise collateral requirements or hardware participation costs for validator operations, creating liquidity strains and barriers to scaling. In addition, volatility may be amplified by limited trading liquidity, concentrated ownership, or systemic events such as exchange failures, algorithmic stablecoin collapses, or rapid deleveraging in crypto markets. As a result, the Company's ability to predict revenues and manage working capital may be materially constrained.

***Operational and Network Risks***

Validator operations depend on the technical stability and governance of the underlying blockchain protocols. Risks include protocol changes (e.g., software upgrades or consensus mechanism shifts), software vulnerabilities, hard forks, or disputes among network stakeholders that may alter reward structures or disrupt validator performance. Any material downtime, whether caused by bugs, network congestion, or governance disputes, could reduce rewards or lead to punitive measures such as slashing. Maintaining high uptime relative to competitors is essential for earning rewards; failure to do so may reduce profitability. Furthermore, rapid technological change in blockchain infrastructure may require ongoing and costly upgrades to hardware, networking, and security systems.

***Staking-Specific Risks***

Participation in staking exposes the Company to unique risks not present in other financial or operational activities. Blockchain protocols may impose slashing penalties for validator misbehavior, extended downtime, or software errors, potentially resulting in the loss of staked assets. Staked assets are often subject to mandatory lock-up or unbonding periods, during which they cannot be freely traded, hedged, or liquidated. This lack of liquidity restricts the Company's flexibility to respond to adverse market movements, regulatory changes, or strategic opportunities. Moreover, protocol-specific risks—including unexpected governance votes, software bugs, or changes in staking economics—may materially reduce the expected rewards or increase the risk of loss.

***Mining-Related Risks***

Although the Company does not currently expect to pursue traditional proof-of-work mining, if such activities are undertaken in the future, they would be subject to additional risks. These include rising energy costs, increasing environmental regulation of high-consumption computing operations, and heightened competition from industrial-scale operators with access to cheaper electricity and purpose-built hardware. Mining activities are capital-intensive, requiring ongoing investment in equipment, cooling, and facility maintenance. Furthermore, mining economics are highly sensitive to commodity-like cycles in digital asset prices, with sustained downturns rendering operations unprofitable and potentially resulting in asset impairment or write-offs.

***Competition and Technology Risk***

The market for staking and validator services is intensely competitive and rapidly evolving. Larger competitors with greater financial, technical, or operational resources may achieve superior validator rankings, secure higher rewards, or establish exclusive relationships with blockchain projects. Rapid advancements in hardware efficiency, networking technologies, or consensus design may reduce the competitiveness of the Company's existing infrastructure, requiring accelerated capital investment. In addition, the emergence of new technologies—such as restaking, shared security, or liquid staking derivatives—may alter market dynamics in ways that disadvantage the Company's strategy or infrastructure design.

***Treasury and Liquidity Management Risks***

The Company's strategy requires holding significant balances of digital assets as inputs for staking and validator operations. While these assets are not held for speculative purposes, their value nonetheless remains subject to significant volatility. Effective treasury management is required to balance operational liquidity needs against exposure to market swings, custodial risks, and network lock-up restrictions. Failure to adequately manage reserves could impair the Company's ability to pay expenses, maintain validator operations, or pursue growth opportunities. Concentration in a limited number of digital assets may exacerbate exposure to single-asset declines or idiosyncratic risks.

***Tax and Accounting Risks***

The tax treatment of staking rewards, validator operations, and digital asset holdings remains uncertain and subject to change. Jurisdictions such as Canada and the United States have yet to issue comprehensive guidance, leaving open questions about timing of recognition, character of income, and applicability of withholding obligations. Future regulatory interpretations could increase the Company's effective tax rate, impose additional reporting burdens, or subject rewards to unfavorable tax classifications. Similarly, accounting standards for digital assets remain under development and may require impairment testing or fair value adjustments that increase reported volatility. Such changes could materially affect reported financial results, liquidity planning, and compliance obligations.

***Technology and Network Risks***

Blockchain networks and related technologies remain in early stages of development and may be subject to performance issues, software bugs, or vulnerabilities. A failure of these systems could adversely impact the functionality, value, or adoption of digital assets relevant to the Company's business.

***Liquidity and Market Access***

Digital asset markets are relatively new and, in some cases, illiquid. Limited trading volumes, lack of market depth, or disruptions in digital asset exchanges could impair the Company's ability to sell, convert, or otherwise realize value from digital assets on a timely basis.

***Reputational and Counterparty Risks***

Association with cryptocurrencies or digital assets may expose the Company to heightened scrutiny from regulators, investors, financial institutions, or other counterparties. Negative sentiment in the sector, or controversies involving counterparties engaged in digital asset transactions, could adversely affect the Company's reputation and access to financing.

***Regulatory Risks***

The Company will be subject to a variety of laws and regulations across all jurisdictions in which it operates, including but not limited to, intellectual property, advertising, marketing, distribution, data and information security, electronic communications, competition, consumer protection, privacy laws, unfair commercial practices, taxation, securities law compliance, online payment and payment processing services. These laws, regulations and legislation, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations could have an adverse impact on the Company and lead to increases in costs and expenditure as well as restrict its existing operations and ability to expand.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Company's operating costs, require significant management time and attention, and subject it to remedies that may harm its business including fines or demands or orders that modify, or cease certain or all existing business practices, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Company's business, results of operations or financial condition.

***Litigation Risks***

The Company may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or the outcome of these actions. Adverse outcomes in some, or all of these, claims may result in significant monetary damages or injunctive relief that could adversely affect the Company's ability to conduct its business. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Company's operations.

***Global Semiconductor Shortage***

The global semiconductor shortage presents a significant risk to the availability and pricing of computer hardware components used in the PCS's products. Supply chain disruptions and increased demand for semiconductors across various industries, including automotive and electronics, have led to challenges in sourcing essential components. The shortage could result in extended lead times, increased costs, and potential delays in product manufacturing and delivery by suppliers. PCS heavily relies on timely and reliable shipments from suppliers to fulfill customer orders. If the semiconductor shortage affects the suppliers' ability to deliver components promptly, it may lead to delays in order fulfillment and customer dissatisfaction. This could impact the Company's reputation, customer relationships, and financial performance.

***Intellectual Property Protection and Infringement Risks***

Intellectual property infringement claims from third parties could lead to substantial costs and adversely impact the Company's business, financial position, results of operations, and reputation. The Company's ability to compete hinges on avoiding infringement or misappropriation of third-party intellectual property rights. Competitors may own patents, copyrights, trademarks, and trade secrets, potentially resulting in litigation. Although the Company has not received any infringement notices to date, increased visibility could heighten the risk of such claims. Public announcements related to any intellectual property disputes could negatively influence the price of the Common Shares.

There may be third-party intellectual property rights, including trademarks of products distributed by the Company, that cover significant aspects of the Company's technologies, products, services, or business methods. Similarly, the incorporation of third-party products and services into the Company's offerings could expose it to an elevated risk of infringement claims. Intellectual property claims are unpredictable, time-consuming, and costly to settle, diverting resources and potentially leading to significant liability. Resolving such claims might involve redesigning products or services and developing alternative technology or branding. If unable to secure rights or develop non-infringing alternatives, the Company may have to limit or cease sales, impacting its competitive position, existing customers, and overall business.

The risks associated with intellectual property protection and infringement are relevant to the Company's PCS platform. As PCS grows and gain more visibility, the potential for intellectual property disputes may increase.

***Increasing Adoption of AI and Cloud-based Applications***

The growing adoption of AI and cloud-based applications could potentially reduce the demand for high-performance PC hardware as cloud-based applications become more prevalent, negatively impacting PCS though potentially benefiting Cloud AI Hosting. Businesses and individuals may rely on cloud-based software applications and services that require less physical hardware. This shift in software consumption patterns could impact the PCS target market, affecting demand for certain types of PC hardware components. PCS's sales of gaming and productivity hardware may be affected by this trend, leading to changes in customer preferences and purchasing behavior. Adapting to this evolving landscape may require PCS to modify its product offerings.

***Insurance Risks***

Insurance coverage for NextGen's businesses—including PCS, Cloud AI Hosting, and Digital Asset Infrastructure Operations (e.g., custody, staking, validator activities)—may not be available, may be uneconomical for the Company, or the nature or level of such insurance may be insufficient to provide adequate protection. Traditional commercial policies (e.g., property, general liability, business interruption) often exclude or sub-limit losses involving digital assets, cyber events, and technology failures. Specialty coverages (such as cyber, crime, tech errors and omissions, or digital asset custody/wallet insurance) can be costly, carry high deductibles, impose tight sublimits and aggregate caps, and contain exclusions (including for on-chain/protocol failures, slashing penalties, loss of private keys, smart-contract exploits, sanctions, and regulatory fines or penalties) that may materially reduce or eliminate recoveries.

Where the Company holds digital assets with a third-party custodian, any insurance maintained by that custodian may not name the Company as an insured, may be subject to insurer consent and claims adjustment, and may not respond to all causes of loss (including insolvency of the custodian, hot-wallet incidents, or network-level attacks). Even if coverage applies, recovery can be uncertain due to coverage defenses, exclusions, limits, waiting periods, coinsurance, or reinsurer disputes, and proceeds may be insufficient to make the Company whole. Losses arising from validator downtime, network slashing, protocol governance changes, de-pegging events, extreme market volatility, or liquidity crises at trading venues are unlikely to be insurable on commercially reasonable terms.

The occurrence of an event that is not covered—or not fully covered—by available insurance could have a material adverse effect on the Company's business, results of operations, and financial condition. At present, the Company does not maintain standalone insurance that specifically covers these digital-asset risks (other than any coverage maintained by third parties, which may be limited and not directly enforceable by the Company).

***Retention of Key Personnel***

The Company has a small management team and Board of Directors, and the loss of any key individual could affect the Company's business. Additionally, the Company may be required to secure other personnel to operate its proprietary businesses and/or any other Micro-technology platforms it develops. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company. There are no permanent staff employed with the Company, which heightens the risk associated with the retention and availability of key personnel to maintain and grow the Company's operations.

***Conflicts of Interest***

Directors and officers of the Company are and may become directors and/or officers of other technology companies or have significant shareholdings in other technology companies and, to the extent that such companies may compete with the Company for business opportunities and sales, the directors and officers of the Company may have conflicts of interest. The Company and its directors and officers will attempt to minimize such conflicts through proper corporate governance and internal disclosure requirements. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

***Post-Pandemic Changes in Gaming and Work Habits***

The COVID-19 pandemic has significantly impacted consumer behaviors and work habits, including an increased focus on remote work and digital entertainment. As people gradually return to pre-pandemic routines, there is a risk that changes in gaming and work habits could affect demand for gaming and productivity hardware products. Reduced leisure time, shifting priorities, and altered gaming preferences could lead to fluctuations in demand for the Company's offerings. The extent and duration of these changes remain uncertain, and the Company may need to adapt its product offerings and marketing strategies to align with evolving consumer preferences.

**Risks Relating to the Financial Condition of the Company**

***Material Uncertainty Related to Going Concern***

The Company’s future viability depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands and achievement of revenue growth. The Company has started to generate operating cash from sales of products on its PCS and Cloud AI Hosting lines. So far, the volume of transactions is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

***Financing Risks***

There can be no assurance that the Company will ever be profitable. Capital expenditures and related costs with growing the Company’s business may necessitate external equity or debt financing and there is no assurance that it will be able to secure either kind of external financing at an economically viable cost under reasonable conditions, if at all. Additional equity financing could be dilutive to shareholders and could substantially decrease the trading price of the Common Shares. The Company may issue securities in the future for a number of reasons. Additional debt financing, if secured, could involve restrictions being placed on financing and operating activities which could reduce the scope of the Company operations or anticipated expansion, or involve forfeiting its interest in some or all of its assets, incurring financial penalties, or reducing or terminating its operations.

***Limited Operating History and Negative Operating Cash Flow***

There can be no assurance that the Company will ever be profitable. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so.

To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. The only presently meaningful source of funds available to the Company is through the sale of its securities. Even if the results of operations are encouraging, the Company may not have sufficient funds to conduct the further development that may be necessary. At present it is impossible to determine what amounts of additional funds, if any, may be required.

If the Company is unable to generate revenues or obtain additional financing, any investment in the Company may be lost. In such event, the ability to resell the Common Shares, and/or the sale price of the Common Shares, would be diminished.

**Risks Relating to the Common Shares**

***Market Price of Common Shares and Volatility***

The Common Shares do not currently trade on any exchange or stock market. Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by changes to NextGen's financial condition and results of operations.

Other factors unrelated to NextGen's performance that may affect the price of the Common Shares include the following: lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors, and/or may impede the ability of investors to resell their Common Shares.

***Future Sales May Affect the Market Price of the Common Shares***

In order to finance future operations, the Company will need to raise funds through the issuance of either additional Common Shares or the issuance of debt instruments or other securities which may or may not be convertible into Common Shares. The Company cannot predict the size of future issuances of Common

Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. These sales may have an adverse impact on the market price of the Common Shares.

## USE OF AVAILABLE FUNDS

### Use of Proceeds

This Listing Statement does not relate to an offering of securities by the Company, and therefore no offering proceeds will be realized by the Company in connection with this Listing Statement.

The Company has negative operating cash flow for the year ended March 31, 2025. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

### Available Funds

As at August 31, 2025, the Company had available working capital of approximately $1,155,605 and the Company's estimated use of these funds for the next twelve months is as follows:

| Use of funds available | Amount |
|---|---|
| Investor relations activities | $75,000 |
| Achievement of Business Objectives(1) | $450,000 |
| Operating Expenses for the next 12 months(2) | $600,000 |
| Unallocated Working Capital | $30,605 |
| **TOTAL:** | **$1,155,605** |

**Notes:**

(1) See "*Use of Proceeds – Business Objectives and Milestones*".

(2) Estimated operating expenses for the next 12 months include:

| Operating Expenses for the next 12 months: | |
|---|---|
| Accounting, General and Administration fees | $200,000 |
| Management fees | $290,000 |
| Transfer Agent, CSE and SEDAR+ fees | $30,000 |
| Legal fees | $50,000 |
| Audit fees | $30,000 |
| **Total** | **$600,000** |

### Business Objectives and Milestones (12 months)

NextGen is seeking to build a diversified technology platform in the digital asset, cryptocurrency, cloud hosting and blockchain technology sectors with the objective of capitalizing on revenue-generating market opportunities, alongside the ongoing growth and adoption of the digital assets across a variety of industries, through investing in and developing digital assets and digital infrastructure.

The table below outlines the Company's objectives for the next 12 months, along with the corresponding milestones that must be achieved to attain them.

| Business Objective | Milestone Description and Expected Achievement Timelines | Anticipated Cost |
|---|---|---|
| Active Participation in the Blockchain Ecosystem | - Establish internal blockchain strategy team (Q4 2025)<br>- Launch pilot participation in select blockchain networks (Q4 2025)<br>- Form strategic partnerships with blockchain industry bodies (Q4 2025)<br>- Integrate blockchain functionality into operations (Q4 2025) | $75,000 |
| Evaluation of Revenue-Generating Blockchain Companies and Assets | - Develop blockchain-specific due diligence framework (Q1 2026)<br>- Identify revenue-generating blockchain targets (Q4 2025 and ongoing)<br>- Complete first investment or acquisition (Q4 2025)<br>- Expand pipeline to include global opportunities (Q4 2025) | $275,000 |
| Validator Operations on Select Cryptocurrency Networks | - Acquire infrastructure for validator operations (Q4 2025)<br>- Launch validator nodes on proof-of-stake (PoS) networks (Q4 2025)<br>- Implement compliance and uptime protocols (Q4 2025)<br>- Achieve target staking yields and secure validator status (Q2 2026) | $50,000 |
| Operation and Expansion of Cloud AI Hosting | - Upgrade infrastructure (Q1 2026 and ongoing)<br>- Expand marketing and client base (Q4 2025 and ongoing)<br>- Form partnerships (Q4 2025 and ongoing)<br>- Complete acquisitions (Q4 2025 and ongoing) | $50,000 |
| **TOTAL:** | | **$450,000** |

- The Company operates a fleet of computing workstations for its online hardware-as-a-service business, Cloud AI Hosting, and a premium computing and electronics e-commerce platform under the brand PCS. PCS (PCSections.com) is a custom-built e-commerce platform selling premium PC gaming hardware and productivity electronics from brands such as ASUS, Corsair, and Dell, using a drop-shipping model to minimize warehousing costs. Cloud AI Hosting leases GPU computing power for AI training and data processing, capturing demand from developers and enterprises. Together, these businesses create a foundation for leveraging GPU infrastructure and digital reach to support operations across the digital asset ecosystem, including cryptocurrency mining, staking, validator operations, and blockchain infrastructure. Over time, the Company also intends to explore high-performance and quantum computing applications, extending the utility of its infrastructure beyond current verticals.
- NextGen is also selling hardware as demanded and Cloud AI Hosting as required, constantly rotating older equipment out for resale and acquiring the latest hardware demanded by clients. This turnover strategy supports profitability while ensuring access to leading-edge GPUs for AI and blockchain clients. The Company will continue to leverage its hardware management expertise to expand into complementary areas, including AI-focused hosting services, quantum computing-related applications, and integration with decentralized AI networks. Cloud AI Hosting is expected to grow globally, serving researchers, developers, and enterprises requiring scalable GPU resources through a distributed, data-centre-like model that mirrors industry leaders at a smaller scale.
- The Company is also seeking to become an active participant in a variety of selected blockchain ecosystems. Its Digital Asset Infrastructure Operations will include cryptocurrency mining, staking, validator node deployment, and the management of a crypto treasury. Participation will focus on networks such as the TAO Network (Bittensor), where the Company plans to deploy validator nodes, co-develop AI-focused subnets, and stake TAO tokens. These efforts are intended not only to generate staking rewards, but also to position NextGen as a publicly traded participant in distributed AI, blockchain validation, and liquidity pool support.
- The Company intends to actively evaluate revenue-generating technology companies and assets that are operating within the blockchain ecosystem, with the intention of acquiring, investing, or developing digital asset infrastructure. This strategy includes both infrastructure providers and businesses bridging crypto with traditional finance. NextGen may pursue acquisitions or incubations in areas such as rewards and loyalty programs, crypto-backed credit cards, and early-stage fintech ventures, creating a diversified payments and services ecosystem to complement its infrastructure operations.
- NextGen plans to explore opportunities to act as a validator across select cryptocurrency networks, using its capital and digital assets to earn additional rewards and income. Validator operations will be backed by institutional-grade risk management and compliance frameworks, ensuring security, uptime, and regulatory alignment. In addition to financial rewards, validator activities will also extend to supporting decentralized AI networks, reinforcing NextGen's positioning at the intersection of AI, blockchain, and Web3 infrastructure.

The Company had negative operating cash flow for the year ended March 31, 2025, and used working capital to fund this shortfall. If the Company continues to experience negative cash flow in future periods, it may need to allocate additional cash reserves or raise further capital through equity or debt financing. There can be no assurance that the Company will generate positive operating cash flow, or that financing will be available on favourable terms when required. See "*Risk Factors*."

The Company anticipates that it will have sufficient cash resources to fund its operating and administrative costs, as well as to execute its business plan, for at least the next 12 months, and believes that it has the necessary expertise and experience to carry out such plans.

The Company intends to spend the funds available to it consistent with the "*Use of Available Funds*" section of this Listing Statement. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. Accordingly, the Company cannot specify with certainty all of the particular uses funds for the Company's stated business objectives, and the amounts it actually spends could vary from the amounts set forth above. The amounts actually allocated and spent will depend upon a number of factors, including the Company's ability to execute its business strategy, prevailing industry and market conditions and the results of strategic programs. As well, from time to time the Company expects to evaluate and execute, as appropriate, potential acquisitions of other technology platforms or strategic relationships. Accordingly, management will retain broad discretion to allocate the Company's available funds.

## DIVIDENDS AND DISTRIBUTIONS

The Company has never declared or paid any dividends on the Common Shares and has no intention to do so.

There are no restrictions in the Company's articles or elsewhere, other than customary general solvency requirements, which would prevent the Company from paying dividends. All of the Common Shares will be entitled to an equal share in any dividends declared and paid. It is anticipated that all available funds will be invested to finance the growth of the Company's business and accordingly it is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. The directors of the Company will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time.

## SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

### Selected Financial Information of the Company

The following table sets forth summary financial information of the Company from the consolidated interim financial statements for the three months ended June 30, 2025 (unaudited) and the audited financial statements for the years ended March 31, 2025 and 2024. This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included in Schedule "B" of this Listing Statement.

| | For the Three-Month Period Ended June 30, 2025 (unaudited) | For the Year Ended March 31, 2025 (audited) | For the Year Ended March 31, 2024 (audited) |
|---|---|---|---|
| **Revenues** | $398 | $3,467 | $1,474 |
| **Net loss for the period** | $1,510,793 | $1,043,920 | $130,327 |
| **Cash and Cash Equivalent** | $1,499,164 | $421,260 | $247,677 |
| **Total assets** | $2,617,362 | $523,761 | $435,534 |
| **Total liabilities** | $138,370 | $177,367 | $30,167 |
| **Total shareholders' equity (deficiency)** | $2,478,992 | $346,394 | $405,367 |

**Management's Discussion and Analysis**

The Company's MD&A for the for the three months ended June 30, 2025, and for the year ended March 31, 2025 is included in Schedule "C" of this Listing Statement.

The MD&A for the Company should be read in conjunction with the financial statements and the accompanying notes thereto included in this Listing Statement. Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See the sections titled *"Caution Regarding Forward-Looking Statements and Risk Factors*" and "*Risk Factors*".

The Company notes that, as at June 30, 2025, prepaid expenses increased to $835,149 (March 31, 2025: $20,823), primarily due to consulting fees. Management does not expect these engagements to represent routine or recurring transactions.

During Q1 2026, total operating expenses were $1,510,793, compared to $38,186 in Q1 2025. The increase was largely driven by the operational expansion of the business. Advertising and promotion expenses totaled $438,106 (Q1 2025 – $nil), reflecting initiatives to increase awareness, marketing, and investor relations. Professional fees and consulting fees were $85,632 and $238,334, respectively (Q1 2025 – $24,893 and $1,000), primarily related to strategic consulting, accounting, and legal advisory services supporting the Company's business transition. Management anticipates that the advertising, promotion, and strategic consulting costs are largely non-recurring in nature and do not represent ongoing expenditures, as the Company completes its change of business under its new digital assets strategy.

## DESCRIPTION OF CAPITAL STRUCTURE

*Authorized Capital*

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As of the date hereof, there are 34,750,582 Common Shares issued and outstanding as at the date of this Listing Statement.

*Common Shares*

Holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of the Company's assets among its shareholders by way of repayment of capital, the net equity of the Company shall be distributed among the holders of the Common Shares, without priority and on a share for share basis. There are no redemption or retraction rights associated with the Common Shares.

*Warrants*

As of the date of this Listing Statement, there were 1,479,022 Common Shares reserved for issuance pursuant to warrants. The following table describes the material terms of the issued and outstanding Warrants:

| **Date Issued** | **Number of Underlying Common Shares**(1) | **Exercise Price** | **Expiry Date** |
|---|---|---|---|
| January 23, 2025 | 1,267,500 | $0.80 | January 23, 2027 |
| January 23, 2025 | 49,262(2) | $0.80 | January 23, 2027 |
| May 8, 2025 | 17,696(2) | $0.30 | May 8, 2027 |
| May 16, 2025 | 131,244(2) | $0.30 | May 16, 2027 |
| May 23, 2025 | 13,320(2) | $0.30 | May 23, 2027 |

**Notes:**

(1) On March 12, 2025, the Company effected a 2 for 1 share spilt. All figures shown are post-share split.

(2) Finder's Warrants.

*Options*

As of the date of this Listing Statement, there were 2,880,000 Common Shares reserved for issuance pursuant to stock options. The following table describes the material terms of the issued and outstanding Options:

| **Date Issued** | **Number of Underlying Common Shares**(1) | **Exercise Price** | **Expiry Date** |
|---|---|---|---|
| December 13, 2024 | 1,480,000 | $0.125 | December 13, 2027 |
| June 6, 2025 | 1,400,000 | $0.55 | June 6, 2030 |
| September 5, 2025 | 200,000 | $0.50 | September 5, 2030 |

**Notes:**

(1) On March 12, 2025, the Company effected a 2 for 1 share spilt. All figures shown are post-share split.

*Special Warrants*

As of the date of this Listing Statement, there were nil special warrants outstanding.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed on the CSE under the symbol "NXT" and commenced trading on August 7, 2024.

The following table sets out the high and low sale prices and the aggregate volume of trading of the Common Shares on the CSE for the financial year ended March 31, 2025 and to the date of this Listing Statement.

| Date | High ($) | Low ($) | Volume (# of Common Shares) |
|---|---|---|---|
| August 7 – 31, 2024(1) | 0.205 | 0.06 | 595,275 |
| September 2024 | 0.065 | 0.05 | 119,691 |
| October 2024 | 0.075 | 0.05 | 105,000 |
| November 2024 | 0.09 | 0.045 | 295,050 |
| December 2024 | 0.80 | 0.05 | 2,711,792 |
| January 2025 | 2.08 | 0.65 | 4,203,602 |
| February 2025 | 1.70 | 0.90 | 517,290 |
| March 2025 | 1.00 | 0.29 | 615,472 |
| April 2025 | 0.58 | 0.34 | 359,025 |
| May 2025 | 0.70 | 0.49 | 1,414,449 |
| June 2025 | 0.62 | 0.52 | 740,211 |
| July 2025 | 0.69 | 0.55 | 891,667 |
| August 2025 | 0.69 | 0.49 | 977,625 |
| September 1 – 22, 2025 | 0.70 | 0.45 | 845,301 |

**Note:**

(1) Trading commenced on the CSE on August 7, 2024.

### Prior Sales

During the financial year ended March 31, 2025 and in the subsequent months to the date of this Listing Statement, the Company issued the following securities exercisable into Common Shares that are not listed or quoted on a marketplace:

| Date of Issuance | Security | Number of Securities | Issue/Exercise Price Per Security ($)(1) |
|---|---|---|---|
| December 13, 2024 | Options | 2,280,000 | $0.125 |
| January 23, 2025(2) | Warrants | 1,267,500 | $0.80 |
| January 23, 2025(2) | Finder's Warrants | 49,262 | $0.80 |
| May 8, 2025(3) | Special Warrants | 3,118,366 | $0.30 |

| Date of Issuance | Security | Number of Securities | Issue/Exercise Price Per Security ($)(1) |
|---|---|---|---|
| May 8, 2025(3) | Finder's Warrants | 17,969 | $0.30 |
| May 16, 2025(3) | Special Warrants | 3,393,100 | $0.30 |
| May 16, 2025(3) | Finder's Warrants | 131,244 | $0.30 |
| May 23, 2025(3) | Special Warrants | 2,468,032 | $0.30 |
| May 23, 2025(3) | Finder's Warrants | 13,320 | $0.30 |
| June 6, 2025 | Options | 1,400,000 | $0.55 |
| September 5, 2025 | Options | 200,000 | $0.50 |

**Notes:**

(1) On March 12, 2025, the Company effected a 2 for 1 share spilt. All figures shown are post-share split.
(2) Issued in connection with a private placement of units.
(3) Issued in connection with a private placement of special warrants and shares of the Company.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table lists the holders of Common Shares that are held in escrow or subject to a contractual restriction on transfer, as currently contemplated:

| Name | Designation of class | Number of securities held in escrow | Percentage of class as at the date of this Listing Statement(1) |
|---|---|---|---|
| Alexander Tjiang | Common Shares | 329,600 | 0.95% |
| Matthew Priebe | Common Shares | 300,000 (2) | 0.86% |
| Joel Freudman | Common Shares | 325,600(3) | 0.94% |
| Michael Rennie | Common Shares | 525,994 (4) | 1.51% |
| **Total:** | - | **1,481,194** | **4.26%** |

**Notes**:

(1) Based on 34,750,582 Common Shares outstanding.
(2) Held by Grazi Enterprises Inc., a corporation controlled by Matthew Priebe.
(3) Includes 90,400 Common Shares held by Resurgent Capital Corp., a corporation controlled by Mr. Freudman, the former President, Chief Executive Officer and director of the Company. 235,200 Common Shares held by 1000103727 Ontario Limited, a corporation of which Mr. Freudman is a director and shareholder.
(4) The 525,994 Common Shares are held by Michael S. Rennie Professional Corporation, a corporation controlled by Mr. Rennie, a former director of the Company.

## PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, no person directly or indirectly beneficially owns, or exercises control or direction over, common shares of the Company carrying more than 10% of the voting rights attaching to all the outstanding common shares of the Company as at the date of this Listing Statement.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets out the names, provinces or states of residence, positions, principal occupations, and the number and percentage of Common Shares that are beneficially owned or controlled by each of the current directors and executive officers of the Company. The current directors of the Company are Alexander Tjiang, Ajaypreet Toor, Anthony Zelen and Matt Zahab, and the current officers of the Company are Matthew Priebe (CEO) and Ajaypreet Toor (CFO & Corporate Secretary). The Company's directors are expected to hold office until the next annual general meeting of the Company's shareholders and are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of the Company's shareholders.

The only committee of the Board of Directors is the audit committee (the "**Audit Committee**"), which consists of Anthony Zelen (Chair), Matt Zahab and Ajaypreet Toor.

| Name, age and city of residence | Position(s) | Principal occupations held during the last five years | Number and Percentage of Common Shares as at the date of this Listing Statement(3) | Date Appointed |
|---|---|---|---|---|
| **Matthew Priebe**<br>Age 31<br>Toronto, Ontario | Chief Executive Officer | Dealing Representative: Waverley Corporate Financial Services Ltd., January 2025-Present;<br><br>Director, Business Development: Montfort Capital Corp, October 2022-April 2025<br><br>Wealth Director: Coinsquare, March 2022-October 2022;<br><br>Partner, Sales & Dealing: Alpha FX Group plc, July 2020-March 2022; | 300,000(2) (0.86%) | July 18, 2025 |
| **Ajaypreet Toor** (1)<br>Age 31<br>Vancouver, British Columbia | CFO, Corporate Secretary and Director | Accountant, BroadBand TV Corp., March 2022 to February 2023; Self-employed consultant, January 2021 to February 2022; Senior Corporate Finance Analyst, October 2017 to December 2020 | Nil (Nil%) | Director: December 20, 2024<br><br>CFO and Corporate Secretary: December 11, 2024 |
| **Anthony Zelen** (1)<br>Age 53<br>Vancouver, British Columbia | Director | President of Zelen Consulting Inc., June 1997 to present | Nil (Nil%) | April 1, 2025 |

| Name, age and city of residence | Position(s) | Principal occupations held during the last five years | Number and Percentage of Common Shares as at the date of this Listing Statement(3) | Date Appointed |
|---|---|---|---|---|
| **Alexander Tjiang**<br>Age 28<br>Toronto, Ontario | Director | Investment Banker, Echelon Capital Markets, April 2021 – July 2024; Investment Analyst, Richardson GMP, June 2018 – April 2021; Investment Analyst, Lloyd Point Capital Management, March 2017 – May 2018 | 412,000 (1.19%) | Director: March 14, 2025 |
| **Matt Zahab** (1)<br>Age 30<br>Toronto, Ontario | Director | Owner, NFT Daddy Inc., 2021 to present; Podcast Host, Cryptonews.com, 2021 to present; Head of Sales, Hush Blankets, 2019 to 2021 | Nil (Nil%) | May 26, 2025 |

**Notes:**

(1) Denotes a member of the Audit Committee of the Company.

(2) Held by Grazi Enterprises Inc., a corporation controlled by Matthew Priebe.

The following are brief biographies of the above individuals:

**Directors and Officers - Biographies**

***Matthew Priebe**, Chief Executive Officer*

Mr. Priebe has more than ten years of experience in alternative investments and the capital markets. He has held both leadership and founding roles, including establishing a private consulting firm focused on investment funds. He also manages an exempt market practice that works with family offices, high-net-worth individuals, and institutional investors.

In addition, Mr. Priebe is a partner at a Toronto-based real estate development company. Over the course of his career, he has raised capital for a range of businesses, including private credit, real estate projects, public companies, and digital asset ventures. His earlier experience includes working as a currency hedging strategist and serving as a wealth director at one of Canada's leading digital asset exchanges.

Mr. Priebe expects to devote approximately 95% of his time to the Company's activities but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as CEO.

Mr. Priebe is not an employee of the Company but is an independent contractor of the Company. Mr. Priebe has not entered into a non-competition or non-disclosure agreement with the Company.

***Ajaypreet Toor**, Chief Financial Officer, Corporate Secretary and Director*

Mr. Toor is a finance professional with eight years of experience in investment banking, corporate finance, financial management and full cycle accounting. Mr. Toor holds a Bachelor in Business degree from Simon Fraser University and is a member of the Chartered Professional Accountants of British Columbia.

As the Chief Financial Officer and Corporate Secretary of the Company, Mr. Toor is responsible for coordination of the financial operations and corporate management of the Company in conjunction with the Chief Executive Officer and with outside accounting, tax, auditing and legal firms.

Mr. Toor expects to devote approximately 50% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as CFO, Corporate Secretary and a director.

Mr. Toor is not an employee of the Company but is an independent contractor of the Company. Mr. Toor has not entered into a non-competition or non-disclosure agreement with the Company.

***Anthony Zelen**, Director*

Mr. Zelen has over 23 years of experience in finance, investor relations, start-ups and corporate development. He has served as a director and officer for a number of public companies listed both in the United States and Canada in roles relating to investor relations, public relations, financing and strategic marketing for companies in the technology, mining and oil and gas sectors. Mr. Zelen is a former director of BIGG Digital Assets Inc. (TSXV: BIGG), a company that owns, operates and invests in cryptocurrency businesses. Mr. Zelen received a Bachelor of Arts from Simon Fraser University.

Mr. Zelen expects to devote approximately 10% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Zelen is neither an employee nor an independent consultant of the Company. Mr. Zelen has not entered into a non-competition or non-disclosure agreement with the Company.

***Alexander Tjiang**, Director*

Alexander Tjiang is a seasoned public equities investment management and capital markets professional with 7+ years of industry experience in long/short equities investing and investment banking across a wide array of equity financing, debt arranging, and mergers & acquisitions assignments.

Mr. Tjiang expects to devote approximately 10% of his time to the Company's activities but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Tjiang is not an employee of the Company but is an independent contractor of the Company. Mr. Tjiang has not entered into a non-competition or non-disclosure agreement with the Company

***Matt Zahab**, Director*

Mr. Zahab is a technology professional with a proven track record in helping companies grow, and specializes in marketing, growth, strategy, and sales. Mr. Zahab is currently the Chief Marketing Officer and Podcast Host at CryptoNews.com; in this role, he leads strategic marketing initiatives and hosts the widely acclaimed "Cryptonews Podcast", where he engages with industry leaders to discuss emerging trends and innovations in blockchain technology.

Previously, Mr. Zahab held a variety of growth- and strategy-oriented leadership positions, having acted as Head of Growth at Cypherpunk Holdings Inc. – now SOL Strategies Inc. (CSE:HODL) – and leading sales at Hush Blankets, wherein he played an instrumental role in executing the company's sale to Sleep Country Canada.

Mr. Zahab expects to devote approximately 10% of his time to the Company's activities, but will at all times devote sufficient time to the Company's activities as is reasonably necessary to discharge his responsibilities as a director.

Mr. Zahab is neither an employee nor an independent consultant of the Company. Mr. Zahab has not entered into a non-competition or non-disclosure agreement with the Company.

**Security Holding**

As of the date hereof, the directors and officers of the Company, as a group, own or control or exercise direction over 712,000 Common Shares, representing 2.05% of the issued and outstanding Common Shares

**Cease Trade Orders**

Other than as disclosed below, no director or executive officer or promoter of the Company is, as at the date of this Listing Statement, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any person or company, including the Company, that:

a) is, as at the date of this Listing Statement, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Anthony Zelen was a director of Hollister Biosciences Inc. ("**Hollister**") when the British Columbia Securities Commission issued a cease trade order on June 16, 2020 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended December 31, 2019. This cease trade order was revoked on July 15, 2020.

Anthony Zelen was a director of Hollister when the British Columbia Securities Commission issued a cease trade order on May 4, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended December 31, 2020. This cease trade order was revoked on June 1, 2020.

Anthony Zelen was a director of New Wave Holdings Corp. ("**New Wave**") when the British Columbia Securities Commission issued a cease trade order on July 31, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended March 31, 2021. This cease trade order was revoked on October 29, 2021.

Anthony Zelen was a director of New Wave when the Ontario Securities Commission issued a cease trade order on August 3, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended March 31, 2021. This cease trade order was revoked on November 1, 2021.

Anthony Zelen was a director of New Wave when the Ontario Securities Commission issued a cease trade order on October 5, 2021 against it for failure to file its interim financial statements and related management's discussion and analysis and certifications for the period ended June 30, 2021. This cease trade order was revoked on October 29, 2021.

**Bankruptcies**

No director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is, as at the date of this Listing Statement, or has been within the 10 years before the date hereof, a director or executive officer of any person or company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

**Penalties or Sanctions**

No director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Conflicts of Interest**

The Company is not aware of any existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or of a subsidiary of the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Company is or has, within 30 days before the date of this Listing Statement, been indebted to the Company or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement provided by the Company, except for routine indebtedness.

## PROMOTERS

Alexander Tjiang, the former Interim Chief Executive Officer and a current director of the Company, may be considered a "promoter" of the Company within the meaning of applicable securities legislation, as he took the initiative in founding and organizing the Company's business commenced in connection with the proposed Change of Business.

Mr. Tjiang holds 412,000 Common Shares, representing approximately 1.19% of the Company's issued and outstanding Common Shares. Additional information regarding Mr. Tjiang is provided elsewhere in this Listing Statement in connection with his role as a director of the Company.

Other than as disclosed in this Listing Statement, no person who was a promoter of the Company within the last two years:

1. received anything of value directly or indirectly from the Company or a subsidiary;

2. sold or otherwise transferred any asset to the Company or a subsidiary within the last two (2) years;

3. has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject or instituted any proceedings, arrangements or comprise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

4. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

5. had been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

6. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manger or trustee appointed to hold its assets.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Legal Proceedings

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against the Company or to which the Company is a party or to which its properties are subject, nor to the Company's knowledge are any such legal proceedings contemplated which could become material to a purchaser of Common Shares.

### Regulatory Actions

The Company is not aware of any:

(a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year;

(b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or

(c) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

## INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any material interest, direct or indirect, of: (i) a Director or executive officer of the Company, (ii) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares of the Company, or (iii) any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company, other than ordinary course participation in private placement financings.

## TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Company's Common Shares is Olympia Trust Company located at Suite 1900, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

## MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company, other than as set forth below:

(a) Standard Hosting Agreement for Cloud AI Hosting, between the Company and Vast.ai Inc, effective as of December 16, 2023, pursuant to which the Company agrees to supply hardware and perform services related to its maintenance and operation, in exchange for payments from Vast.ai Inc;

(b) Lenovo Agreement for Resellers, between the Company and Lenovo (Canada) Inc., effective as of May 24, 2023, authorizing the Company to market and sell Lenovo products and services within Canada; and

(c) the Escrow Agreement

Electronic copies of the aforementioned material contracts will be accessible online via the SEDAR+ website under the Company's profile.

## AUDIT COMMITTEE

Under National Instrument 52-110 Audit Committees ("**NI 52-110**"), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its Audit Committee.

**Audit Committee Charter**

The Audit Committee's Charter is attached to this Listing Statement as Schedule "**A**".

**Composition of the Audit Committee**

The Audit Committee of the Company is comprised of the following individuals:

| | **Independent/Not Independent[1]** | **Financially Literate[2]** |
|---|---|---|
| Ajaypreet Toor | Not Independent (Officer)[3] | Yes |
| Anthony Zelen (Chair) | Independent | Yes |
| Matt Zahab | Independent | Yes |

**Notes:**

(1) A member is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of that member's independent judgment.

(2) A member is financially literate if such member has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

(3) Mr. Toor is the CFO of the Company.

All the proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110.

**Relevant Education and Experience**

See "*Directors and Officers*" above for a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

**Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

**Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services); and

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case-by-case basis.

**External Auditor Service Fees**

The following table outlines the fees incurred for audit and non-audit services in the two most recently completed financial years ended March 31, 2025 and March 31, 2024:

| Financial Period Ending | Audit Fees ($)(1) | Audit Related Fees ($)(2) | Tax Fees ($)(3) | All Other Fees ($)(4) |
|---|---|---|---|---|
| 2025 | $26,000 | $6,000 | $nil | $nil |
| 2024 | $18,000 | $nil | $5,000 | $nil |

**Notes:**

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include quarterly financial statement reviews, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews, and audit or attest services not required by legislation or regulation.
(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning, and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
(4) "All Other Fees" include all other non-audit services.

## INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate or affiliate of the Company.

The former independent auditor of the Company, DNTW Toronto LLP, Chartered Professional Accountants, has informed the Company that it is independent with respect to the Company in accordance with applicable Canadian auditing standards.

The independent auditor of the Company, Horizon Assurance LLP, Chartered Professional Accountants, has informed the Company that it is independent with respect to the Company in accordance with applicable Canadian auditing standards.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The current auditor of the Company is Horizon Assurance LLP, with offices at 7100 Woodbine Avenue, Suite 219, Markham, Ontario, L3R 5J2. They have advised the Company that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants.

The transfer agent and registrar for the Common Shares is Olympia Trust Company located at Suite 1900, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Additional information, including additional information with respect to the directors and officers of the Company and their remuneration and indebtedness, options to purchase securities, interests in material transactions, and securities authorized for issuance under equity compensation plans (as applicable) is and will be contained in the Company's management information circulars for its prior and upcoming annual general meetings, which are and will be available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Additional financial information, including information with respect to risks and uncertainties, is provided in the Company's audited consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2025. Copies of the financial statements and Management's Discussion and Analysis are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

## OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Company that are not otherwise disclosed in this Listing Statement or are necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company.

## CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, NextGen Digital Platforms Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to NextGen Digital Platforms Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 24th day of September, 2025.

| | |
|---|---|
| *"Matthew Priebe"* | *"Ajaypreet Toor"* |
| Matthew Priebe<br>Interim Chief Executive Officer | Ajaypreet Toor<br>Chief Financial Officer |
| *"Matt Zahab"* | *"Anthony Zelen"* |
| Matt Zahab<br>Director | Anthony Zelen<br>Director |

## CERTIFICATE OF THE PROMOTER

The foregoing contains full, true and plain disclosure of all material information relating to NextGen Digital Platforms Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 24th day of September, 2025.

*"Alexander Tjiang"*
Alexander Tjiang

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

**NEXTGEN DIGITAL PLATFORMS INC.**

## PURPOSE OF THIS CHARTER

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of NextGen Digital Platforms Inc. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;

b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

c) ensure that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics;

d) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;

e) select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and

f) provide oversight of all disclosure relating to, and information derived from, financial statements and management's discussion and analysis.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

## 2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

b) set and pay the compensation for advisors employed by the Committee;

c) communicate directly with the external auditors; and

d) adopt such policies and procedures as it deems appropriate to operate effectively.

## 3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the British Columbia Securities Commission ("**BCSC**"), the Canadian Securities Exchange, the *Business Corporations Act* (British Columbia) and all other applicable securities regulatory authorities.

a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Appendix "A" attached hereto.

b) A majority of the Committee shall be "independent" and each member of the Committee shall be "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*. A "financially literate" director is a director who has the ability to read and understand a set of financial instruments that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.

c) Each member of the Committee shall sit at the appointment of the Board. The Committee shall report to the Board.

d) The Committee shall meet at least annually, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two members of the Committee present, either in person or by telephone, shall constitute a quorum. The Committee may determine to approve quarterly financial statements via written resolutions.

e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place.

f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

j) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.

l) The Committee members will be elected annually at the first meeting of the Board following each annual general meeting of shareholders.

m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

## 4. RESPONSIBILITIES

### a) Financial Accounting and Reporting Process and Internal Controls

i) The Committee shall review the annual audited and interim unaudited financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and shall report thereon and recommend to the Board whether or not the same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

ii) The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.

iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.

iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or a designate to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or their designate deems appropriate.

vi) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

vii) The Committee shall provide oversight of the Corporation's policies, procedures and practices with respect to the maintenance of the books, records and accounts.

viii) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

ix) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel and all employees.

x) If the Committee determines it would be advisable given the stage of corporate development, it may consider procedures for:

- the receipt, retention and treatment of complaints received by the Corporation regarding: (a) accounting, internal accounting controls or auditing matters; or (b) violations of the Corporation's policies implemented from time to time; and

- the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters or violations of any of the Corporation's policies (as described above).

xi) The Committee shall provide oversight to related party transactions entered into by the Corporation.

xii) The Committee shall establish the budget process, which may include the setting of spending limits and authorizations, as well as any periodic reports from the Chief Financial Officer comparing actual spending to the budget.

**b) Independent Auditors**

i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.

ii) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

iii) The pre-approval of the Committee shall be required prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

x) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

xi) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

**c) Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

## APPENDIX “A” TO SCHEDULE “A”

## NEXTGEN DIGITAL PLATFORMS INC.
## POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

### 1. PURPOSE

The Chair of the Audit Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

### 2. WHO MAY BE CHAIR

The Chair will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chair will be selected annually at the first meeting of the Board following each annual general meeting of shareholders.

### 3. RESPONSIBILITIES

The following are the primary responsibilities of the Chair:

a) chairing all meetings of the Committee in a manner that promotes meaningful discussion;

b) ensuring adherence to the Committee’s Charter and that the adequacy of the Committee’s Charter is reviewed annually;

c) providing leadership to the Committee to enhance the Committee’s effectiveness, including:

  i) providing the information to the Board relative to the Committee’s issues and initiatives and reviewing and submitting to the Board an appraisal of the Corporation’s independent auditors and internal auditing functions;

  ii) ensuring that the Committee works as a cohesive team with open communication, as well as ensuring open lines of communication among the independent auditors, financial and senior management and the Board of Directors for financial and control matters;

  iii) ensuring that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;

  iv) ensuring that the Committee serves as an independent and objective party to monitor the Corporation’s financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

v) ensuring that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions;

vi) ensuring that procedures are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;

vii) ensuring that clear hiring policies are put in place for partners and employees of the auditors;

d) ensuring that procedures are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;

e) ensuring the establishment of a budget process, which shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget regarding questionable accounting or auditing matters; and

f) managing the Committee, including:

i) adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

ii) preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

iii) ensuring meetings are appropriate in terms of frequency, length and content;

iv) obtaining and reviewing with the Committee an annual report from the independent auditors, and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;

v) overseeing the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;

vi) ensuring that the auditor's report is delivered directly to the Committee, as representatives of the Corporation's shareholders; and

vii) annually reviewing with the Committee its own performance.

**SCHEDULE "B"**

**FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

See attached.

# NEXTGEN DIGITAL PLATFORMS INC.

**Unaudited Condensed Interim Financial Statements**

**For the Three Months Ended June 30, 2025, and 2024**

**(Expressed in Canadian Dollars)**

**NextGen Digital Platforms Inc.**
Unaudited Condensed Interim Statements of Financial Position
For the Three Months Ended June 30, 2025, and 2024
(Expressed in Canadian Dollars)

| | As at June 30, 2025 | As at March 31, 2025 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| **Current** | | |
| Cash | **1,499,164** | 421,260 |
| Other receivables (Note 5) | **232,278** | 53,213 |
| Prepaid expenses and advances | **835,149** | 20,823 |
| **Total Current Assets** | **2,566,591** | 495,296 |
| Property and equipment (Note 6) | **27,609** | 5,303 |
| Intangible assets (Note 7) | **23,162** | 23,162 |
| **Total Assets** | **2,617,362** | 523,761 |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities (Notes 8, 13) | **138,370** | 177,367 |
| **Total Liabilities** | **138,370** | 177,367 |
| **Equity** | | |
| Share capital (Note 9) | **1,280,428** | 996,726 |
| Shares to be issued (Note 9) | **250,000** | 43,985 |
| Contributed surplus (Note 10) | **784,115** | 191,635 |
| Reserve for warrants (Note 11) | **2,934,492** | 373,298 |
| Accumulated deficit | **(2,770,043)** | (1,259,250) |
| **Total Shareholders' Equity** | **2,478,992** | 346,394 |
| **Total Liabilities and Equity** | **2,617,362** | 523,761 |

Nature of operations and going concern (Note 1)

**Approved on behalf of the Board of Directors:**

*"Alexander Tjiang"*
Alexander Tjiang, Director

*"Ajaypreet Toor"*
Ajaypreet Toor, Director

**NextGen Digital Platforms Inc.**
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended June 30, 2025, and 2024
(Expressed in Canadian Dollars)

| | **Three months ended June 30, 2025** | Three months ended June 30, 2024 |
|---|---|---|
| | **$** | $ |
| Revenue (Note 14) | **398** | 823 |
| Cost of sales (Note 6) | **(3,647)** | (855) |
| **Gross Profit** | **(3,249)** | (32) |
| **Expenses** | | |
| Professional fees | **85,632** | 24,893 |
| Office and general (Note 13) | **70,925** | 13,466 |
| Consulting fees | **238,334** | 1,000 |
| Regulatory compliance | **14,642** | - |
| Advertising and promotion | **438,106** | - |
| Stock-based compensation (Notes 10, 13) | **659,720** | - |
| Bank charges / Interest (Note 4) | **185** | (1,173) |
| **Total Expenses** | **(1,507,544)** | (38,186) |
| **Net Loss and Comprehensive Loss** | **(1,510,793)** | (38,218) |
| **Weighted Average Number of Shares Outstanding** | | |
| - Basic and Diluted (Note 12) | **24,845,105** | 22,132,068 |
| Net Loss per Share - Basic and Diluted (Note 12) | **(0.061)** | (0.002) |

## NextGen Digital Platforms Inc.

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
For the Three Months Ended June 30, 2025, and 2024
(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Shares to be issued | Contributed surplus | Reserve for Warrants | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| **Balance, March 31, 2024** | **21,836,550** | **593,495** | **-** | **-** | **27,202** | **(215,330)** | **405,367** |
| Issuance of shares from private placement (Note 9) | 996,000 | 29,800 | - | - | - | - | 29,800 |
| Share issuance costs | - | (2,598) | - | - | - | - | (2,598) |
| Warrants on Crowdfunding - excercised (Note 11) | - | - | - | - | (29,800) | - | (29,800) |
| Warrants issuance cost (Note 11) | - | - | - | - | 2,598 | - | 2,598 |
| Net loss for the year | - | - | - | - | - | (38,218) | (38,218) |
| **Balance, June 30, 2024** | **22,832,550** | **620,697** | **-** | **-** | **-** | **(253,548)** | **367,149** |
| **Balance, March 31, 2025** | **24,100,050** | **996,726** | **43,985** | **191,635** | **373,298** | **(1,259,250)** | **346,394** |
| Shares issued on exercise of options (Note 9) | 800,000 | 167,240 | - | (67,240) | - | - | 100,000 |
| Issuance of Units from private placement (Note 9) | 440,000 | 132,000 | - | - | - | - | 132,000 |
| Unit issuance cost (Note 9) | - | (15,538) | - | - | - | - | (15,538) |
| Issuance of Warrants from private placement (Notes 9, 10) | | - | 206,015 | | 2,763,143 | - | 2,969,158 |
| Warrant issuance costs (Notes 9, 10) | - | - | - | - | (201,949) | - | (201,949) |
| Stock-based compensation (Notes 10, 13) | - | - | - | 659,720 | - | - | 659,720 |
| Net loss for the year | - | - | - | - | - | (1,510,793) | (1,510,793) |
| **Balance, June 30, 2025** | **25,340,050** | **1,280,428** | **250,000** | **784,115** | **2,934,492** | **(2,770,043)** | **2,478,992** |

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

**NextGen Digital Platforms Inc.**
Unaudited Condensed Interim Statements of Cash Flows
For the Three Months Ended June 30, 2025, and 2024
(Expressed in Canadian Dollars)

| | **Three months ended June 30, 2025** | Three months ended June 30, 2024 |
|---|---|---|
| | **$** | $ |
| **Operating Activities** | | |
| Net loss for the year | **(1,510,793)** | (38,218) |
| Adjustments for: | | |
| Depreciation expense | **3,644** | 400 |
| Interest income on short-term investments (Note 4) | **-** | (1,457) |
| Stock-based compensation (Notes 10, 13) | **659,720** | |
| | **(847,429)** | (39,275) |
| Net change in non-cash working capital items: | | |
| Other receivables (Note 5) | **(29,065)** | (4,469) |
| Prepaid expenses and advances | **(814,326)** | - |
| Accounts payable and accrued liabilities (Notes 8, 13) | **61,003** | 16,350 |
| **Cash Flows (used in) Operating Activities** | **(1,629,817)** | (27,394) |
| **Investing Activities** | | |
| Additions of property and equipment (Note 6) | **(25,950)** | - |
| **Cash flows from / (used in) investing activities** | **(25,950)** | - |
| **Financing Activities** | | |
| Proceeds received on private placements (Note 9) | **2,745,143** | - |
| Cash issuance costs (Notes 9, 10) | **(217,487)** | - |
| Debt settled in shares to be issued | **206,015** | **-** |
| **Cash Flows from Financing Activities** | **2,733,671** | - |
| Increase (decrease) in cash | **1,077,904** | (27,394) |
| Cash, beginning of period | **421,260** | 247,677 |
| **Cash, end of period** | **1,499,164** | 220,283 |

| | | |
|---|---|---|
| Non-cash financing activities: | | |
| Proceeds received on options exercised (Note 10) | 100,000 | - |

## 1. Nature of Operations and Going Concern

NextGen Digital Platforms Inc. (CSE: NXT, FSE: Z12) ("NextGen" or the "Company") is a Canadian technology company existing under the laws of British Columbia. On October 21, 2022, the Company changed its name from 1266457 B.C. Ltd. to NextGen Digital Platforms Inc. The Company's registered office address is 1500, 1055 West Georgia St. Vancouver, British Columbia, V6E 4N7.

The Company currently operates a fleet of computing workstations for its online hardware-as-a-service business ("Cloud AI Hosting") and a premium computing and electronics e-commerce platform under the brand PCSections.com ("PCS"). The Company's core competencies include managing and optimizing high performance computing infrastructure, with a focus on delivering scalable, technology-driven services. The Company is seeking to expand its fleet of computing workstations for its Cloud AI Hosting business and is exploring potential, value-additive asset acquisitions. In line with its existing capabilities and business strategy, the Company also intends to expand its existing operations into the digital asset ecosystem, including cryptocurrency mining, staking, and blockchain infrastructure support.

For the three months ended June 30, 2025, the Company incurred a net loss of $1,510,793 (2024 – net loss of $38,218) and as at June 30, 2025, had an accumulated deficit of $2,770,043 (March 31, 2025 – accumulated deficit of $1,259,250). The Company's future viability depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands and achievement of revenue growth. The Company has started to generate operating cash from sales of products on its website and Cloud AI Hosting lines. So far, the volume of transactions is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the 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 Presentation

### (a) Statement of Compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted. These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting ("IAS 34").

These unaudited condensed interim financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Directors") of the Company on August 29, 2025.

### (b) Basis of Measurement

These unaudited condensed interim financial statements have been prepared in accordance with IFRS, on the historical cost basis. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## 2. Basis of Presentation (continued)

### (c) Functional Currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

### (d) Significant Accounting Judgments and Estimates

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

Items for which actual results may differ materially from these estimates are described as follows:

*Going concern*

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financing, and the cash position at period-end.

*Fair value of financial assets and financial liabilities*

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

*Impairment*

Long-lived assets, including property and equipment and intangible assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

*Expected credit losses on financial assets*

Determining an allowance for expected credit losses ("ECL") for amounts receivable and all debt financial assets not held at fair value through profit and loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

## 2. Basis of Presentation (continued)

### (d) Significant Accounting Judgments and Estimates (continued)

*Income taxes*

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

*Provisions*

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

*Research and development costs*

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

*Options and warrants*

Options and warrants, including finders' warrants, are initially recognized at fair value using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments are used in applying the valuation techniques. These assumptions and judgments include the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate. Such assumptions and judgments are inherently uncertain. Changes in these assumptions can affect the fair value estimates of stock-based compensation.

*Operating segments*

The Company determines and presents operating segments based on the internal reports that are regularly reviewed and used by executive management (collectively, the "Chief Operating Decision Maker", or "CODM") in assessing performance and in determining the allocation of resources. These segments reflect how the Company manages its business and how management classifies operations for planning and measuring performance.

Management has exercised judgement in determining the Company's operating segments in accordance with IFRS 8 *Operating Segments*. Although the Company earns revenue from two distinct revenue streams, the CODM reviews operating results and allocates resources on a consolidated basis. Accordingly, management has concluded that the Company has only one reportable segment.

## 3. Summary of Material Accounting Policies

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those disclosed in Note 3 the Company's audited financial statements for the year ended March 31, 2024, unless otherwise noted below.

(Expressed in Canadian Dollars)

### 4. Short-Term Investments

The Company had invested $125,000 in certain guaranteed investment certificates ("GICs") which matured in October 2024. The GIC of $125,000 and accrued interest of $5,784 were redeemed in October 2024. For the three months ended June 30, 2025, interest income of $nil (2024 – $1,457) has been accrued on the GIC and were included in bank charges and interest on the unaudited condensed interim statements of loss and comprehensive loss. The outstanding balance of short-term investments with accrued interest as at June 30, 2025 was $nil (March 31, 2025 - $nil).

### 5. Other Receivables

The Company's other receivables balance represents amounts due from government taxation authorities in respect of the Goods and Services Tax and Harmonized Sales Tax. As at June 30, 2025, the other receivables balance also includes $150,000 receivable from issuances of warrants (see Note 11). The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against those receivables, which are due in less than one year.

### 6. Property and Equipment

The Company's property and equipment is comprised of desktop workstations used by Cloud AI Hosting.

| | **Computer Equipment** |
|---|---|
| **Cost:** | |
| March 31, 2024 | 3,199 |
| Additions | 4,899 |
| March 31, 2025 | 8,098 |
| Additions | 25,950 |
| **June 30, 2025** | **34,048** |
| **Accumulated Amortization:** | |
| March 31, 2024 | 499 |
| Depreciation expense | 2,296 |
| March 31, 2025 | 2,795 |
| Depreciation expense | 3,644 |
| **June 30, 2025** | **6,439** |
| **Carrying amounts:** | |
| March 31, 2025 | 5,303 |
| **June 30, 2025** | **27,609** |

During the three months ended June 30, 2025, depreciation of $3,644 has been included in Cost of Sales (2024 - $400l) on the unaudited condensed interim statements of loss and comprehensive loss.

### 7. Intangible Assets

During the year ended March 31, 2023, the Company developed the Website using different external developers to facilitate sales on the Internet, and incurred costs of $23,162 in relation to the Website. As the Website is considered to have an indefinite life, it is not subject to amortization.

As at June 30, 2025, the Company reviewed the Website for indicators of impairment. No indicator for impairment was identified, as the Website is currently undergoing enhancements, and no impairment loss was recorded on the intangible assets.

(Expressed in Canadian Dollars)

## 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

| | **June 30, 2025** | March 31, 2025 |
|---|---|---|
| | **$** | $ |
| Accrued liabilities | 76,808 | 53,606 |
| Accounts payable | 61,562 | 123,761 |
| | **138,370** | 177,367 |

The Company's standard term for trade payables is 30 to 60 days.

## 9. Share Capital

*Authorized share capital*

The Company is authorized to issue an unlimited number of common shares without par value.

On March 12, 2025, the Company completed a 2-for-1 share split of its outstanding common shares. All references to the number of common shares, earnings per share, and per share information in these financial statements have been retroactively adjusted to reflect the impact of the share split for all periods presented. The total number of common shares outstanding increased from 12,050,025 to 24,100,050, with no change in total share capital. Common shares issued and outstanding for the period from March 31, 2024 to June 30, 2025 are as follows:

| | **Number of common shares** | **Amount** |
|---|---|---|
| | # | $ |
| **Balance, March 31, 2024** | 21,836,550 | 593,494 |
| Warrants exercised | 996,000 | 27,203 |
| Shares issued through private placements | 1,267,500 | 376,029 |
| **Balance, March 31, 2025** | **24,100,050** | **996,726** |
| Options exercised | 800,000 | 167,240 |
| Shares issued through private placements | 440,000 | 116,462 |
| **Balance, June 30, 2025** | **25,340,050** | **1,280,428** |

*Share capital transactions for the period ended March 31, 2025*

(i) On June 3, 2024, 996,000 special warrants were exercised for no additional consideration and converted into 996,000 common shares. These common shares were valued at $27,203, based on the value of special warrants. See Note 10 for more details.

(ii) On January 23, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche") and issued 1,267,500 Units (each a "Unit") of the Company at a price of $0.64 per Unit for gross proceeds of $811,200. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. The fair value of $392,384 for these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.455; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 296.96% and an expected life of 2 years.

In connection with the First Tranche, the Company paid professional fees of $29,885, finder's fees to eligible finders consisting of $31,988 in cash and issued 49,262 common share purchase warrants (the "Finder's Warrants"). Each Finder's Warrant is exercisable to acquire one common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. The fair value of $21,000 for these Finders' Warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.455; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 296.96% and an expected life of 2 years. All share-issuance costs were proportionately allocated between share capital and reserve for warrants.

(Expressed in Canadian Dollars)

## 9. Share Capital (continued)

The Company recorded $376,029 for the issuance of shares, and $352,298 for the issuance of warrants based on a residual fair value calculation after deducting all share-issuance costs.

*Share capital transactions for the period ended June 30, 2025*

On May 1, 2025, 800,000 options were exercised for gross proceeds of $100,000, which was settled against accounts payable balance.

On May 16, 2025, the Company issued 440,000 common shares at a price of $0.30 per share in connection with the Second Tranche Special Warrant Financing (defined hereafter, see Note 11 for more information).

## 10. Contributed Surplus – Options Reserve

The Company maintains the Option Plan whereby certain key employees, officers, directors and consultants may be granted stock options for the common shares of the Company. The Option Plan provides that the aggregate number of securities reserved for issuance will be up to 10% of the number of common shares issued and outstanding. Under the Option Plan, the exercise price of each option may not be lower than the closing price of the Company's shares on the trading day prior to the grant date or the grant date itself, whichever is higher. Vesting of options is determined at the discretion of the Board.

The following table summarizes information of stock options activity for the period from March 31, 2024 to June 30, 2025:

| | **June 30, 2025** | | March 31, 2025 | |
|---|---|---|---|---|
| | **Number of options** | **Weighted average exercise price** | Number of options | Weighted average exercise price |
| | **#** | **$** | # | $ |
| Outstanding, beginning of year | 2,280,000 | 0.125 | - | - |
| Issued | 1,400,000 | 0.550 | 2,280,000 | 0.125 |
| Exercised | (800,000) | - | - | - |
| **Outstanding, end of period** | **2,880,000** | **0.332** | 2,280,000 | 0.125 |

*Option activities for the year ended March 31, 2025*

On December 13, 2024, the Company granted 2,280,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.125 per common share for a period of three years. The options vest immediately on the date of grant and were valued using Black Scholes with the following assumptions: expected volatility of 127.42%, expected dividend yield of 0%, risk-free interest rate of 2.97% and an expected life of three years. The grant date fair value of $191,635 attributable to these options was recognized as contributed surplus and stock-based compensation expense.

*Option activities for the three months ended June 30, 2025*

On June 6, 2025, the Company granted 1,400,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.55 per common share for a period of five years. The options vest immediately on the date of grant and were valued using Black Scholes with the following assumptions: expected volatility of 127.42%, expected dividend yield of 0%, risk-free interest rate of 2.96% and an expected life of five years. The grant date fair value of $659,720 attributable to these options was recognized as contributed surplus and stock-based compensation expense.

(Expressed in Canadian Dollars)

### 10. Contributed Surplus – Options Reserve (continued)

The following table summarizes information of options outstanding and exercisable as at June 30, 2025:

| | Number of options | Number of options exercisable | Exercise price | Weighted average remaining life |
|---|---|---|---|---|
| | # | # | $ | Years |
| December 13, 2027 | 1,480,000 | 1,480,000 | 0.125 | 2.45 |
| June 6, 2030 | 1,400,000 | 1,400,000 | 0.550 | 4.93 |
| | **2,880,000** | **2,880,000** | **0.332** | **3.66** |

### 11. Warrants Reserve

The following summarizes the warrant activity for the period from March 31, 2024 to June 30, 2025:

| | **June 30, 2025** | | March 31, 2025 | |
|---|---|---|---|---|
| | **Number of warrants** | **Weighted average exercise price** | Number of warrants | Weighted average exercise price |
| | **#** | **$** | # | $ |
| Outstanding, beginning of year | 1,316,762 | 0.800 | 996,000 | - |
| Issued | 9,142,031 | 0.300 | 1,316,762 | 0.800 |
| Exercised | - | - | (996,000) | - |
| **Outstanding, end of period** | **10,458,793** | **0.363** | 1,316,762 | 0.800 |

*Warrant activity for the year ended March 31, 2025*

On September 26, 2023, the Company completed a crowdfunding private placement of 596,000 special warrants at a price of $0.05 per special warrant for aggregate gross proceeds of $29,800. Each special warrant was to be automatically converted into a common share of the Company, without payment for additional consideration, on the earlier of the date that is:

(i) at any time, at the discretion of the Company, or
(ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the securities, or
(iii) on that date that is 18 months from the date of issuance.

In connection with the closing of the crowdfunding, the Company issued an additional 400,000 compensatory special warrants to Vested Technology Corp. and incurred issuance cost of $2,597 in cash.

On June 3, 2024, all of 996,000 special warrants were exercised into common shares, and $27,203 was reclassified from warrants reserve into Share Capital.

On January 23, 2025, the Company issued 1,267,500 warrants and 49,262 Finders' warrants in connection with the closing of the First Tranche, as disclosed in Note 9.

*Warrant activity for the three months ended June 30, 2025*

On May 8, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche Special Warrant Financing") and issued 3,118,366 Special Warrants of the Company at a price of $0.30 per Special Warrant for gross proceeds of $935,510.

In connection with the First Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $5,391 in cash and 17,969 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

(Expressed in Canadian Dollars)

## 11. Warrants Reserve (continued)

On May 16, 2025, the Company announced that it has completed the second tranche of a non-brokered private placement financing (the "Second Tranche Special Warrant Financing") and issued 3,393,100 Special Warrants and 440,000 common shares of the Company (collectively, the "Securities") at a price of $0.30 per Security for gross proceeds of $1,149,930.

In connection with the Second Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $41,885 in cash and 131,244 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 23, 2025, the Company announced that it has completed the third tranche of a non-brokered private placement financing (the "Third Tranche Special Warrant Financing") and issued 2,468,032 Special Warrants at a price of $0.30 per Special Warrant for gross proceeds of $740,410. As at June 30, 2025, $150,000 of the gross proceeds remain outstanding and recorded under other receivables in the interim statements of financial position.

In connection with the Third Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $7,476 in cash and 13,320 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

Each Special Warrant will automatically convert, for no additional consideration, into one common share in the capital of the Company on the date that is the earlier of:

(i) the date that is three business days following the date on which the Company files a prospectus supplement to a short form base shelf prospectus with the securities commissions qualifying distribution of the Shares underlying the Special Warrants and
(ii) the date that is four months and one day after the closing of the Offering.

During the three months ended June 30, 2025, the Company also incurred $89,941 of legal fees in connection with the special warrant financings.

The following table summarizes information of warrants outstanding and exercisable as at June 30, 2025:

| | Number of warrants<br>#| Number of warrants exercisable<br>#| Exercise price<br>$ | Weighted average remaining life<br>Years |
|---|---|---|---|---|
| January 23, 2027 | 1,316,762 | 1,316,762 | 0.80 | 1.57 |
| May 8, 2027 | 3,136,335 | 3,136,335 | 0.30 | 1.85 |
| May 26, 2027 | 3,524,344 | 3,524,344 | 0.30 | 1.90 |
| May 23, 2027 | 2,481,352 | 2,481,352 | 0.30 | 1.89 |
| | **10,458,793** | **10,458,793** | **0.36** | **1.84** |

## 12. Loss per Share

Basic and diluted loss per share for the three months ended June 30, 2024, is calculated by dividing the net loss of $1,510,793 (2024 – net loss of $38,218) by the weighted average number of common shares outstanding of 24,845,105 (2024 – 22,132,068).

For the three months ended June 30, 2025, the basic and diluted loss per share was $0.061 (2024 – $0.002).

(Expressed in Canadian Dollars)

### 13. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

*Management remuneration*

During the three months ended June 30, 2025, the Company's Chief Financial Officer ("CFO") charged fees of $15,000 (2024 - $nil).

During the three months ended June 30, 2025, the Company recorded stock-based compensation of $188,491 in connection with the vesting of certain stock options granted to directors (2024 - $nil).

### 14. Segment Information

The Company earns revenue from two primary sources: Cloud AI Hosting and PCS.

In accordance with IFRS 8 *Operating Segments*, the CODM reviews financial performance and allocates resources on a consolidated basis. The CODM does not review or manage operations by business line or geographical region, and therefore the Company has determined that it operates in a single reportable segment.

| | For the three months ended | |
|---|---|---|
| | **June 30, 2025** | June 30, 2024 |
| | **$** | $ |
| Cloud AI Hosting | **398** | 557 |
| PCS | **-** | 266 |
| **Total** | **398** | 823 |

For the three months ended June 30, 2025, all of the Company's revenue from external customers was derived from one customer for Cloud AI Hosting (2024 - one customer) and had no revenue for PCS (2024 - two customers).

All revenues were generated from customers located in Canada, and all of the Company's non-current assets are located in Canada.

### 15. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to deploy that capital to generate returns to shareholders. The management of the Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Directors of the Company do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

### 16. Risk Management

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

*Credit risk*

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank and are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

(Expressed in Canadian Dollars)

## 16. Risk Management (continued)

*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 manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2025 the Company had a cash balance of $1,499,164 (March 31, 2025 – $421,260) to settle current liabilities of $138,370 (March 31, 2025 – $177,367).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of June 30, 2025:

| | Carrying amount | Year 1 | Year 2 to 3 | Year 3 to 5 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 138,370 | 138,370 | - | - |

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

The management of the Company believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at June 30, 2025.

*Fair value*

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at June 30, 2025, the Company's financial instruments consisted of cash, short-term investments and accounts payable and accrued liabilities. The fair value of cash, short-term investments and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025, the Company did not have any financial instruments which were carried at fair value (March 31, 2025 – $nil).

# NEXTGEN DIGITAL PLATFORMS INC.

**Financial Statements**

**For the Years ended March 31, 2025 and 2024**

**(Expressed in Canadian Dollars)**

Horizon
Assurance LLP

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
**NextGen Digital Platforms Inc.**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of NextGen Digital Platforms Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2025, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2025. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

## Other Matter

The financial statements of the Company for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on June 14, 2024.

## Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended March 31, 2025, which we obtained prior to the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

**Horizon Assurance LLP**

**June 6, 2025**
**Markham, Ontario**

**Chartered Professional Accountants**
**Licensed Public Accountants**

**NextGen Digital Platforms Inc.**
Statements of Financial Position
(Expressed in Canadian Dollars)

| | **As at March 31, 2025** | As at March 31, 2024 |
|---|---|---|
| | **$** | $ |
| **Assets** | | |
| **Current** | | |
| Cash | **421,260** | 247,677 |
| Short-term investments (Note 4) | **-** | 127,628 |
| Other receivables (Note 5) | **53,213** | 7,629 |
| Prepaid expenses and advances | **20,823** | 26,738 |
| **Total Current Assets** | **495,296** | 409,672 |
| Property and equipment (Note 6) | **5,303** | 2,700 |
| Intangible assets (Note 7) | **23,162** | 23,162 |
| **Total Assets** | **523,761** | 435,534 |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities (Notes 8, 13) | **177,367** | 30,167 |
| **Total Liabilities** | **177,367** | 30,167 |
| **Equity** | | |
| Share capital (Note 9) | **996,726** | 593,494 |
| Shares to be issued (Note 9) | **43,985** | - |
| Contributed surplus (Note 10) | **191,635** | - |
| Reserve for warrants (Note 11) | **373,298** | 27,203 |
| Accumulated deficit | **(1,259,250)** | (215,330) |
| **Total Shareholders' Equity** | **346,394** | 405,367 |
| **Total Liabilities and Equity** | **523,761** | 435,534 |

Nature of operations and going concern (Note 1)

Subsequent events (Note 19)

**Approved on behalf of the Board of Directors:**

*"Alexander Tjiang"*
Alexander Tjiang, Director

*"Ajaypreet Toor"*
*Ajaypreet Toor*, Director

**NextGen Digital Platforms Inc.**
Statements of Loss and Comprehensive Loss
For the Years ended March 31, 2025, and 2024
(Expressed in Canadian Dollars)

| | **Year ended March 31, 2025** | Year ended March 31, 2024 |
|---|---|---|
| | **$** | $ |
| Revenue | **3,467** | 1,474 |
| Cost of sales (Note 6) | **(4,948)** | (1,624) |
| **Gross Profit** | **(1,481)** | (150) |
| **Expenses** | | |
| Professional fees (Note 17) | **244,160** | 45,076 |
| Office and general (Note 13) | **118,134** | 33,010 |
| Consulting fees | **66,525** | 41,562 |
| Regulatory compliance | **63,803** | - |
| Research and development (Note 14) | **8,062** | 9,909 |
| Advertising and promotion | **352,491** | 1,922 |
| Stock-based compensation (Notes 10, 13) | **191,635** | - |
| Bank charges / Interest (Note 4) | **(3,184)** | (1,302) |
| **Total Expenses** | **(1,041,626)** | (130,177) |
| Loss on asset disposal | **813** | - |
| **Net Loss and Comprehensive Loss** | **(1,043,920)** | (130,327) |
| **Weighted Average Number of Shares Outstanding** | | |
| - Basic and Diluted (Note 12) | **22,657,909** | 13,984,611 |
| Net Loss per Share - Basic and Diluted (Note 12) | **(0.046)** | (0.009) |

The accompanying notes are an integral part of these financial statements

**NextGen Digital Platforms Inc.**
Statements of Changes in Shareholders' Equity
For the Years ended March 31, 2025, and 2024
(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Shares to be issued | Contributed surplus | Reserve for Warrants | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|
| | # | $ | $ | $ | $ | $ | $ |
| **Balance, March 31, 2023** | **12,309,960** | **157,749** | **-** | **-** | **-** | **(85,003)** | **72,746** |
| Issuance of shares from private placement (Note 9) | 6,926,590 | 346,330 | - | - | - | - | 346,330 |
| Stock-based compensation (Note 9) | 2,600,000 | 65,000 | - | - | - | - | 65,000 |
| Buy-back and re-sale of existing shares to new shareholders (Note 9) | - | 24,415 | - | - | - | - | 24,415 |
| Warrants issued - Crowdfunding (Note 11) | - | - | - | - | 29,800 | - | 29,800 |
| Warrants issuance cost (Note 11) | - | - | - | - | (2,597) | - | (2,597) |
| Net loss for the year | - | - | - | - | - | (130,327) | (130,327) |
| **Balance, March 31, 2024** | **21,836,550** | **593,494** | **-** | **-** | **27,203** | **(215,330)** | **405,367** |
| | | | | | | | |
| **Balance, March 31, 2024** | **21,836,550** | **593,494** | **-** | **-** | **27,203** | **(215,330)** | **405,367** |
| Shares issued on exercise of warrants (Note 9) | 996,000 | 29,800 | - | - | (29,800) | - | - |
| Share issuance costs | - | (2,597) | - | - | 2,597 | - | - |
| Issuance of Units from private placement (Note 9) | 1,267,500 | 418,816 | - | - | 392,384 | - | 811,200 |
| Unit issuance cost (Note 9) | - | (31,945) | - | - | (29,928) | - | (61,873) |
| Issuance of Finders' Warrants (Notes 9, 10) | - | (10,842) | - | - | 10,842 | - | - |
| Shares to be issued | - | - | 43,985 | - | - | - | 43,985 |
| Stock-based compensation (Notes 10, 13) | - | - | - | 191,635 | - | - | 191,635 |
| Net loss for the year | - | - | - | - | - | (1,043,920) | (1,043,920) |
| **Balance, March 31, 2025** | **24,100,050** | **996,726** | **43,985** | **191,635** | **373,298** | **(1,259,250)** | **346,394** |

The accompanying notes are an integral part of these financial statements

**NextGen Digital Platforms Inc.**
Statements of Cash Flows
For the Years ended March 31, 2025, and 2024
(Expressed in Canadian Dollars)

| | **Year ended March 31, 2025** | Year ended March 31, 2024 |
|---|---|---|
| | **$** | $ |
| **Operating Activities** | | |
| Net loss for the year | **(1,043,920)** | (130,327) |
| Adjustments for: | | |
| Depreciation expense | **2,297** | 499 |
| Interest income on short-term investments (Note 4) | **(3,156)** | (2,628) |
| Stock-based compensation (Notes 10, 13) | **191,635** | 65,000 |
| | **(853,144)** | (67,456) |
| Net change in non-cash working capital items: | | |
| Other receivables (Note 5) | **(45,584)** | (4,298) |
| Prepaid expenses and advances | **5,915** | (26,738) |
| Accounts payable and accrued liabilities (Notes 8, 13) | **147,199** | 6,711 |
| **Cash Flows (used in) Operating Activities** | **(745,614)** | (91,781) |
| **Investing Activities** | | |
| Redemption (addition) of short-term investments (Note 4) | **130,784** | (125,000) |
| Additions of property and equipment (Note 6) | **(4,899)** | (3,199) |
| **Cash flows from / (used in) investing activities** | **125,885** | (128,199) |
| **Financing Activities** | | |
| Proceeds received on private placements (Note 9) | **811,200** | 346,330 |
| Cash issuance costs (Notes 9, 10) | **(61,873)** | (2,598) |
| Cash received on shares to be issued | **43,985** | - |
| Proceeds received on crowdfunding (Note 10) | **-** | 29,800 |
| Payments made for buy-back of shares (Note 9) | **-** | (20,250) |
| Proceeds received on re-sale of shares (Note 9) | **-** | 44,666 |
| **Cash Flows from Financing Activities** | **793,312** | 397,948 |
| Increase (decrease) in cash | **173,583** | 177,968 |
| Cash, beginning of year | **247,677** | 69,709 |
| **Cash, end of year** | **421,260** | 247,677 |

The accompanying notes are an integral part of these financial statements

## 1. Nature of Operations and Going Concern

NextGen Digital Platforms Inc. (CSE: NXT, FSE: Z12) ("NextGen" or the "Company") is a Canadian technology company existing under the laws of British Columbia. On October 21, 2022, the Company changed its name from 1266457 B.C. Ltd. to NextGen Digital Platforms Inc. The Company's registered office address is 1500, 1055 West Georgia St. Vancouver, British Columbia, V6E 4N7.

The Company currently operates a fleet of computing workstations for its online hardware-as-a-service business ("Cloud AI Hosting") and a premium computing and electronics e-commerce platform under the brand PCSections.com ("PCS"). The Company's core competencies include managing and optimizing high performance computing infrastructure, with a focus on delivering scalable, technology-driven services. The Company is seeking to expand its fleet of computing workstations for its Cloud AI Hosting business and is exploring potential, value-additive asset acquisitions. In line with its existing capabilities and business strategy, the Company also intends to expand its existing operations into the digital asset ecosystem, including cryptocurrency mining, staking, and blockchain infrastructure support.

For the year ended March 31, 2025, the Company incurred a net loss of $1,043,920 (2024 – net loss of $130,327) and as at March 31, 2025, had an accumulated deficit of $1,259,250 (March 31, 2024 – accumulated deficit of $215,330). The Company's future viability depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands and achievement of revenue growth. The Company has started to generate operating cash from sales of products on its website and Cloud AI Hosting lines. So far, the volume of transactions is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the 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 Presentation

### (a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on June 6, 2025.

### (b) Basis of Measurement

These financial statements have been prepared in accordance with IFRS, on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### (c) Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

## 2. Basis of Presentation (continued)

### (d) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

Items for which actual results may differ materially from these estimates are described as follows:

*Going concern*

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financing, and the cash position at year-end.

*Fair value of financial assets and financial liabilities*

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

*Impairment*

Long-lived assets, including property and equipment and intangible assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

*Income taxes*

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

**2. Basis of Presentation (continued)**

**(d) Significant Accounting Judgments and Estimates (continued)**

*Expected credit losses on financial assets*

Determining an allowance for expected credit losses ("ECL") for amounts receivable and all debt financial assets not held at fair value through profit and loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

*Provisions*

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

*Research and development costs*

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

*Options and warrants*

Options and warrants, including finders' warrants, are initially recognized at fair value using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments are used in applying the valuation techniques. These assumptions and judgments include the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate. Such assumptions and judgments are inherently uncertain. Changes in these assumptions can affect the fair value estimates of stock-based compensation.

**3. Summary of Material Accounting Policies**

**a) Cash**

Cash on the statements of financial position comprises bank balances held in Canadian chartered banks, which are available on demand.

**b) Revenue from Contracts with Customers**

The Company's policy for the timing and amount of revenue to be recognized is based on the following 5-step process:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price, which is the total consideration provided by the customer.
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when the relevant criteria are met for each unit (at a point in time or over time).

Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and services to a customer. Net revenue from sale of goods and services, as presented in the statements of loss and comprehensive loss, represents revenue from the sale of goods less expected price discounts and related transaction fees.

The Company's contracts with customers for the sale of equipment hardware provided consist of only one performance obligation. The Company has concluded that revenue from the sale of these products should be recognized at the point in time when control is transferred to the customer, which is on shipment of goods and time of services provided.

The Company's payment terms vary by customer types. Payment is due immediately before the transfer of control.

## 3. Summary of Material Accounting Policies (continued)

### c) Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

*Classification*

The Company classifies its financial assets and financial liabilities in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are recorded in profit or loss.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified.

*Fair value through profit or loss*

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at FVTPL. As at March 31, 2024 and 2023, the Company did not have any financial assets at FVTPL.

*Financial assets at fair value through other comprehensive income*

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss) ("OCI").

*Amortized cost*

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

The Company's classification of financial assets and financial liabilities under IFRS 9 – Financial Instruments ("IFRS 9") are summarized below:

| | |
|---|---|
| Cash | Amortized cost |
| Short-term investments | Amortized cost |
| Accounts payable | Amortized cost |

*Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## 3. Summary of Material Accounting Policies (continued)

### c) Financial Instruments (continued)

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or OCI (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in OCI.

*Impairment of financial assets*

IFRS 9 introduced a single ECL impairment model, which is based on changes in credit quality since initial application. The adoption of the ECL impairment model had resulted in a provision of ECL recorded on the Company's statements of loss and comprehensive loss.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

*Derecognition*

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 statements of loss and comprehensive loss.

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

*Fair value hierarchy*

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 31, 2025 and 2024, the Company did not have any financial instruments measured at fair value.

### d) Intangible Assets

Intangible assets comprise of internally-generated assets associated with the Website, which is considered to have an indefinite useful life, and is not amortized. These intangible assets are, however, reviewed for impairment on an annual basis, and whenever there is an indicator of impairment. Management exercises judgement in estimating the probability future economic benefits expected to be achieved, which is used as the basis for impairment review on annual basis. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

### 3. Summary of Material Accounting Policies (continued)

#### e) Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes acquisition costs or construction costs, as well as costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately.

Depreciation is computed using the straight-line method based on the estimated useful life of the assets and commences when title and ownership have transferred to the Company and is readily available for its intended use. The residual value, useful life and depreciation methods are reviewed at the end of each reporting period. Such a review takes into consideration the nature of the asset, the intended use and impact of technological changes. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of capital assets. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recorded on a straight-line basis for the following:

- Two years for computer equipment.

#### f) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

As of March 31, 2025 and 2024, the Company had no material provisions.

#### g) Income Taxes

Income tax expense comprises current and deferred income tax expense. Current and deferred taxes are recognized in net loss, except to the extent that it relates to items recognized directly in equity or in OCI.

*Current income taxes*

Current income taxes are recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

*Deferred income taxes*

Deferred income taxes are recorded for temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred income tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

### 3. Summary of Material Accounting Policies (continued)

#### h) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

#### i) Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

#### j) Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

#### k) Share-Based Payments Transactions

The Company operates a stock option plan (the "Option Plan") and conducts payments for services received with common shares and warrants.

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of options and warrants is determined based on the application of the Black-Scholes valuation model ("Black-Scholes"). The fair value of equity-settled stock-based compensation transactions is recognized as an expense with a corresponding increase in the share-based payments reserve.

If share-settled awards are modified, as a minimum an expense is recognized as if the modification has not been made. An additional expense is recognized, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Amounts recorded for cancelled or expired unexercised options are transferred to accumulated deficit in the period of which the cancellation or expiry occurs.

Upon the exercise of warrants, proceeds received from the warrant holders are recorded as an increase to share capital and the related reserves is transferred to share capital. Expired warrants are also transferred to accumulated deficit.

#### l) Research and Development Costs

Expenditures during the research phase are expensed as incurred. Expenditures incurred during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible assets and use or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and

The ability to measure reliably the expenditure during development.

## 3. Summary of Material Accounting Policies (continued)

### (m) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### (n) Recent Accounting Pronouncements

*Recent Accounting Pronouncements*

Effective April 1, 2024, the Company adopted the following amendments and had assessed that their adoption had no material impact on its consolidated financial statements.

*Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those that will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and were applied retrospectively.

## 4. Short-Term Investments

The Company's had invested $125,000 in certain guaranteed investment certificates ("GICs") which matured in October 2024. For the year ended March 31, 2025, interest income of $3,156 (2024 – $2,628) has been accrued on the GICs and were netted against bank charges and interest on the statements of loss and comprehensive loss. The GIC of $125,000 and accrued interest of $5,784 were redeemed in October 2024. The outstanding balance of short-term investments with accrued interest as at March 31, 2025 was $nil (March 31, 2024 - $127,628).

## 5. Other Receivables

The Company's other receivables balance represents amounts due from government taxation authorities in respect of the Goods and Services Tax and Harmonized Sales Tax. The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against those receivables, which are due in less than one year.

## 6. Property and Equipment

The Company's property and equipment is comprised of two desktop workstations used by Cloud AI Hosting, one of which was purchased in December 2023 for $3,199 and the other in December 2024 for $4,899. During the year ended March 31, 2025, depreciation of $2,296 had been recorded on the equipment and was included in Cost of Sales (2024 - $499) on the statements of loss and comprehensive loss. As of March 31, 2025, the equipment was carried at a net book value of $5,303 (March 31, 2024 - $2,700).

## 7. Intangible Assets

During the year ended March 31, 2023, the Company developed the Website using different external developers to facilitate sales on the internet, and incurred costs of $23,162 in relation to the Website. As the Website is considered to have an indefinite life, it is not subject to amortization.

As at March 31, 2025, the Company reviewed the Website for indicators of impairment. No indicator for impairment was identified, as the Website is currently undergoing enhancements, and no impairment loss was recorded on the intangible assets.

(Expressed in Canadian Dollars)

## 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

| | **March 31, 2025** | March 31, 2024 |
|---|---|---|
| | **$** | $ |
| Accrued liabilities | **53,606** | 28,014 |
| Accounts payable | **123,761** | 2,153 |
| | **177,367** | 30,167 |

The Company's standard term for trade payables is 30 days.

## 9. Share Capital

*Authorized share capital*

The Company is authorized to issue an unlimited number of common shares without par value.

On March 12, 2025, the Company completed a 2-for-1 share split of its outstanding common shares. All references to the number of common shares, earnings per share, and per share information in these financial statements have been retroactively adjusted to reflect the impact of the share split for all periods presented. The total number of common shares outstanding increased from 12,050,025 to 24,100,050, with no change in total share capital.

Common shares issued and outstanding as at March 31, 2025 and 2024 are as follows:

| | **Number of common shares** | **Amount** |
|---|---|---|
| | **#** | $ |
| **Balance, March 31, 2023** | **12,309,960** | 157,749 |
| Shares repurchased from shareholder (i) | (3,666,654) | (20,250) |
| Repurchased shares sold to new shareholders (i) | 3,666,654 | 44,665 |
| Shares based payments (iv) | 2,600,000 | 65,000 |
| Shares issued through private placements (ii, iii, v) | 6,926,590 | 346,330 |
| **Balance, March 31, 2024** | **21,836,550** | **593,494** |
| Warrants exercised (vi) | 996,000 | 27,203 |
| Shares issued through private placements (vii) | 1,267,500 | 376,029 |
| **Balance, March 31, 2025** | **24,100,050** | **996,726** |

*Share capital transactions for the year ended March 31, 2024*

(i) On May 31, 2023, the Company repurchased 3,666,654 common shares from certain shareholders for $20,250. Those shares were then sold to new shareholders on June 14, 2023, for gross proceed of $44,665.

(ii) On June 15, 2023, the Company issued 1,000,000 common shares in the first tranche of a private placement at a price of $0.05 per common share (the "$0.05 Financing"), for gross proceeds of $50,000.

(iii) On October 31, 2023, the Company issued 1,786,590 common shares in the second tranche of the $0.10 Financing at a purchase price of $0.10 per common share, for gross proceeds of $89,330.

(iv) On March 18, 2024, the Company issued 2,600,000 common shares, at a price of $0.05 per common share as compensation to various consultants and referral partners for services provided to the Company. These services were valued at $65,000.

(v) On March 27, 2024, the Company issued 4,140,000 common shares in the third tranche of the $0.10 Financing at a purchase price of $0.10 per common share, for gross proceeds of $207,000.

(Expressed in Canadian Dollars)

### 9. Share Capital (continued)

*Share capital transactions for the year ended March 31, 2025*

(vi) On June 3, 2024, 996,000 special warrants were exercised for no additional consideration and converted into 996,000 common shares. These common shares were valued at $27,203, based on the value of special warrants. See Note 10 for more details.

(vii) On January 23, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche") and issued 1,267,500 Units (each a "Unit") of the Company at a price of $0.64 per Unit for gross proceeds of $811,200. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. The fair value of $392,384 for these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.455; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 296.96% and an expected life of 2 years.

In connection with the First Tranche, the Company paid professional fees of $29,885, finder's fees to eligible finders consisting of $31,988 in cash and issued 49,262 common share purchase warrants (the "Finder's Warrants"). Each Finder's Warrant is exercisable to acquire one common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. The fair value of $21,000 for these Finders' Warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.455; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 296.96% and an expected life of 2 years. All share-issuance costs were proportionately allocated between share capital and reserve for warrants.

The Company recorded $376,029 for the issuance of shares, and $352,298 for the issuance of warrants based on a residual fair value calculation after deducting all share-issuance costs.

### 10. Contributed Surplus – Options Reserve

The Company maintains the Option Plan whereby certain key employees, officers, directors and consultants may be granted stock options for the common shares of the Company. The Option Plan provides that the aggregate number of securities reserved for issuance will be up to 10% of the number of common shares issued and outstanding. Under the Option Plan, the exercise price of each option may not be lower than the closing price of the Company's shares on the trading day prior to the grant date or the grant date itself, whichever is higher. Vesting of options is determined at the discretion of the Board. As at March 31, 2025, the Company had 130,005 common shares available for issuance under the Option Plan.

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

| Date of expiry | Number of options outstanding | Number of options exercisable | Exercise price | Weighted average remaining life |
|---|---|---|---|---|
| | # | # | $ | Years |
| December 13, 2027 | 2,280,000 | 2,280,000 | 0.125 | 2.70 |
| | **2,280,000** | **2,280,000** | **0.125** | **2.70** |

The following summarizes the stock option activity for the years ended March 31, 2025 and 2024:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
| | # | $ | # | $ |
| Outstanding, beginning of year | - | - | - | - |
| Issued – December 13, 2024 | 2,280,000 | 0.125 | - | - |
| **Outstanding, end of period** | **2,280,000** | **0.125** | **-** | **-** |

(Expressed in Canadian Dollars)

## 10. Contributed Surplus – Options Reserve (continued)

*Option activities for the year ended March 31, 2025*

On December 13, 2024, the Company granted 2,280,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.125 per common share for a period of three years. The options vest immediately on the date of grant and were valued using Black Scholes with the following assumptions: expected volatility of 127.42%, expected dividend yield of 0%, risk-free interest rate of 2.97% and an expected life of three years. The grant date fair value of $191,635 attributable to these options was recognized as contributed surplus and stock-based compensation expense.

## 11. Warrants Reserve

The following table summarizes information of warrants outstanding and exercisable as at March 31, 2025:

| Date of expiry | Number of warrants outstanding | Number of warrants exercisable | Exercise price | Weighted average remaining life |
|---|---|---|---|---|
| | # | # | $ | Years |
| January 23, 2027 | 1,316,762 | 1,316,762 | 0.80 | 1.82 |
| | **1,316,762** | **1,316,762** | **0.80** | **1.82** |

The following summarizes the warrant activity for the years ended March 31, 2025 and 2024:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| | # | $ | # | $ |
| Outstanding, beginning of year | 996,000 | - | - | - |
| Issued | 2,280,000 | 0.125 | 996,000 | - |
| Exercised | (996,000) | - | - | - |
| **Outstanding, end of period** | **2,280,000** | **0.125** | **996,000** | **-** |

On September 26, 2023, the Company completed a crowdfunding private placement of 596,000 special warrants at a price of $0.05 per special warrant for aggregate gross proceeds of $29,800. Each special warrant was to be automatically converted into a common share of the Company, without payment for additional consideration, on the earlier of the date that is:

(i) at any time, at the discretion of the Company, or
(ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the securities, or
(iii) on that date that is 18 months from the date of issuance.

In connection with the closing of the crowdfunding, the Company issued an additional 400,000 compensatory special warrants to Vested Technology Corp. and incurred issuance cost of $2,597 in cash.

On June 3, 2024, all of 996,000 special warrants were exercised into common shares, and $27,203 was reclassified from warrants reserve into Share Capital.

On January 23, 2025, the Company issued 1,267,500 warrants and 49,262 Finders' warrants in connection with the closing of the First Tranche, as disclosed in Note 9.

## 12. Loss per Share

Basic and diluted loss per share for the year ended March 31, 2025 is calculated by dividing the net loss for the year of $1,043,920 (2024 – net loss of $130,327) by the weighted average number of common shares outstanding of 22,657,909 (2024 – 13,984,611).

For the year ended March 31, 2025, the basic and diluted loss per share was $0.046 (2024 – $0.009). Currently, the Company's basic and diluted loss per share is the same.

(Expressed in Canadian Dollars)

## 13. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

*Management remuneration*

During the year ended March 31, 2025, the Company's Chief Financial Officer ("CFO") charged fees of $18,387 (2024 – $nil), which are included in professional fees

During the year ended March 31, 2025, directors and other members of key management personnel did not receive any remuneration (2024 – $nil).

*Other related party transactions*

During the year ended March 31, 2024, a total of 916,653 common shares previously purchased by a former director of the Company were sold back to the Company for the consideration of $10,125.

During the year ended March 31, 2024, one of the directors of NextGen purchased 333,327 shares that were previously bought back by the Company for total gross proceeds of $14,666.

During the year ended March 31, 2024, 1000103727 Ontario Limited ("Ontario Limited"), an entity controlled by the former CEO of the Company, purchased 1,000 special warrants at a price of $0.10 per special warrant for total gross proceeds of $100.

During the year ended March 31, 2025, Ontario Limited charged fees of $33,000 (2024 – $33,000). Out of the total amount invoiced during the year ended March 31, 2025, $3,000 (2024 - $3,000) was for the use of office space, and $30,000 (2024 - $30,000) was for shared corporate services support. The shared corporate services support encompasses general and administrative services, as well as corporate development and consultancy services. The general and administrative services include administrative support provided to the executives and employees of the Company. The corporate development and consultancy services include assistance with transactional documentation and the collection of deliverables. These fees are included in office and general expenses.

During the year ended March 31, 2025, the Company recorded stock-based compensation of $90,774 in connection with the vesting of certain stock options granted to officers and directors (2024 - $nil).

## 14. Research and Development Expenses

During the year ended March 31, 2025, and 2024, the Company's R&D expenses are comprised of the following:

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| General consulting expenses | **6,443** | 5,963 |
| Website maintenance and development | **1,619** | 3,946 |
| | **8,062** | 9,909 |

## 15. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to deploy that capital to generate returns to shareholders. The management of the Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Directors of the Company do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

## 16. Risk Management

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

*Credit risk*

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank and are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

*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 manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2025 the Company had a cash balance of $421,260 (2024 – $247,677) and short-term investments of $nil (2024 – $127,628), to settle current liabilities of $177,367 (2024 – $30,167).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of March 31, 2025:

| | **Carrying amount** | **Year 1** | **Year 2 to 3** | **Year 4 to 5** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Accounts payable and accrued liabilities | 177,367 | 177,367 | - | - |

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

The management of the Company believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at period-end.

*Fair value*

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at period-end, the Company's financial instruments consisted of cash, short-term investments and accounts payable and accrued liabilities. The fair value of cash, short-term investments and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2025, the Company did not have any financial instruments which were carried at fair value (March 31, 2024 – $nil).

(Expressed in Canadian Dollars)

## 17. Professional Fees

During the year ended March 31, 2025, and 2024, the Company's professional fees are comprised of the following:

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| General legal expenses | **180,700** | 28,917 |
| Audit and accounting expenses | **63,460** | 16,159 |
| | **244,160** | 45,076 |

## 18. Income Taxes

*Provision for income taxes*

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

| | **Year Ended March 31, 2025** | Year Ended March 31, 2024 |
|---|---|---|
| | **$** | $ |
| (Loss) before income taxes | **(1,043,920)** | (130,327) |
| Combined statutory income tax rate | **27%** | 27% |
| Expected income tax recovery based on statutory rate | **(281,900)** | (35,200) |
| Adjustment to expected income tax recovery | | |
| Permanent differences and other | **52,400** | 100 |
| Change in unrecorded deferred tax asset not recognized | **229,500** | 35,100 |
| Income tax expense | **-** | - |

*Deferred income tax*

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

| | **March 31, 2025** | March 31, 2024 |
|---|---|---|
| | **$** | $ |
| Non-capital losses carried forward | **287,500** | 58,000 |
| Fixed assets | **800** | 100 |
| Deferred tax asset | **288,300** | 58,100 |
| Less: Deferred tax assets not recognized | **(288,300)** | (58,100) |
| Deferred tax asset (liability) | **-** | - |

*Non-capital losses*

The Company's non-capital losses expire as follows:

| Expiry | **Amount** |
|---|---|
| | **$** |
| 2042 | **13,700** |
| 2043 | **71,400** |
| 2044 | **129,800** |
| 2045 | **850,000** |
| | **1,064,900** |

## 19. Subsequent events

On May 1, 2025, 800,000 options were exercised.

On May 8, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche Special Warrant Financing") and issued 3,118,366 Special Warrants of the Company at a price of $0.30 per Special Warrant for gross proceeds of $935,510.

In connection with the First Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $5,391 in cash and 17,969 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 16, 2025, the Company announced that it has completed the second tranche of a non-brokered private placement financing (the "Second Tranche Special Warrant Financing") and issued 3,393,100 Special Warrants and 440,000 common shares of the Company (collectively, the "Securities") at a price of $0.30 per Security for gross proceeds of $1,149,930.

In connection with the Second Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $41,845 in cash and 131,244 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 23, 2025, the Company announced that it has completed the third tranche of a non-brokered private placement financing (the "Third Tranche Special Warrant Financing") and issued 2,468,032 Special Warrants at a price of $0.30 per Special Warrant for gross proceeds of $740,410.

In connection with the Third Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $7,476 in cash and 13,320 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

Each Special Warrant will automatically convert, for no additional consideration, into one common share in the capital of the Company on the date that is the earlier of:

(i) the date that is three business days following the date on which the Company files a prospectus supplement to a short form base shelf prospectus with the securities commissions qualifying distribution of the Shares underlying the Special Warrants and
(ii) the date that is four months and one day after the closing of the Offering.

# NEXTGEN DIGITAL PLATFORMS INC.

**Financial Statements**

**For the Years ended March 31, 2024 and 2023**

**(Expressed in Canadian Dollars)**

dntw
CHARTERED PROFESSIONAL ACCOUNTANTS
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# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
**Nextgen Digital Platforms Inc.**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Nextgen Digital Platforms Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred net losses during the years ended March 31, 2024 and 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

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## Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the years ended March 31, 2024 and 2023, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

DNTW Toronto LLP

**Chartered Professional Accountants**
**Licensed Public Accountants**

**June 14, 2024**
**Markham, Ontario**

**NextGen Digital Platforms Inc.**
Statements of Financial Position
(Expressed in Canadian Dollars)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | **$** | $ |
| **Assets** | | |
| **Current Assets** | | |
| Cash | **247,677** | 69,709 |
| Short-term investments (Note 4) | **127,628** | - |
| Other receivables (Note 5) | **7,629** | 3,331 |
| Prepaid expenses and advances | **26,738** | - |
| **Total Current Assets** | **409,672** | 73,040 |
| Property and equipment (Note 6) | **2,700** | - |
| Intangible assets (Note 7) | **23,162** | 23,162 |
| **Total Assets** | **435,534** | 96,202 |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities (Notes 8 and 12) | **30,167** | 23,456 |
| **Total Liabilities** | **30,167** | 23,456 |
| **Shareholders' Equity** | | |
| Share capital (Note 9) | **593,495** | 157,749 |
| Warrants reserve (Note 10) | **27,202** | - |
| Accumulated deficit | **(215,330)** | (85,003) |
| **Total Shareholders' Equity** | **405,367** | 72,746 |
| **Total Liabilities and Shareholders' Equity** | **435,534** | 96,202 |

Nature of operations and going concern (Note 1)
Subsequent events (Note 18)

**Approved on behalf of the Board of Directors:**

*"Joel Freudman"*
Joel Freudman, Director

*"Michael Rennie"*
Michael Rennie, Director

The accompanying notes are an integral part of these financial statements

## NextGen Digital Platforms Inc.
Statements of Loss and Comprehensive Loss
For the Years ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Revenue | **1,474** | 9,200 |
| Cost of sales (Note 6) | **(1,624)** | (8,235) |
| **Gross Profit (Loss)** | **(150)** | 965 |
| **Expenses** | | |
| Professional fees (Note 17) | **45,076** | 39,323 |
| Consulting fees (Notes 9 and 12) | **41,562** | - |
| Office and general (Note 12) | **33,010** | 14,411 |
| Research and development (Note 14) | **9,909** | 17,914 |
| Advertising and promotion | **1,922** | 596 |
| Bank charges and interest | **(1,302)** | 74 |
| **Total Expenses** | **(130,177)** | (72,318) |
| **Net Loss and Comprehensive Loss** | **(130,327)** | (71,353) |
| **Weighted Average Number of Outstanding Shares** | **6,992,306** | 1,982,218 |
| **Net Loss per Share** – Basic and Diluted (Note 11) | **(0.019)** | (0.036) |

**NextGen Digital Platforms Inc.**
Statements of Changes in Shareholders' Equity
For the Years ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Reserve for Warrants | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| | # | $ | $ | $ | $ |
| **Balance, March 31, 2022** | **1** | **-** | - | **(13,650)** | **(13,650)** |
| Cancellation of shares (Note 9(i)) | (1) | - | - | - | - |
| Issuance of shares from private placement (Notes 9 (ii), (iii)) | 6,154,980 | 157,749 | - | - | 157,749 |
| Net loss for the year | - | - | - | (71,353) | (71,353) |
| **Balance, March 31, 2023** | **6,154,980** | **157,749** | **-** | **(85,003)** | **72,746** |
| Issuance of shares from private placement (Notes 9(v), (vi), (viii)) | 3,463,295 | 346,330 | - | - | 346,330 |
| Consulting fees settled by issuance of shares (Note 9(vii)) | 1,300,000 | 65,000 | - | - | 65,000 |
| Buy-back and re-sale of existing shares to new shareholders (Note 9(iv)) | - | 24,416 | - | - | 24,416 |
| Warrants issued on crowdfunding (Note 10) | - | - | 29,800 | - | 29,800 |
| Warrants issuance cost (Note 10) | - | - | (2,598) | - | (2,598) |
| Net loss for the year | - | - | - | (130,327) | (130,327) |
| **Balance, March 31, 2024** | **10,918,275** | **593,495** | **27,202** | **(215,330)** | **405,367** |

The accompanying notes are an integral part of these financial statements

**NextGen Digital Platforms Inc.**
Statements of Cash Flows
For the Years ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| **Operating Activities** | | |
| Net loss for the year | **(130,327)** | (71,353) |
| Adjustments for non-cash items: | | |
| Depreciation expense (Note 6) | **499** | - |
| Interest income on short-term investments (Note 4) | **(2,628)** | - |
| Stock-based compensation (Note 9(vii)) | **65,000** | - |
| | **(67,456)** | (71,353) |
| Net change in non-cash working capital items: | | |
| Other receivables | **(4,298)** | (3,331) |
| Prepaid expenses and advances | **(26,738)** | - |
| Accounts payable and accrued liabilities | **6,711** | 9,806 |
| **Cash Flows (used in) Operating Activities** | **(91,781)** | (64,878) |
| **Financing Activities** | | |
| Proceeds received on private placements (Note 9) | **346,330** | 157,749 |
| Proceeds received on crowdfunding (Note 10) | **29,800** | - |
| Issuance costs paid for issuance of warrants (Note 10) | **(2,598)** | - |
| Payments for buy-back of shares (Note 9) | **(20,250)** | - |
| Proceeds on re-sale of shares (Note 9) | **44,666** | - |
| **Cash Flows provided by Financing Activities** | **397,948** | 157,749 |
| **Investing Activities** | | |
| Additions of short-term investments (Note 4) | **(125,000)** | - |
| Additions of property and equipment (Note 6) | **(3,199)** | - |
| Additions of intangible assets (Note 7) | **-** | (23,162) |
| **Cash Flows (used in) Investing Activities** | **(128,199)** | (23,162) |
| **Increase in cash** | **177,968** | 69,709 |
| Cash, beginning of year | **69,709** | - |
| **Cash, end of year** | **247,677** | 69,709 |

The accompanying notes are an integral part of these financial statements

## 1. Nature of Operations and Going Concern

NextGen Digital Platforms Inc. ("NextGen" or the "Company") is a Canadian technology company existing under the laws of British Columbia. On October 21, 2022, the Company changed its name from 1266457 B.C. Ltd. to NextGen Digital Platforms Inc. The Company's registered office address is Suite 2200, RBC Place, 885 West Georgia St., Vancouver, British Columbia, V6C 3E8. The Company's head office is located at 70 Trius Drive, Second Floor, Fredericton, New Brunswick, E3B 5E3.

The Company develops and acquires revenue-generating micro-technology digital platforms. The Company's first business was PCSections.com (the "Website"), an e-commerce and consumer electronics platform facilitating direct -to-consumer sales, offering premium gaming electronics and other specialized hardware. Recently, the Company has been focusing its efforts on developing a line of business referred to as Cloud AI Hosting ("Cloud AI Hosting"), a hardware-as-a-service business whereby the computing power of NextGen's specialized hardware workstations are leased to third-party end users for artificial intelligence applications, via a cloud-based portal. From time to time, the Company may also evaluate and acquire or develop other micro-technology platforms.

For the year ended March 31, 2024, the Company incurred a net loss of $130,327 (2023 – net loss of $71,353) and as at March 31, 2024, had an accumulated deficit of $215,330 (March 31, 2023 – accumulated deficit of $85,003). The Company's future viability depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands and achievement of revenue growth. The Company has started to generate operating cash from sales of products on its website and Cloud AI Hosting lines. So far, the volume of transactions is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the 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 Presentation

### (a) Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved, and authorized for issuance by the Directors (the "Director") of the Company on June 14, 2024.

### (b) Basis of Measurement

These financial statements have been prepared in accordance with IFRS, on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## 2. Basis of Presentation (continued)

### (c) Functional Currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

### (d) Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

*Going concern*

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financing, and the cash position at year-end.

*Fair value of financial assets and financial liabilities*

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

*Impairment*

Long-lived assets, including property and equipment and intangible assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

*Income taxes*

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

## 2. Basis of Presentation (continued)

### (d) Significant Accounting Judgments and Estimates (continued)

*Income taxes (continued)*

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses.

When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

*Expected credit losses on financial assets*

Determining an allowance for expected credit losses ("ECL") for amounts receivable and all debt financial assets not held at fair value through profit and loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

*Provisions*

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

*Research and development costs*

Judgment is required to distinguish the research phase and the development phase to correctly identify costs that qualify for capitalization.

## 3. Summary of Material Accounting Policies

### (a) Cash

Cash on the statements of financial position comprises bank balances held in Canadian chartered banks, which are available on demand.

### (b) Revenue from Contracts with Customers

The Company's policy for the timing and amount of revenue to be recognized is based on the following 5-step process:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price, which is the total consideration provided by the customer.
- Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- Recognize revenue when the relevant criteria are met for each unit (at a point in time or over time).

Revenue is recognized at the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and services to a customer. Net revenue from sale of goods and services, as presented in the statements of loss and comprehensive loss, represents revenue from the sale of goods less expected price discounts and related transaction fees.

## 3. Summary of Material Accounting Policies (continued)

### (b) Revenue from Contracts with Customers (continued)

The Company's contracts with customers for the sale of equipment hardware provided consist of only one performance obligation. The Company has concluded that revenue from the sale of these products should be recognized at the point in time when control is transferred to the customer, which is on shipment of goods and time of services provided.

The Company's payment terms vary by customer types. Payment is due immediately before the transfer of control.

### (c) Financial Instruments

Financial assets and financial liabilities, including derivatives, are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

*Classification*

The Company classifies its financial assets and financial liabilities in the following measurement categories: (a) those to be measured subsequently at FVTPL; (b) those to be measured subsequently at fair value through other comprehensive income ("FVTOCI"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are recorded in profit or loss.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified.

*Fair value through profit or loss*

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at FVTPL. As at March 31, 2024 and 2023, the Company did not have any financial assets at FVTPL.

*Financial assets at fair value through other comprehensive income*

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss) ("OCI").

*Amortized cost*

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

The Company's classification of financial assets and financial liabilities under IFRS 9 – Financial Instruments ("IFRS 9") are summarized below:

| | |
|---|---|
| Cash | Amortized cost |
| Short-term investments | Amortized cost |
| Accounts payable | Amortized cost |

## 3. Summary of Material Accounting Policies (continued)

### (c) Financial Instruments (continued)

*Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or OCI (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in OCI.

*Impairment of financial assets*

IFRS 9 introduced a single ECL impairment model, which is based on changes in credit quality since initial application. The adoption of the ECL impairment model had resulted in a provision of ECL recorded on the Company's statements of loss and comprehensive loss.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

*Derecognition*

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 statements of loss and comprehensive loss.

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

*Fair value hierarchy*

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 31, 2024 and 2023, the Company did not have any financial instruments measured at fair value.

## 3. Summary of Material Accounting Policies (continued)

### (d) Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes acquisition costs or construction costs, as well as costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately.

Depreciation is computed using the straight-line method based on the estimated useful life of the assets and commences when title and ownership have transferred to the Company and is readily available for its intended use. The residual value, useful life and depreciation methods are reviewed at the end of each reporting period. Such a review takes into consideration the nature of the asset, the intended use and impact of technological changes. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of capital assets. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recorded on a straight-line basis for the following:

- Two years for computer equipment.

### (e) Intangible Assets

Intangible assets comprise of internally-generated assets associated with the Website, which is considered to have an indefinite useful life, and is not amortized. These intangible assets are, however, reviewed for impairment on an annual basis, and whenever there is an indicator of impairment. Management exercises judgement in estimating the probability future economic benefits expected to be achieved, which is used as the basis for impairment review on annual basis. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

### (f) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

As of March 31, 2024 and 2023, the Company had no material provisions.

### (g) Income Taxes

Income tax expense comprises current and deferred income tax expense. Current and deferred taxes are recognized in net loss, except to the extent that it relates to items recognized directly in equity or in OCI.

*Current income taxes*

Current income taxes are recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

## 3. Summary of Material Accounting Policies (continued)

### (g) Income Taxes (continued)

*Deferred income taxes*

Deferred income taxes are recorded for temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred income tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

### (h) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

### (i) Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

### (j) Loss Per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

### (k) Share-Based Payments

The Company conducts payments for the services received with common shares and warrants. Share-based payments to vendors are measured at the fair value of goods or services received, or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of warrants is determined using the Black–Scholes valuation model. The fair value of equity-settled share-based transactions is recognized as a stock-based compensation expense with a corresponding increase in contributed surplus.

Upon the exercise of warrants, proceeds received from the warrant holders are recorded as an increase to share capital and the related reserves is transferred to share capital. Expired warrants are also transferred to accumulated deficit.

## 3. Summary of Material Accounting Policies (continued)

### (l) Research and Development Costs

Expenditures during the research phase are expensed as incurred. Expenditures incurred during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible assets and use or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

### (m) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### (n) Recent Accounting Pronouncements

As at the date of authorization of these financial statements, the IASB and the IFRIC had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company, have been excluded. The Company had assessed that no material impact is expected upon the adoption of the following amendments on its financial statements:

*Amendments to IFRS 7 – Financial Instruments: Disclosures ("IFRS 7") and IAS 7 – Statements of Cash Flows ("IAS 7")*

In May 2023, the IASB issued disclosure-only amendments to IFRS 7 and IAS 7. The amendments require entities to disclose sufficient information necessary for users of financial statements to understand the effects of supplier finance arrangements on an entity's liabilities and cash flows, as well as on its liquidity risk and risk management. The amendments are effective for annual periods beginning on or after January 1, 2024.

## 4. Short Term Investments

As at March 31, 2024, the Company had invested in certain guaranteed investment certificates ("GICs") maturing in October 2024, valued at $125,000. For the year ended March 31, 2024, interest income of $2,628 (2023 – $nil) has been accrued on the GICs and were netted against bank charges and interest on the statements of loss and comprehensive loss.

## 5. Other Receivables

The Company's other receivables balance represents amounts due from government taxation authorities in respect of the Goods and Services Tax/Harmonized Sales Tax. The Company anticipates full recovery of these amounts and therefore no ECL has been recorded against those receivables, which are due in less than one year.

## 6. Property and Equipment

The Company's property and equipment is comprised of a desktop workstation purchased in December 2023 for $3,199. During the year ended March 31, 2024, depreciation of $499 had been recorded on the equipment and was included in Cost of Sales. As of March 31, 2024, the equipment was carried at a net book value of $2,700.

(Expressed in Canadian Dollars)

## 7. Intangible Assets

During the year ended March 31, 2023, the Company developed the Website using different external developers to facilitate sales on the Internet, and incurred costs of $23,162 in relation to the internally-generated website. As the Website is considered to have an indefinite life, it is not subject to amortization.

As at March 31, 2024, the Company reviewed the Website for indicators of impairment. No indicator for impairment was identified and no impairment loss was recorded on the intangible assets.

## 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases incurred in the normal course of business.

| | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| | **$** | $ |
| Accrued liabilities | **28,014** | 10,613 |
| Accounts payable | **2,153** | 12,843 |
| | **30,167** | 23,456 |

The Company's standard term for trade payables is 30 to 60 days.

## 9. Share Capital

*Authorized share capital*

The Company is authorized to issue an unlimited number of common shares without par value.

Common shares issued and outstanding as at March 31, 2024 and 2023 are as follows:

| | **Number of common shares** | **Amount** |
|---|---|---|
| | # | $ |
| **Balance, March 31, 2022** | **1** | **-** |
| Cancellation of shares to the Company issued on incorporation (i) | (1) | - |
| Shares issued at private placements (ii), (iii) | 6,154,980 | 157,749 |
| **Balance, March 31, 2023** | **6,154,980** | **157,749** |
| Shares purchase back from shareholder (iv) | (1,833,327) | (20,250) |
| Purchased back shares sold to new shareholders (iv) | 1,833,327 | 44,666 |
| Shares based payments (vii) | 1,300,000 | 65,000 |
| Shares issued at private placements (v), (vi), (viii) | 3,463,295 | 346,330 |
| **Balance, March 31, 2024** | **10,918,275** | **593,495** |

*Share capital transactions for the year ended March 31, 2023*

(i) On November 16, 2022, a common share previously issued on incorporation was cancelled.

(ii) On November 16, 2022, the Company closed a private placement (the "2022 Financing") pursuant to which it issued 5,000,000 common shares to the Company's founders at a price of $0.02 per common share, for gross proceeds of $100,000.

(iii) On February 17, 2023, the Company closed another private placement (the "February 2023 Financing") pursuant to which it issued 1,154,980 common shares at a price of $0.05 per common share, for gross proceeds of $57,749.

### 9. Share Capital (continued)

*Share capital transactions for the year ended March 31, 2024*

(iv) On May 31, 2023, the Company repurchased 1,833,327 common shares from certain shareholders for $20,250. Those shares were then sold to new shareholders on June 14, 2023 for gross proceed of $44,666.

(v) On June 15, 2023, the Company issued 500,000 common shares in the first tranche of a private placement at a price of $0.10 per common share (the "$0.10 Financing"), for gross proceeds of $50,000.

(vi) On October 31, 2023, the Company issued 893,295 common shares in the second tranche of the $0.10 Financing at a purchase price of $0.10 per common share, for gross proceeds of $89,330.

(vii) On March 18, 2024, the Company issued 1,300,000 common shares, at a price of $0.05 per common share as compensation to various consultants and referral partners for services provided to the Company. These services were valued at $65,000.

(viii) On March 27, 2024, the Company issued 2,070,000 common shares in the third tranche of the $0.10 Financing at a purchase price of $0.10 per common share, for gross proceeds of $207,000.

### 10. Warrants Reserve

On September 26, 2023, the Company completed a crowdfunding private placement of 298,000 special warrants at a price of $0.10 per special warrant for aggregate gross proceeds of $29,800. Each special warrant can be automatically converted into a common share of the Company, without payment for additional consideration, on the earlier of the date that is:

(i) at any time, at the discretion of the Company, or
(ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the securities, or
(iii) on that date that is 18 months from the date of issuance.

In connection with the closing of the crowdfunding, the Company issued an additional 200,000 compensatory special warrants to Vested Technology Corp. and incurred issuance cost of $2,598 in cash.

As at March 31, 2024, the Company has 498,000 special warrants outstanding and new warrants reserve of $27,202.

### 11. Loss per Share

Basic and diluted loss per share for the year ended March 31, 2024 is calculated by dividing the net loss for the year of $130,327 (2023 – net loss of $71,353) by the weighted average number of common shares outstanding of 6,992,306 (2023 – 1,982,218).

For the year ended March 31, 2024, the basic and diluted loss per share was $0.019 (2023 – $0.036). Currently, the Company's basic and diluted loss per share is the same.

### 12. Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

*Management remuneration*

During the year ended March 31, 2024, directors and other members of key management personnel did not receive any remuneration (2023 – $nil).

*Other related party transactions*

During the year ended March 31, 2023, Resurgent Capital Corp. ("Resurgent"), an entity controlled by the Chief Executive Officer ("CEO") of NextGen, participated in the 2022 Financing (see Note 9) and subscribed for 550,000 common shares, for total gross proceeds of $11,000.

(Expressed in Canadian Dollars)

## 12. Related Party Transactions (continued)

*Other related party transactions (continued)*

During the year ended March 31, 2023, the Chief Financial Officer of NextGen participated in the February 2023 Financing (see Note 9) and subscribed for 50,000 common shares, for total gross proceeds of $2,500.

During the year ended March 31, 2023, a former director of the Company also participated in the 2022 Financing and the February 2023 Financing (see Note 9) and subscribed for a total of 916,653 common shares, for total gross proceeds of $22,333. On May 31, 2023, these common shares were sold back to the Company.

During the year ended March 31, 2024, 1000103727 Ontario Limited ("Ontario Limited"), an entity controlled by the CEO of the Company, charged fees of $33,000 (2023 – $13,750) for general and administrative, corporate development and consultancy services, which are included in office and general expenses. As at March 31, 2024, no balance was owed to Ontario Limited (March 31, 2023 – $6,250 included in accounts payable and accrued liabilities).

During the year ended March 31, 2024, one of the directors of NextGen purchased 333,327 shares that were previously bought back by the Company (see Note 9 (iv)), for total gross proceeds of $14,666. The director also participated in the $0.10 Financing (see Note 9) and subscribed for 105,000 common shares, for total gross proceeds of $10,500.

## 13. Income Taxes

*Provision for income taxes*

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% to the effective tax rate is as follows:

| | **Year Ended March 31, 2024** | Year Ended March 31, 2023 |
|---|---|---|
| | **$** | $ |
| (Loss) before income taxes | **(130,327)** | (71,353) |
| Combined statutory income tax rate | **27%** | 27% |
| Expected income tax recovery based on statutory rate | **(35,200)** | (19,300) |
| Adjustment to expected income tax recovery | | |
| Permanent differences and other | **100** | - |
| Change in unrecorded deferred tax asset not recognized | **35,100** | 19,300 |
| Income tax expense | **-** | - |

*Deferred income tax*

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

| | **March 31, 2024** | **March 31, 2023** |
|---|---|---|
| | **$** | $ |
| Non-capital losses carried forward | **58,000** | 23,000 |
| Fixed assets | **100** | - |
| Deferred tax asset | **58,100** | 23,000 |
| Less: Deferred tax assets not recognized | **(58,100)** | (23,000) |
| Deferred tax asset (liability) | **-** | - |

(Expressed in Canadian Dollars)

## 13. Income Taxes (continued)

*Non-capital losses*

The Company's non-capital losses expire as follows:

| Expiry | **Amount** |
|---|---|
| | **$** |
| 2042 | **13,700** |
| 2043 | **71,400** |
| 2044 | **129,800** |
| | **214,900** |

## 14. Research and Development Expenses

During the years ended March 31, 2024 and 2023, the Company's R&D expenses are comprised of the following:

| | **2024** | **2023** |
|---|---|---|
| | **$** | $ |
| Consulting | **5,963** | 15,721 |
| Website maintenance and development | **3,946** | 2,193 |
| | **9,909** | 17,914 |

## 15. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to deploy that capital to generate returns to shareholders. The management of the Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The board of directors of the Company (the "Board") does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

## 16. Risk Management

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

*Credit risk*

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank and are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

(Expressed in Canadian Dollars)

### 16. Risk Management (continued)

*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 manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2024 the Company had a cash balance of $247,677 (March 31, 2023 – $69,709) and short-term investments of $127,628 (March 31, 2023 – $nil) which it can also mobilize, to settle current liabilities of $30,167 (March 31, 2023 – $23,456).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of March 31, 2024:

| | Carrying amount | Year 1 | Year 2 to 3 | Year 4 to 5 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 30,167 | 30,167 | - | - |

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

With the proceeds from the private placements, management believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at March 31, 2024.

*Fair value*

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at March 31, 2024, the Company's financial instruments consisted of cash, short-term investments and accounts payable and accrued liabilities. The fair value of cash, short-term investments and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature. It did not have any financial instruments which were carried at fair value (March 31, 2023 – $nil).

### 17. Professional Fees

During the years ended March 31, 2024 and 2023, the Company's professional fees are comprised of the following:

| | 2024 | 2023 |
|---|---|---|
| | **$** | $ |
| Audit and accounting expenses | **28,917** | 19,000 |
| General legal expenses | **16,159** | 20,323 |
| | **45,076** | 39,323 |

### 18. Subsequent Events

On June 3, 2024, 498,000 special warrants previously issued in connection with the crowdfunding private placement as disclosed in Note 10, were exercised for 498,000 common shares.

## SCHEDULE "C"

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND FOR THE YEAR ENDED MARCH 31, 2025

See attached.

# NEXTGEN DIGITAL PLATFORMS INC.

**Interim Management's Discussion and Analysis – Quarterly Highlights**

**For the Three Months Ended June 30, 2025**

**(Expressed in Canadian Dollars)**

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of NextGen Digital Platforms Inc. ("NextGen", "we", "our", or the "Company") as at and for the months ended June 30, 2025 ("Q1 2026"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations, in the "Quarterly Highlights" format permitted under Section 2.2.1 of Form 51-102F1. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements and related notes for the three months ended June 30, 2025 and 2024 (the "Q1 2026 Financials"), and its audited financial statements and related notes for the years ended March 31, 2025 and 2024 (the "2025 Financials"). The Q1 2026 Financials and all financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars ("$" or "CAD") unless stated otherwise. Additional information relating to the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

This MD&A also covers the subsequent period up to August 29, 2025.

**Description of Business**

NextGen Digital Platforms Inc. (CSE: NXT, FSE: Z12) ("NextGen" or the "Company") is a Canadian technology company existing under the laws of British Columbia. On October 21, 2022, the Company changed its name from 1266457 B.C. Ltd. to NextGen Digital Platforms Inc. The Company's registered office address is 1500, 1055 West Georgia St. Vancouver, British Columbia, V6E 4N7.

The Company currently operates a fleet of computing workstations for its online hardware-as-a-service business ("Cloud AI Hosting") and a premium computing and electronics e-commerce platform under the brand PCSections.com ("PCS").

The Company's core competencies include managing and optimizing high-performance computing infrastructure, with a focus on delivering scalable, technology-driven services. The Company is seeking to expand its fleet of computing workstations for its Cloud AI Hosting business and is exploring potential, value-additive asset acquisitions.

In line with its existing capabilities and business strategy, the Company also intends to expand its existing operations into the digital asset ecosystem, including cryptocurrency mining, staking, and blockchain infrastructure support (collectively, "Digital Asset Infrastructure Operations"). This potential business line would leverage the Company's existing expertise and asset base, and would form a third operational segment that complements its Cloud AI Hosting and e-commerce lines.

As part of this expansion, the Company plans to acquire or purchase digital assets (cryptocurrency), specifically for use in staking activities. These assets will be deployed as part of the Company's infrastructure operations to validate blockchain transactions, earn staking rewards, and enhance network security. The acquisition of cryptocurrency for staking purposes is an operational input, similar to acquiring hardware or computing resources, rather than a passive financial investment.

The Company's decision to pursue Digital Asset Infrastructure Operations is driven by its ability to leverage its existing GPU fleet, technical expertise, and operational infrastructure. The initiative is intended to generate revenue through active participation in the digital asset economy by providing infrastructure services and securing decentralized networks. This initiative aligns with the Company's strategy of maximizing the utilization of its hardware assets and capitalizing on growth opportunities within the broader digital ecosystem.

On March 12, 2025, the Company completed a 2-for-1 share split of its outstanding common shares. All references to the number of common shares, earnings per share, and per share information in these financial statements have been retroactively adjusted to reflect the impact of the share split for all periods presented.

**Corporate Developments**

On June 6, 2025, the Company announced that it has entered into debt settlement agreements for an aggregate of $250,000 in debt. In settlement of the debt, the Company will issue an aggregate of 431,034 common shares.

On June 6, 2025, the Company announced that an aggregate of 1,400,000 stock options have been granted to certain consultants and directors of the Company. The options are exercisable at a price of $0.55 per share, vested immediately, and expiring three to five years of the date of grant.

On July 18, 2025, the Company announced the appointment of Matthew Priebe as Chief Executive Officer. Alexander Tjiang will step down as Interim Chief Executive Officer, and will stay on as Director, where he will continue to provide strategic guidance, oversight, and leadership to the Company.

On July 21, 2025, the Company announced the acquisition of $1.0 million worth of Bitcoin ("BTC") to be held on its balance sheet as part of its corporate treasury strategy that incorporates the acquisition of certain crypto assets — including Bitcoin, Ethereum, and/or Solana

On July 30, 2025, the Company announced its planned strategic integration with the Bittensor (TAO) ecosystem, a decentralized network designed for AI model training and machine intelligence validation. Subject to the receipt of all necessary regulatory approvals, including approval from the Canadian Securities Exchange, the Company intends to deploy validator nodes, develop AI-focused subnets, and stake TAO tokens—broadening its involvement in and exposure to the artificial intelligence sector.

On August 29, 2025, the Company announced that it has entered into a letter of intent (the "LOI") relating to a strategic investment (the "Acquisition") in Centi Ltd. ("Centi"), an emerging leader in blockchain-powered digital payment solutions.

**Financing Activities**

On January 23, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche") and issued 1,267,500 Units (each a "Unit") of the Company at a price of $0.64 per Unit for gross proceeds of $811,200. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. In connection with the First Tranche, the Company paid professional fees of $29,885, finder's fees to eligible finders consisting of $31,988 in cash and issued 49,262 common share purchase warrants (the "Finder's Warrants"). Each Finder's Warrant is exercisable to acquire one common share at an exercise price of $0.80 for a period of 24 months from the date of issuance.

On May 8, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche Special Warrant Financing") and issued 3,118,366 Special Warrants of the Company at a price of $0.30 per Special Warrant for gross proceeds of $935,510.

In connection with the First Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $5,391 in cash and 17,969 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 16, 2025, the Company announced that it has completed the second tranche of a non-brokered private placement financing (the "Second Tranche Special Warrant Financing") and issued 3,393,100 Special Warrants and 440, 000 common shares of the Company (collectively, the "Securities") at a price of $0.30 per Security for gross proceeds of $1,149,930.

In connection with the Second Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $41,845 in cash and 131,244 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 23, 2025, the Company announced that it has completed the third tranche of a non-brokered private placement financing (the "Third Tranche Special Warrant Financing") and issued 2,468,032 Special Warrants at a price of $0.30 per Special Warrant for gross proceeds of $740,410.

(Expressed in Canadian Dollars)

In connection with the Third Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $7,476 in cash and 13,320 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

Each Special Warrant will automatically convert, for no additional consideration, into one common share in the capital of the Company on the date that is the earlier of:

(i) the date that is three business days following the date on which the Company files a prospectus supplement to a short form base shelf prospectus with the securities commissions qualifying distribution of the Shares underlying the Special Warrants and
(ii) the date that is four months and one day after the closing of the Offering.

On July 9, 2025, the Company announced that it has entered into a term sheet with an arm's length purchaser (the "Purchaser") providing for a non-brokered private placement (the "Offering") of up to 2,000 special warrants (the "Special Warrants") of the Company for gross proceeds of $2,000,000.

The Offering will be funded through the contribution by the Purchaser of Bitcoin and/or Ethereum (collectively, the "Digital Assets") to the Company, which will be held by a third-party custodian designated by the Company (the "Custodian"). The value of the Digital Assets will be determined based on the closing price of the applicable Digital Asset(s), as reported on CoinMarketCap.com, on the business day immediately preceding the closing date of the Offering.

Each Special Warrant will be automatically exercised, without payment of additional consideration, into $1,000 principal amount of 10.0% secured convertible notes (the "Notes") of the Company on the date that is the earlier of: (i) the date that is three business days following the date on which the Company obtains a receipt from the applicable securities regulatory authorities in Canada (the "Securities Commissions") for a prospectus supplement qualifying the distribution of the Notes issuable upon exercise of the Special Warrants (the "Qualification Prospectus"), and (ii) the date that is four months and one day from the closing of the Offering (the "Qualification Date"). The Special Warrants may not be converted before the Qualification Date.

The Notes will mature one year from the date of issuance and will bear interest at a rate of 10.0% per annum, payable at maturity in cash or, subject to the approval of the Canadian Securities Exchange (the "Exchange"), in units of the Company ("Units") at a price equal to the closing price of the Company's common shares on the Exchange prior to the closing of the Offering (the "Conversion Price").

Each Unit will consist of one common share (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant will be exercisable for one additional Share at a price equal to a 25% premium to the Conversion Price, and will remain exercisable for a period of 24 months from the date of issuance.

## Overall Performance

*Selected quarterly financial results*

The Company's selected financial information for the eight most recently completed quarters as at June 30, 2025 are as follows:

| 3 Months Ended: | Jun 30, 2025 | Mar 31, 2025 | Dec 31, 2024 | Sep 30, 2024 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Sales revenue | 398 | 223 | 2,294 | 127 |
| Operating expenses | (1,507,544) | (521,492) | (387,025) | (94,923) |
| Net loss | (1,510,793) | (523,094) | (387,411) | (95,197) |
| Net loss per share – basic | (0.061) | (0.022) | (0.034) | (0.008) |
| Cash | 1,499,164 | 421,260 | 110,787 | 133,874 |
| Total assets | 2,617,362 | 523,761 | 159,883 | 297,770 |

(Expressed in Canadian Dollars)

| 3 Months Ended: | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Sales revenue | 823 | 524 | - | - |
| Operating expenses | (38,186) | (58,692) | (27,273) | (23,509) |
| Net loss | (38,218) | (58,798) | (27,273) | (23,509) |
| Net loss per share – basic | (0.003) | (0.005) | (0.002) | (0.003) |
| Cash | 220,283 | 247,677 | 62,611 | 133,769 |
| Total assets | 413,666 | 435,534 | 223,121 | 194,157 |

The Company raised funds through private placements throughout the 12-month period ended March 31, 2025 ("Fiscal 2024") and the 12-month period ended March 31, 2024 ("Fiscal 2024"), which contributed to increases in cash and cash equivalents and total assets. The funds raised were used for operating expenses and completion of the research and development of the Website, resulting in cash and cash equivalents varying quarter over quarter.

During Fiscal 2025, the Company received consulting services from various vendors regarding further development of the business. Cloud AI Hosting as a line of business was started in Fiscal 2024 and brought in some revenue in addition to sales through the Website.

Operating expenses are mainly comprised professional fees, consulting fees, office and general expenses, and research and development expenses which fluctuate over the normal course of business quarter over quarter. See "Results of Operations" for more information.

*Results of Operations – three months ended June 30, 2025*

The Company's results of operations for Q1 2026 reflect mainly the revenue and cost of goods sold from commercial operations at Cloud AI Hosting, overhead costs incurred by the Company to maintain the Website, advertising and promotional expenses related to promoting the Company, consulting fees to manage the acquisition and development activities of the Company, and share-based compensation.

During Q1 2026, the Company continued its operating activities and generated total sales revenues of $398 (three months ended June 30, 2024 ("Q1 2025") – $823) primarily comprised of sales of computer hardware and of rental revenue from Cloud AI Hosting. The Company also recorded cost of goods sold of $3,647 (Q1 2025 – $855), for a gross loss of $789 (Q4 2024 – $106), and gross margin of -816% (Q1 2025 - -21%). Cost of sales incurred during Q1 2026 and Q1 2025 are composed primarily of depreciation expenses on a desktop workstation used by Cloud AI Hosting, which are fixed in nature, resulting in variances in the gross margin quarter over quarter.

During Q1 2026, total operating expenses were $1,507,544 as compared to operating expenses of $38,186 incurred during Q1 2025. The increase in operating expenses is largely driven by operational expansion of the business. This resulted in advertising and promotion expenses of $438,106 to increase awareness, marketing and investor relations (Q1 2025 - $nil). Further, the Company incurred professional fees and consulting fees of $85,632 and $238,334, respectively (Q1 2025 - $24,893 and $1,000, respectively) resulting from strategic consulting, accounting, and legal advisory related to the Company's strategic operations.

The Company also incurred the following expenses in Q1 2026:

- Office and general expenses of $70,925 (Q1 2025 – $13,466)
- Non-cash stock-based compensation of $659,720 (Q1 2025 - $nil) related to the grant of 1,400,000 stock options to certain consultants and directors of the Company, as discussed above.
- Other overhead costs of $14,827 (Q1 2025 – other incomes of $1,173), which includes regulatory compliance and bank charges / (interest).

In light of the above, during Q1 2026 the Company reported a net loss of $1,510,793 compared to net loss of $38,218 for the same period in the prior year.

*Cash Flows*

During Q1 2026, net cash used in the Company's operations was $1,629,817 as compared to net cash from operations of $27,394 during the comparative prior year period. The Company purchased $25,950 of property and equipment during Q1 2026 (Q1 2025 - $nil). The Company raised $2,527,656 during Q1 2026 through financing activities from private placements (Q1 2025 - $nil).

## Liquidity Outlook

While NextGen has commenced generating revenue, it currently has limited cash flows from operations. The Company's level of operations is principally a function of Cloud AI Hosting revenues and sales of hardware through the Website. The primary source of funding has been through the issuance of common shares for cash proceeds. As the Company was able to raise funds through the issuance of shares in the past, it will likely continue relying on equity financing in order to maintain its working capital requirements. However, there is no guarantee that the Company will be able to successfully complete such financings, as market conditions and business performance may dictate availability and interest.

Management is actively monitoring cash flows and managing operational activity against its budget. As of the date of the MD&A, the Company believes that it will have sufficient liquidity to continue operations for the 12-month period ending June 30, 2026. Nevertheless, management will continue to evaluate ways to grow Cloud AI Hosting revenues and to look for new sources of financing to fund its working capital and to advance the Company's operations.

## Related Party Transactions

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

*Management remuneration*

During the three months ended June 30, 2025, the Company's Chief Financial Officer ("CFO"), Ajay Toor charged fees of $15,000 (2024 - $nil).

During the three months ended June 30, 2025, the Company recorded stock-based compensation of $188,491 in connection with the vesting of certain stock options granted to directors, Matt Zahab and Anthony Zelen (2024 - $nil).

## Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to deploy that capital to generate returns to shareholders. The management of the Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Directors of the Company do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

## Risk Management

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

*Credit risk*

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank and are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

(Expressed in Canadian Dollars)

*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 manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at June 30, 2025 the Company had a cash balance of $1,499,164 (March 31, 2025 – $421,260) to settle current liabilities of $128,583 (March 31, 2025 – $177,367).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of March 31, 2025:

| | **Carrying amount** | **Year 1** | **Year 2 to 3** | **Year 3 to 5** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Accounts payable and accrued liabilities | 138,370 | 138,370 | - | - |

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

The management of the Company believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at period-end.

*Fair value*

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at June 30, 2025, the Company's financial instruments consisted of cash, short-term investments and accounts payable and accrued liabilities. The fair value of cash, short-term investments and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025, the Company did not have any financial instruments which were carried at fair value (March 31, 2025 – $nil).

**Significant Accounting Judgments and Estimates**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2 to the 2025 Financials.

**Summary of Material Accounting Policies**

The material accounting policies used by the Company are described in greater detail in Note 3 to the 2025 Financials.

**Off Balance Sheet Arrangements**

As at June 30, 2025 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

**Proposed Transactions**

None.

**Disclosure of Outstanding Share Data as of August 29, 2025**

| | **Authorized** | **Outstanding** |
|---|---|---|
| Voting or equity securities issued and outstanding | Unlimited number of common shares | 25,340,050 common shares |
| Securities convertible or exercisable into voting or equity | | 2,880,000 options outstanding and exercisable to acquire common shares of the Company; and<br>10,458,793 warrants exercisable to acquire common shares of the Company. |

**Trends, Risks and Uncertainties**

The Company's business is subject to a number of significant risk factors. The following are certain risk factors related to the Company, its business, and ownership of its common shares. If any event arising from the risk factors set forth below occurs, the Company's business, prospects, financial conditions, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Company believes that the risk factors described below are the most material risks that it faces, they may not be the only risks the Company faces. Additional risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial conditions and negatively affect the value of the common shares.

*Material Uncertainty Related to Going Concern*

The Company has started to generate operating cash from sales of products on its Website and rental revenues from its Cloud AI Hosting business. So far, the volume of revenues is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

*Financing Risks*

There can be no assurance that the Company will ever be profitable. Capital expenditures and related costs with growing the Company's business may necessitate external equity or debt financing and there is no assurance that it will be able to secure either kind of external financing at an economically viable cost under reasonable conditions, if at all. Additional equity financing could be dilutive to Shareholders and could substantially decrease the trading price of the Shares. The Company may issue securities in the future for a number of reasons. Additional debt financing, if secured, could involve restrictions being placed on financing and operating activities which could reduce the scope of the Company operations or anticipated expansion, or involve forfeiting its interest in some or all of its assets, incurring financial penalties, or reducing or terminating its operations.

*Limited Operating History and Negative Operating Cash Flow*

There can be no assurance that the Company will ever be profitable. The Company has paid no dividends on its common shares since incorporation and does not anticipate doing so.

To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. The only presently meaningful source of funds available to the Company is through the sale of its securities. Even if the results of operations are encouraging, the Company may not have sufficient funds to conduct the further development that may be necessary. At present it is impossible to determine what amounts of additional funds, if any, may be required.

If the Company is unable to generate revenues or obtain additional financing, any investment in the Company may be lost. In such event, the ability to resell the common shares, and/or the sale price of the common shares, would be diminished.

*Product Innovation Risks*

The Company's success depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands. In addition, products and enhancements must remain compatible with the other products and systems used by the Company's customers. If new industry standards emerge that the Company does not anticipate or adapt to, the Website and/or Cloud AI Hosting lines of business could be rendered obsolete and, as a result, its business and operating results and intangible assets, as well as its ability to compete in the marketplace, would be materially harmed.

The development and success of products in the artificial intelligence sector, in particular, carry inherent risks stemming from the rapidly evolving nature of this field. The dynamic and ever-changing landscape of artificial intelligence technology means that predicting the exact outcomes or market reception of artificial-intelligence-based products is uncertain. As a result, there is no assurance of achieving the desired results or widespread market acceptance within the artificial intelligence industry, and the Company's ability to innovate and adapt to emerging artificial intelligence technologies and market demands is crucial.

There can be no assurance that the Company will be successful in the introduction, marketing and production of any new products or product innovations or develop and introduce in a timely manner updates to its existing product which satisfy customer needs or achieve market acceptance. Other sectors in which the Company may become involved, including e-commerce, Web3 / blockchain, and software-as-a-service, are also constantly evolving. The Company's failure to develop new products and introduce them successfully and in a timely manner could harm its ability to grow its business and could have a material adverse effect on its business, results of operations and financial condition.

*Business Expansion and Integration Risks*

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to changing technologies, customer needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary intellectual property, businesses, solutions or technologies, and may branch out into other sectors which may include, without limitation, Web3 / blockchain, and software-as-a-service. The identification of suitable acquisition candidates can be difficult, time-consuming and costly and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquires. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience.

Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may:

- issue additional equity securities that would dilute the holders of common shares;
- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- encounter difficulties retaining key employees of the acquired companies or integrating technologies; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

*Artificial Intelligence as an Emerging Industry*

The artificial intelligence industry, including Cloud AI Hosting, is an emerging industry and NextGen cannot predict the competitive landscape in this industry nor the impact of the ever-evolving compliance regime.

*Data Security and Privacy Risks*

The Company's data-related activities, including data transmission, storage, and privacy protection, are subject to various laws and regulations across multiple jurisdictions. These regulations aim to safeguard consumer privacy and prevent unauthorized disclosure of personal information. While the Company implements technical safeguards, it cannot ensure complete protection against unauthorized access or breaches. If third parties gain improper access to the Company's systems or databases, confidential customer data could be compromised, resulting in severe impacts on its business, customer trust, and revenues. Breaches could lead to regulatory actions, litigation, increased operating expenses, and damage to the Company's reputation. Moreover, the implementation of mandatory data breach notifications in certain Canadian provinces may amplify negative publicity and erode customer confidence in the Company's data security measures, affecting its ability to conduct business and potentially harming its overall reputation.

Data security and privacy risks primarily pertain to the Website. Cloud AI Hosting is conducted on a third-party platform, so the Company does not collect or store customer data for this service.

*Risks Related to the Cloud AI Hosting Third-Party Platform*

The Company's Cloud AI Hosting services rely on a third-party platform, which introduces risks related to both reliability and data privacy. Any technical issues, service interruptions, or downtime experienced by the third-party platform can directly impact the Company's service delivery and customer satisfaction. Additionally, although the Company does not collect or store customer data for Cloud AI Hosting, the third-party platform handles data transmission and storage. If the third-party platform experiences a data breach or unauthorized access, the confidentiality and integrity of customer data could be compromised, leading to regulatory scrutiny, potential litigation, and reputational harm for the Company.

*Information Technology Systems, Cyber-Attacks and Security Breaches*

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("IT") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or malfunctioning technology. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, increase in capital expenses, financial losses, the inability to process transactions, the unauthorized release of customer information and reputational risk. If there was a breach in security or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact the Company's reputation, business continuity and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but such breaches do occur from time to time with respect to the Website, and there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The risks of IT systems, cyber-attacks and security breaches are inherent in all online digital platforms, including the Website and Cloud AI Hosting services. The Company monitors for potential vulnerabilities and updates its security protocols as necessary.

*Concentration Risks*

Both of the Company's businesses, the Website and Cloud AI Hosting, involve computer hardware, making the Company susceptible to losses due to adverse occurrences that may impact this industry. The Company may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Company's revenues more than the market as a whole.

*Market Price of Common Shares and Volatility*

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by changes to NextGen's financial condition and results of operations.

Other factors unrelated to NextGen's performance that may affect the price of the common shares include the following: lessening in trading volume and general market interest in the common shares may affect an investor's ability to trade significant numbers of common shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares to be delisted from the CSE, further reducing market liquidity. As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. The effect of these and other factors on the market price of the common shares is expected to make the common share price volatile in the future, which may result in losses to investors, and/or may impede the ability of investors to resell their common shares.

*Insurance Risks*

Insurance coverage for NextGen, the Website, Cloud AI Hosting and/or any new technology platforms may not be available, may be uneconomical for the Company, or the nature or level of such insurance may be insufficient to provide adequate insurance cover. Further, the Company may not be able to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company.

The Company does not have insurance coverage for these risks.

*Retention of Key Personnel*

The Company has a small management team and Board, and the loss of any key individual could affect the Company's business. Additionally, the Company may be required to secure other personnel to operate its proprietary businesses and/or any other micro-technology platforms it develops. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company. There are no permanent staff employed with the Company, which heightens the risk associated with the retention and availability of key personnel to maintain and grow the Company's operations.

*Conflicts of Interest*

Directors and officers of the Company are and may become directors and/or officers of other technology companies or have significant shareholdings in other technology companies and, to the extent that such companies may compete with the Company for business opportunities and sales, the directors and officers of the Company may have conflicts of interest. The Company and its directors and officers will attempt to minimize such conflicts through proper corporate governance and internal disclosure requirements. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia), as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

*Regulatory Risks*

The Company will be subject to a variety of laws and regulations across all jurisdictions in which it operates, including but not limited to, intellectual property, advertising, marketing, distribution, data and information security, electronic communications, competition, consumer protection, privacy laws, unfair commercial practices, taxation, securities law compliance, online payment and payment processing services. These laws, regulations and legislation, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations could have an adverse impact on the Company and lead to increases in costs and expenditure as well as restrict its existing operations and ability to expand.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Company's operating costs, require significant management time and attention, and subject it to remedies that may harm its business including fines or demands or orders that modify, or cease certain or all existing business practices, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Company's business, results of operations or financial condition.

*Litigation Risks*

The Company may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or the outcome of these actions. Adverse outcomes in some, or all of these, claims may result in significant monetary damages or injunctive relief that could adversely affect the Company's ability to conduct its business. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Company's operations.

*Global Semiconductor Shortage*

The global semiconductor shortage presents a significant risk to the availability and pricing of computer hardware components used in the Website's products. Supply chain disruptions and increased demand for semiconductors across various industries, including automotive and electronics, have led to challenges in sourcing essential components. The shortage could result in extended lead times, increased costs, and potential delays in product manufacturing and delivery by suppliers. The Website heavily relies on timely and reliable shipments from suppliers to fulfill customer orders. If the semiconductor shortage affects the suppliers' ability to deliver components promptly, it may lead to delays in order fulfillment and customer dissatisfaction. This could impact the Company's reputation, customer relationships, and financial performance.

*Intellectual Property Protection and Infringement Risks*

Intellectual property infringement claims from third parties could lead to substantial costs and adversely impact the Company's business, financial position, results of operations, and reputation. The Company's ability to compete hinges on avoiding infringement or misappropriation of third-party intellectual property rights. Competitors may own patents, copyrights, trademarks, and trade secrets, potentially resulting in litigation. Although the Company has not received any infringement notices to date, increased visibility could heighten the risk of such claims. Public announcements related to any intellectual property disputes could negatively influence the price of the common shares.

There may be third-party intellectual property rights, including trademarks of products distributed by the Company, that cover significant aspects of the Company's technologies, products, services, or business methods. Similarly, the incorporation of third-party products and services into the Company's offerings could expose it to an elevated risk of infringement claims. Intellectual property claims are unpredictable, time-consuming, and costly to settle, diverting resources and potentially leading to significant liability. Resolving such claims might involve redesigning products or services and developing alternative technology or branding. If unable to secure rights or develop non-infringing alternatives, the Company may have to limit or cease sales, impacting its competitive position, existing customers, and overall business.

The risks associated with intellectual property protection and infringement are relevant to the Website. As the Website grows and gain more visibility, the potential for intellectual property disputes may increase.

*Increasing Adoption of Artificial Intelligence and Cloud-based Applications*

The growing adoption of artificial intelligence and cloud-based applications could potentially reduce the demand for high-performance PC hardware as cloud-based applications become more prevalent, negatively impacting the Website though potentially benefiting Cloud AI Hosting. Businesses and individuals may rely on cloud-based software applications and services that require less physical hardware. This shift in software consumption patterns could impact the Website's target market, affecting demand for certain types of PC hardware components. The Website's sales of gaming and productivity hardware may be affected by this trend, leading to changes in customer preferences and purchasing behavior. Adapting to this evolving landscape may require The Website to modify its product offerings.

*Post-Pandemic Changes in Gaming and Work Habits*

The COVID-19 pandemic has significantly impacted consumer behaviors and work habits, including an increased focus on remote work and digital entertainment. As people gradually return to pre-pandemic routines, there is a risk that changes in gaming and work habits could affect demand for gaming and productivity hardware products. Reduced leisure time, shifting priorities, and altered gaming preferences could lead to fluctuations in demand for the Company's offerings. The extent and duration of these changes remain uncertain, and the Company may need to adapt its product offerings and marketing strategies to align with evolving consumer preferences.

## Disclosure of Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by such financial statements; and (ii) the Company's financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of:

i) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

## Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, including those relating to the Company's future operational and development plans for the Website and Cloud AI Hosting; corporate acquisitions and business development strategy; adequacy of working capital, and anticipated revenue and expense levels; and the availability of future financing. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements.

These forward-looking statements are based on numerous assumptions that are believed by management to be reasonable in the circumstances, with respect to, among other things, the Company's strategy and future plans, financial results and operational performance, financial market conditions, and technological developments, and are subject to a number of risks and uncertainties, including without limitation those listed in the "*Trends, Risks and Uncertainties*" section of this MD&A. Actual results may differ materially from results contemplated by the forward-looking statements herein. Investors and others should carefully consider the foregoing factors and should not place undue reliance on such forward-looking statements. The Company assumes no responsibility to update forward-looking statements made herein, other than as may be required by applicable securities laws.

# NEXTGEN DIGITAL PLATFORMS INC.

**Management's Discussion and Analysis**

**For the Year Ended March 31, 2025**

**(Expressed in Canadian Dollars)**

The following is the Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of NextGen Digital Platforms Inc. ("NextGen", "we", "our", or the "Company") as at and for year ended March 31, 2025 ("F2025"). This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the years ended March 31, 2025 and 2024 (the "2025 Financials"). The 2025 Financials and all financial information contained in this MD&A are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars ("$" or "CAD") unless stated otherwise. Additional information relating to the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

This MD&A also covers the subsequent period up to June 6, 2025.

**Description of Business**

NextGen Digital Platforms Inc. (CSE: NXT, FSE: Z12) ("NextGen" or the "Company") is a Canadian technology company existing under the laws of British Columbia. On October 21, 2022, the Company changed its name from 1266457 B.C. Ltd. to NextGen Digital Platforms Inc. The Company's registered office address is 1500, 1055 West Georgia St. Vancouver, British Columbia, V6E 4N7.

The Company currently operates a fleet of computing workstations for its online hardware-as-a-service business ("Cloud AI Hosting") and a premium computing and electronics e-commerce platform under the brand PCSections.com ("PCS").

The Company's core competencies include managing and optimizing high-performance computing infrastructure, with a focus on delivering scalable, technology-driven services. The Company is seeking to expand its fleet of computing workstations for its Cloud AI Hosting business and is exploring potential, value-additive asset acquisitions.

In line with its existing capabilities and business strategy, the Company also intends to expand its existing operations into the digital asset ecosystem, including cryptocurrency mining, staking, and blockchain infrastructure support (collectively, "Digital Asset Infrastructure Operations"). This potential business line would leverage the Company's existing expertise and asset base, and would form a third operational segment that complements its Cloud AI Hosting and e-commerce lines.

As part of this expansion, the Company plans to acquire or purchase digital assets (cryptocurrency), specifically for use in staking activities. These assets will be deployed as part of the Company's infrastructure operations to validate blockchain transactions, earn staking rewards, and enhance network security. The acquisition of cryptocurrency for staking purposes is an operational input, similar to acquiring hardware or computing resources, rather than a passive financial investment.

The Company's decision to pursue Digital Asset Infrastructure Operations is driven by its ability to leverage its existing GPU fleet, technical expertise, and operational infrastructure. The initiative is intended to generate revenue through active participation in the digital asset economy by providing infrastructure services and securing decentralized networks. This initiative aligns with the Company's strategy of maximizing the utilization of its hardware assets and capitalizing on growth opportunities within the broader digital ecosystem.

On March 12, 2025, the Company completed a 2-for-1 share split of its outstanding common shares. All references to the number of common shares, earnings per share, and per share information in these financial statements have been retroactively adjusted to reflect the impact of the share split for all periods presented.

**Corporate Developments**

Beginning in November 2022, the Company initiated the development of the Website, its inaugural platform that facilitates direct-to-consumer sales of a range of premium gaming electronics and other specialized hardware.

On March 14, 2023, the Company officially re-launched the Website in its current incarnation.

During April and May of 2023, the Website obtained authorized electronics reseller status from various large wholesalers, namely D&H Canada, Ingram Micro Inc., and Lenovo North America. As an authorized reseller, the Company is granted access to these wholesalers' comprehensive catalogues of technology products and services, which includes but is not limited to computer hardware, networking equipment, consumer electronics, and other relevant offerings. The Company also has referral agreements in place with several arm's length hardware retailers and information technology consulting firms, for potential customer referrals to the Website.

On December 16, 2023, the Company established its business line referred to as Cloud AI Hosting, a hardware-as-a-service business whereby the computing power of NextGen's specialized hardware workstations are leased to third-party end users for artificial intelligence applications, via a cloud-based portal.

On August 7, 2024 the Company's common shares began trading on the Canadian Securities Exchange (the "CSE") under the ticker symbol "NXT".

On November 28, 2024, the Company purchased additional workstations for its online hardware-as-a-service business. The two new workstations, each containing one graphics processing unit ("GPU"), are expected to generate revenue upon delivery and setup, enabling the Company to further increase its operational cashflow in the near term. The expansion of Cloud AI Hosting marks a significant step toward NextGen's goal of building a larger fleet of GPUs for Cloud AI Hosting.

On December 13, 2024, the Company granted 2,280,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at a price of $0.125 per common share for a period of three years. The options vest immediately on the date of grant. On May 1, 2025, 800,000 options were exercised.

On December 23, 2024 the Company's common shares began trading on the Frankfurt Stock Exchange (the "FSE") under the ticker symbol "Z12".

**Financing Activities**

On January 23, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche") and issued 1,267,500 Units (each a "Unit") of the Company at a price of $0.64 per Unit for gross proceeds of $811,200. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at an exercise price of $0.80 for a period of 24 months from the date of issuance. In connection with the First Tranche, the Company paid professional fees of $29,885, finder's fees to eligible finders consisting of $31,988 in cash and issued 49,262 common share purchase warrants (the "Finder's Warrants"). Each Finder's Warrant is exercisable to acquire one common share at an exercise price of $0.80 for a period of 24 months from the date of issuance.

On May 8, 2025, the Company announced that it has completed the first tranche of a non-brokered private placement financing (the "First Tranche Special Warrant Financing") and issued 3,118,366 Special Warrants of the Company at a price of $0.30 per Special Warrant for gross proceeds of $935,510.

In connection with the First Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $5,391 in cash and 17,969 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 16, 2025, the Company announced that it has completed the second tranche of a non-brokered private placement financing (the "Second Tranche Special Warrant Financing") and issued 3,393,100 Special Warrants and 440, 000 common shares of the Company (collectively, the "Securities") at a price of $0.30 per Security for gross proceeds of $1,149,930.

In connection with the Second Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $41,845 in cash and 131,244 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

On May 23, 2025, the Company announced that it has completed the third tranche of a non-brokered private placement financing (the "Third Tranche Special Warrant Financing") and issued 2,468,032 Special Warrants at a price of $0.30 per Special Warrant for gross proceeds of $740,410.

(Expressed in Canadian Dollars)

In connection with the Third Tranche Special Warrant Financing, the Company paid finder's fees to eligible finders consisting of $7,476 in cash and 13,320 Finders' warrants. Each Finder's Warrant is exercisable to acquire one common share of the Company at an exercise price of $0.30 per share for a period of 24-months.

Each Special Warrant will automatically convert, for no additional consideration, into one common share in the capital of the Company on the date that is the earlier of:

(i) the date that is three business days following the date on which the Company files a prospectus supplement to a short form base shelf prospectus with the securities commissions qualifying distribution of the Shares underlying the Special Warrants and
(ii) the date that is four months and one day after the closing of the Offering.

**Overall Performance**

As at March 31, 2025, the Company had current assets of $495,296 (March 31, 2024 – $409,672), including cash of $421,260 (March 31, 2024 – $247,677) and short-term investments of $nil (March 31, 2024 – $127,628), to settle current liabilities of $177,367 (March 31, 2024 – $30,167), for a working capital of $317,929 (March 31, 2024 – working capital of $379,505).

During the year ended March 31, 2025, the Company reported a net loss of $1,043,920 (loss of $0.046 per basic and diluted share), as compared to a net loss of $130,327 (loss of $0.009 per basic and diluted share) in the prior year. The increase in net loss is primarily due to the continued increase in scope of the Website's operations and business development, as discussed in more detail under "Results of Operations".

During the year ended March 31, 2025, net cash used in the Company's operations was $745,614, as compared to $91,781 cash used in operations in the prior year. The increase reflects the increased scope of operations and business development.

During the year ended March 31, 2025, cash provided by financing activities was $793,312 (2024 – $397,948). The increase in 2025 primarily relates to private placements completed during the year.

During the year ended March 31, 2025, the Company also received $125,885 from investing activities (paid $128,199 for investments activities). In 2025, the Company received $130,784 on redemption of a $125,000 investment made in 2024. Further, the Company paid $4,899 for investments into the AI hardware reported under the property and equipment which was used to generate rental income (2024 - $3,199).

Due to the nature of the Company's businesses and the present stage of development of its businesses, the Company is subject to certain trends, risks and uncertainties. For a detailed description see "Trends, Risks and Uncertainties".

*Selected quarterly financial results*

Selected financial information, prepared in accordance with IFRS, for the Company's three most recently completed fiscal years ended March 31, 2025 are summarized as follows:

| | **2025** | **2024** | **2023** |
|---|---|---|---|
| | **$** | **$** | **$** |
| Sales revenue | 3,467 | 1,474 | 9,200 |
| Operating expenses | (1,041,626) | (130,177) | (72,318) |
| Net loss | (1,043,920) | (130,327) | (72,353) |
| Cash | 421,260 | 247,677 | 69,709 |
| Total assets | 523,761 | 435,534 | 96,202 |
| Total liabilities | 177,367 | 30,167 | 23,456 |
| Shareholders' equity | 346,394 | 405,367 | 72,746 |
| Working capital | 317,929 | 379,505 | 49,584 |

(Expressed in Canadian Dollars)

*Selected quarterly financial results*

The Company's selected financial information for the eight most recently completed quarters as at March 31, 2025 are as follows:

| **3 Months Ended:** | **Mar 31, 2025** | **Dec 31, 2024** | **Sep 30, 2024** | **Jun 30, 2024** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Sales revenue | 223 | 2,294 | 127 | 823 |
| Operating expenses | (521,492) | (387,025) | (94,923) | (38,186) |
| Net loss | (523,094) | (387,411) | (95,197) | (38,218) |
| Net loss per share – basic | (0.022) | (0.034) | (0.008) | (0.003) |
| Cash | 421,260 | 110,787 | 133,874 | 220,283 |
| Total assets | 523,761 | 159,883 | 297,770 | 413,666 |

| **3 Months Ended:** | **Mar 31, 2024** | **Dec 31, 2023** | **Sep 30, 2023** | **Jun 30, 2023** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| Sales revenue | 524 | - | - | 950 |
| Operating expenses | (58,692) | (27,273) | (23,509) | (20,703) |
| Net loss | (58,798) | (27,273) | (23,509) | (20,747) |
| Net loss per share – basic | (0.005) | (0.002) | (0.003) | (0.003) |
| Cash | 247,677 | 62,611 | 133,769 | 86,501 |
| Total assets | 435,534 | 223,121 | 194,157 | 118,711 |

The Company raised funds through private placements throughout the 12-month period ended March 31, 2025 ("Fiscal 2024") and the 12-month period ended March 31, 2024 ("Fiscal 2024"), which contributed to increases in cash and cash equivalents and total assets. The funds raised were used for operating expenses and completion of the research and development of the Website, resulting in cash and cash equivalents varying quarter over quarter.

During Fiscal 2025, the Company received consulting services from various vendors regarding further development of the business. Cloud AI Hosting as a line of business was started in Fiscal 2024 and brought in some revenue in addition to sales through the Website.

Operating expenses are mainly comprised professional fees, consulting fees, office and general expenses, and research and development expenses which fluctuate over the normal course of business quarter over quarter. See "Results of Operations" for more information.

*Results of Operations – three months ended March 31, 2025 ("Q4 2025")*

The Company's results of operations for Q4 2025 reflect mainly the revenue and cost of goods sold from commercial operations at Cloud AI Hosting, overhead costs incurred by the Company to maintain the Website, advertising and promotional expenses related to promoting the Company, and professional fees to manage the acquisition and development activities of the Company.

During Q4 2025, the Company continued its operating activities and generated total sales revenues of $223 (three months ended March 31, 2024 ("Q4 2024") – $524) primarily comprised of sales of computer hardware and of rental revenue from Cloud AI Hosting. The Company also recorded cost of goods sold of $1,012 (Q4 2024 – $630), for a gross loss of $789 (Q4 2024 – $106). Cost of sales incurred during Q4 2025 and Q4 2024 are composed of hardware sold and depreciation expenses on a desktop workstation used by Cloud AI Hosting.

During Q4 2025, total operating expenses were $521,492 as compared to operating expenses of $58,692 incurred during Q4 2024. The increase in operating expenses is largely driven by operational expansion of the business. This resulted in advertising and promotion expenses of $260,831 to increase awareness (Q4 2024 - $562). Further, the Company incurred professional fees and consulting fees of $136,463 and $25,800, respectively (Q4 2024 - $13,310 and $38,262, respectively) resulting from strategic consulting, accounting, and legal advisory.

The Company also incurred the following expenses in Q4 2025:

- Office and general expenses of $75,605 (Q4 2024 – $8,236)

- Other overhead costs of $22,793 (Q4 2024 – other incomes of $1,678), which includes research and development, regulatory compliance and bank charges / (interest).

In light of the above, during Q4 2025 the Company reported a net loss of $523,094 compared to net loss of $58,798 for the same period in the prior year.

*Cash Flows*

During Q4 2025, net cash used in the Company's operations was $482,839 as compared to net cash from operations of $21,934 during the comparative prior year period. The Company raised $793,312 during Q4 2025 through financing activities from private placements (Q4 2024 - raised $207,000 through financing activities).

*Results of Operations – Year ended March 31, 2025*

The Company's results of operations for F2025 reflect mainly the revenue and cost of goods sold from commercial operations at Cloud AI Hosting and the Website, overhead costs incurred by the Company to maintain the Website, advertising and promotional expenses related to promoting the Company, and professional fees to manage the acquisition and development activities of the Company.

During F2025, the Company continued its operating activities and generated total sales revenues of $3,467 (year ended March 31, 2024 ("F2024") – $1,474) primarily comprised of sales of computer hardware and of rental revenue from Cloud AI Hosting. The Company also recorded cost of goods sold of $4,948 (F2024 – $1,624), for a gross loss of $1,481 (F2024 – $150). Cost of sales incurred during F2025 and F2024 are composed of hardware sold and depreciation expenses on a desktop workstation used by Cloud AI Hosting.

During F2025, total operating expenses were $1,041,626 as compared to operating expenses of $130,177 incurred during F2024. The increase in operating expenses is largely driven by operational expansion of the business. This resulted in advertising and promotion expenses of $352,491 to increase awareness (F2024 - $1,922). Further, the Company incurred professional fees and consulting fees of $244,160 and $66,525, respectively (F2024 - $45,076 and $41,562, respectively) resulting from strategic consulting, accounting, and legal advisory. In addition, the Company incurred $191,635 in stock-based compensation during F2025 (F2024 - $nil) related to the issuance of stock options to directors, officers, and consultants of the Company.

The Company also incurred the following expenses in F2025:

- Office and general expenses of $118,134 (F2024 – $33,010)
- Other overhead costs of $68,681 (F2024 – $8,607), which includes research and development, regulatory compliance and bank charges.

In light of the above, during F2025 the Company reported a net loss of $1,043,920 compared to net loss of $130,327 for the same period in the prior year.

Due to the nature of the Company's businesses and their present stage of development, the Company is subject to certain trends, risks and uncertainties. For a detailed description see the "*Trends, Risks and Uncertainties*" section.

*Cash Flows*

During F2025, net cash used in the Company's operations was $745,614 as compared to $91,781 during the comparative prior year period. During F2025, the Company raised $125,885 from investing activities primarily through the redemption of short-term investments, less purchases of equipment, as compared to the company using $128,199 in investing activities during the comparative period, primarily through the purchase of short-term investments and equipment. The Company raised $793,312 during F2025 through financing activities from private placements (F2024 - raised $397,948 through financing activities).

As at March 31, 2025, the Company had current assets of $495,296 (March 31, 2024 - $409,672), including cash of $421,260 (March 31, 2024 - $247,677), to settle current liabilities of $177,367 (March 31, 2024 - $30,167), for a working capital of $317,929 (March 31, 2024 - $379,505).

(Expressed in Canadian Dollars)

**Additional Disclosure for Venture Issuers Without Significant Revenue**

In F2025, the Company has spent funds towards maintaining the Website as well as development and expansion of its Cloud AI Hosting business. The Company's major business objectives primarily relate to the expansion of its Cloud AI Hosting business via, among other things, laying the technical groundwork for the acquisition of additional workstations that can be leased to generate rental revenue. The Company also plans to enhance and market the Website.

Office and general expenses consisted of the following for the year ended March 31, 2025:

| | **March 31, 2025** | **March 31, 2024** |
|---|---|---|
| | **$** | $ |
| Management fee | **105,000** | 30,000 |
| Rent expense | **3,000** | 3,000 |
| General expenses | **7,966** | - |
| Exchange gain or loss | **2,168** | 10 |
| | **118,134** | 33,010 |

**Liquidity Outlook**

While NextGen has commenced generating revenue, it currently has limited cash flows from operations. The Company's level of operations is principally a function of Cloud AI Hosting revenues and sales of hardware through the Website. The primary source of funding has been through the issuance of common shares for cash proceeds. As the Company was able to raise funds through the issuance of shares in the past, it will likely continue relying on equity financing in order to maintain its working capital requirements. However, there is no guarantee that the Company will be able to successfully complete such financings, as market conditions and business performance may dictate availability and interest.

Management is actively monitoring cash flows and managing operational activity against its budget. As of the date of the MD&A, the Company believes that it will have sufficient liquidity to continue operations for the 12-month period ending March 31, 2026. Nevertheless, management will continue to evaluate ways to grow Cloud AI Hosting revenues and to look for new sources of financing to fund its working capital and to advance the Company's operations.

**Related Party Transactions**

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

*Management remuneration*

During the year ended March 31, 2025, the Company's Chief Financial Officer ("CFO") charged fees of $18,387 (2024 – $nil), which are included in professional fees

During the year ended March 31, 2025, directors and other members of key management personnel did not receive any remuneration (2024 – $nil).

*Other related party transactions*

During the year ended March 31, 2024, a total of 916,653 common shares previously purchased by a former director of the Company were sold back to the Company for the consideration of $10,125.

During the year ended March 31, 2024, one of the directors of NextGen purchased 333,327 shares that were previously bought back by the Company for total gross proceeds of $14,666.

During the year ended March 31, 2024, 1000103727 Ontario Limited ("Ontario Limited"), an entity controlled by the former CEO of the Company, purchased 1,000 special warrants at a price of $0.10 per special warrant for total gross proceeds of $100.

(Expressed in Canadian Dollars)

During the year ended March 31, 2025, Ontario Limited charged fees of $33,000 (2024 – $33,000). Out of the total amount invoiced during the year ended March 31, 2025, $3,000 (2024 - $3,000) was for the use of office space, and $30,000 (2024 - $30,000) was for shared corporate services support. The shared corporate services support encompasses general and administrative services, as well as corporate development and consultancy services. The general and administrative services include administrative support provided to the executives and employees of the Company. The corporate development and consultancy services include assistance with transactional documentation and the collection of deliverables. These fees are included in office and general expenses.

During the year ended March 31, 2025, the Company recorded stock-based compensation of $90,774 in connection with the vesting of certain stock options granted to officers and directors (2024 - $nil).

**Capital Management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to deploy that capital to generate returns to shareholders. The management of the Company monitors its capital structure and makes adjustments according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Directors of the Company do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged since the Company's most recent financial reporting period.

The Company is not subject to any externally imposed capital requirements.

**Risk Management**

The Company's financial instruments consist primarily of cash and accounts payable. The Company is exposed to various risks as it relates to these financial instruments. Management, under oversight of the Board, mitigates these risks by assessing and monitoring the Company's risk management processes. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

*Credit risk*

Credit risk is the risk of potential loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments are held with a reputable Canadian chartered bank and are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

*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 manages its liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at March 31, 2025 the Company had a cash balance of $421,260 (2024 – $247,677) and short-term investments of $nil (2024 – $127,628), to settle current liabilities of $177,367 (2024 – $30,167).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of March 31, 2025:

| | Carrying amount | Year 1 | Year 2 to 3 | Year 4 to 5 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Accounts payable and accrued liabilities | 177,367 | 177,367 | - | - |

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring anticipated cash flows to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

(Expressed in Canadian Dollars)

The management of the Company believes there is sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at period-end.

*Fair value*

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at period-end, the Company's financial instruments consisted of cash, short-term investments and accounts payable and accrued liabilities. The fair value of cash, short-term investments and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2025, the Company did not have any financial instruments which were carried at fair value (March 31, 2024 – $nil).

### Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2 to the 2025 Financials.

### Summary of Material Accounting Policies

The material accounting policies used by the Company are described in greater detail in Note 3 to the 2025 Financials.

### Off Balance Sheet Arrangements

As at March 31, 2025 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

### Proposed Transactions

None.

### Disclosure of Outstanding Share Data as of June 6, 2025

| | **Authorized** | **Outstanding** |
|---|---|---|
| Voting or equity securities issued and outstanding | Unlimited number of common shares | 25,340,050 common shares |
| Securities convertible or exercisable into voting or equity | | 2,280,000 options outstanding and exercisable to acquire common shares of the Company; and<br>10,458,793 warrants exercisable to acquire common shares of the Company. |

## Trends, Risks and Uncertainties

The Company's business is subject to a number of significant risk factors. The following are certain risk factors related to the Company, its business, and ownership of its common shares. If any event arising from the risk factors set forth below occurs, the Company's business, prospects, financial conditions, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Although the Company believes that the risk factors described below are the most material risks that it faces, they may not be the only risks the Company faces. Additional risk factors not presently known to the Company or that the Company currently believes are immaterial could also materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial conditions and negatively affect the value of the common shares.

*Material Uncertainty Related to Going Concern*

The Company has started to generate operating cash from sales of products on its Website and rental revenues from its Cloud AI Hosting business. So far, the volume of revenues is not sufficient to cover the expenditures. The expected primary source of future funds presently available to the Company is through the issuance of common shares. The ability of the Company to arrange such financing will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

*Financing Risks*

There can be no assurance that the Company will ever be profitable. Capital expenditures and related costs with growing the Company's business may necessitate external equity or debt financing and there is no assurance that it will be able to secure either kind of external financing at an economically viable cost under reasonable conditions, if at all. Additional equity financing could be dilutive to Shareholders and could substantially decrease the trading price of the Shares. The Company may issue securities in the future for a number of reasons. Additional debt financing, if secured, could involve restrictions being placed on financing and operating activities which could reduce the scope of the Company operations or anticipated expansion, or involve forfeiting its interest in some or all of its assets, incurring financial penalties, or reducing or terminating its operations.

*Limited Operating History and Negative Operating Cash Flow*

There can be no assurance that the Company will ever be profitable. The Company has paid no dividends on its common shares since incorporation and does not anticipate doing so.

To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. The only presently meaningful source of funds available to the Company is through the sale of its securities. Even if the results of operations are encouraging, the Company may not have sufficient funds to conduct the further development that may be necessary. At present it is impossible to determine what amounts of additional funds, if any, may be required.

If the Company is unable to generate revenues or obtain additional financing, any investment in the Company may be lost. In such event, the ability to resell the common shares, and/or the sale price of the common shares, would be diminished.

*Product Innovation Risks*

The Company's success depends upon its ability to develop, test, market, and support new products and enhancements on a timely basis in response to both competitive threats and marketplace demands. In addition, products and enhancements must remain compatible with the other products and systems used by the Company's customers. If new industry standards emerge that the Company does not anticipate or adapt to, the Website and/or Cloud AI Hosting lines of business could be rendered obsolete and, as a result, its business and operating results and intangible assets, as well as its ability to compete in the marketplace, would be materially harmed.

The development and success of products in the artificial intelligence sector, in particular, carry inherent risks stemming from the rapidly evolving nature of this field. The dynamic and ever-changing landscape of artificial intelligence technology means that predicting the exact outcomes or market reception of artificial-intelligence-based products is uncertain. As a result, there is no assurance of achieving the desired results or widespread market acceptance within the artificial intelligence industry, and the Company's ability to innovate and adapt to emerging artificial intelligence technologies and market demands is crucial.

There can be no assurance that the Company will be successful in the introduction, marketing and production of any new products or product innovations or develop and introduce in a timely manner updates to its existing product which satisfy customer needs or achieve market acceptance. Other sectors in which the Company may become involved, including e-commerce, Web3 / blockchain, and software-as-a-service, are also constantly evolving. The Company's failure to develop new products and introduce them successfully and in a timely manner could harm its ability to grow its business and could have a material adverse effect on its business, results of operations and financial condition.

*Business Expansion and Integration Risks*

The Company's success will depend, in part, on the Company's ability to expand the Company's markets and grow the Company's business in response to changing technologies, customer needs and competitive pressures. The Company may seek to grow the Company's business by acquiring complementary intellectual property, businesses, solutions or technologies, and may branch out into other sectors which may include, without limitation, Web3 / blockchain, and software-as-a-service. The identification of suitable acquisition candidates can be difficult, time-consuming and costly and the Company may not be able to successfully complete identified acquisitions. In addition, the Company may not be able to successfully assimilate and integrate the business, technologies, solutions, personnel or operations of any company the Company acquires. Acquisitions may also involve the entry into geographic or business markets in which the Company has little or no prior experience.

Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized or the Company may be exposed to unknown liabilities. For one or more of those transactions, the Company may:

- issue additional equity securities that would dilute the holders of common shares;
- use cash that the Company may need in the future to operate its business;
- incur debt on terms unfavorable to the Company or that the Company is unable to repay;
- incur large charges or expenses or assume substantial liabilities;
- encounter difficulties retaining key employees of the acquired companies or integrating technologies; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

Any of these risks could harm the Company's business and operating results.

*Artificial Intelligence as an Emerging Industry*

The artificial intelligence industry, including Cloud AI Hosting, is an emerging industry and NextGen cannot predict the competitive landscape in this industry nor the impact of the ever-evolving compliance regime.

*Data Security and Privacy Risks*

The Company's data-related activities, including data transmission, storage, and privacy protection, are subject to various laws and regulations across multiple jurisdictions. These regulations aim to safeguard consumer privacy and prevent unauthorized disclosure of personal information. While the Company implements technical safeguards, it cannot ensure complete protection against unauthorized access or breaches. If third parties gain improper access to the Company's systems or databases, confidential customer data could be compromised, resulting in severe impacts on its business, customer trust, and revenues. Breaches could lead to regulatory actions, litigation, increased operating expenses, and damage to the Company's reputation. Moreover, the implementation of mandatory data breach notifications in certain Canadian provinces may amplify negative publicity and erode customer confidence in the Company's data security measures, affecting its ability to conduct business and potentially harming its overall reputation.

Data security and privacy risks primarily pertain to the Website. Cloud AI Hosting is conducted on a third-party platform, so the Company does not collect or store customer data for this service.

*Risks Related to the Cloud AI Hosting Third-Party Platform*

The Company's Cloud AI Hosting services rely on a third-party platform, which introduces risks related to both reliability and data privacy. Any technical issues, service interruptions, or downtime experienced by the third-party platform can directly impact the Company's service delivery and customer satisfaction. Additionally, although the Company does not collect or store customer data for Cloud AI Hosting, the third-party platform handles data transmission and storage. If the third-party platform experiences a data breach or unauthorized access, the confidentiality and integrity of customer data could be compromised, leading to regulatory scrutiny, potential litigation, and reputational harm for the Company.

*Information Technology Systems, Cyber-Attacks and Security Breaches*

The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("IT") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or malfunctioning technology. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, increase in capital expenses, financial losses, the inability to process transactions, the unauthorized release of customer information and reputational risk. If there was a breach in security or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact the Company's reputation, business continuity and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but such breaches do occur from time to time with respect to the Website, and there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The risks of IT systems, cyber-attacks and security breaches are inherent in all online digital platforms, including the Website and Cloud AI Hosting services. The Company monitors for potential vulnerabilities and updates its security protocols as necessary.

*Concentration Risks*

Both of the Company's businesses, the Website and Cloud AI Hosting, involve computer hardware, making the Company susceptible to losses due to adverse occurrences that may impact this industry. The Company may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Company's revenues more than the market as a whole.

*Market Price of Common Shares and Volatility*

Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by changes to NextGen's financial condition and results of operations.

Other factors unrelated to NextGen's performance that may affect the price of the common shares include the following: lessening in trading volume and general market interest in the common shares may affect an investor's ability to trade significant numbers of common shares; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the common shares to be delisted from the CSE, further reducing market liquidity. As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. The effect of these and other factors on the market price of the common shares is expected to make the common share price volatile in the future, which may result in losses to investors, and/or may impede the ability of investors to resell their common shares.

*Insurance Risks*

Insurance coverage for NextGen, the Website, Cloud AI Hosting and/or any new technology platforms may not be available, may be uneconomical for the Company, or the nature or level of such insurance may be insufficient to provide adequate insurance cover. Further, the Company may not be able to insure against cyber-theft or hacking attacks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company.

The Company does not have insurance coverage for these risks.

*Retention of Key Personnel*

The Company has a small management team and Board, and the loss of any key individual could affect the Company's business. Additionally, the Company may be required to secure other personnel to operate its proprietary businesses and/or any other micro-technology platforms it develops. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company. There are no permanent staff employed with the Company, which heightens the risk associated with the retention and availability of key personnel to maintain and grow the Company's operations.

*Conflicts of Interest*

Directors and officers of the Company are and may become directors and/or officers of other technology companies or have significant shareholdings in other technology companies and, to the extent that such companies may compete with the Company for business opportunities and sales, the directors and officers of the Company may have conflicts of interest. The Company and its directors and officers will attempt to minimize such conflicts through proper corporate governance and internal disclosure requirements. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia), as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

*Regulatory Risks*

The Company will be subject to a variety of laws and regulations across all jurisdictions in which it operates, including but not limited to, intellectual property, advertising, marketing, distribution, data and information security, electronic communications, competition, consumer protection, privacy laws, unfair commercial practices, taxation, securities law compliance, online payment and payment processing services. These laws, regulations and legislation, which in some cases can be enforced by private parties or government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations could have an adverse impact on the Company and lead to increases in costs and expenditure as well as restrict its existing operations and ability to expand.

These laws and regulations, as well as any changes to the same and any related inquiries, investigations or any other government actions, may be costly to comply with and may delay or impede new product development, result in negative publicity, increase the Company's operating costs, require significant management time and attention, and subject it to remedies that may harm its business including fines or demands or orders that modify, or cease certain or all existing business practices, or implement costly and burdensome compliance measures. Any such consequences could adversely affect the Company's business, results of operations or financial condition.

*Litigation Risks*

The Company may, from time to time, become involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or the outcome of these actions. Adverse outcomes in some, or all of these, claims may result in significant monetary damages or injunctive relief that could adversely affect the Company's ability to conduct its business. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time consuming and may divert the attention of management and key personnel from the Company's operations.

*Global Semiconductor Shortage*

The global semiconductor shortage presents a significant risk to the availability and pricing of computer hardware components used in the Website's products. Supply chain disruptions and increased demand for semiconductors across various industries, including automotive and electronics, have led to challenges in sourcing essential components. The shortage could result in extended lead times, increased costs, and potential delays in product manufacturing and delivery by suppliers. The Website heavily relies on timely and reliable shipments from suppliers to fulfill customer orders. If the semiconductor shortage affects the suppliers' ability to deliver components promptly, it may lead to delays in order fulfillment and customer dissatisfaction. This could impact the Company's reputation, customer relationships, and financial performance.

*Intellectual Property Protection and Infringement Risks*

Intellectual property infringement claims from third parties could lead to substantial costs and adversely impact the Company's business, financial position, results of operations, and reputation. The Company's ability to compete hinges on avoiding infringement or misappropriation of third-party intellectual property rights. Competitors may own patents, copyrights, trademarks, and trade secrets, potentially resulting in litigation. Although the Company has not received any infringement notices to date, increased visibility could heighten the risk of such claims. Public announcements related to any intellectual property disputes could negatively influence the price of the common shares.

There may be third-party intellectual property rights, including trademarks of products distributed by the Company, that cover significant aspects of the Company's technologies, products, services, or business methods. Similarly, the incorporation of third-party products and services into the Company's offerings could expose it to an elevated risk of infringement claims. Intellectual property claims are unpredictable, time-consuming, and costly to settle, diverting resources and potentially leading to significant liability. Resolving such claims might involve redesigning products or services and developing alternative technology or branding. If unable to secure rights or develop non-infringing alternatives, the Company may have to limit or cease sales, impacting its competitive position, existing customers, and overall business.

The risks associated with intellectual property protection and infringement are relevant to the Website. As the Website grows and gain more visibility, the potential for intellectual property disputes may increase.

*Increasing Adoption of Artificial Intelligence and Cloud-based Applications*

The growing adoption of artificial intelligence and cloud-based applications could potentially reduce the demand for high-performance PC hardware as cloud-based applications become more prevalent, negatively impacting the Website though potentially benefiting Cloud AI Hosting. Businesses and individuals may rely on cloud-based software applications and services that require less physical hardware. This shift in software consumption patterns could impact the Website's target market, affecting demand for certain types of PC hardware components. The Website's sales of gaming and productivity hardware may be affected by this trend, leading to changes in customer preferences and purchasing behavior. Adapting to this evolving landscape may require The Website to modify its product offerings.

*Post-Pandemic Changes in Gaming and Work Habits*

The COVID-19 pandemic has significantly impacted consumer behaviors and work habits, including an increased focus on remote work and digital entertainment. As people gradually return to pre-pandemic routines, there is a risk that changes in gaming and work habits could affect demand for gaming and productivity hardware products. Reduced leisure time, shifting priorities, and altered gaming preferences could lead to fluctuations in demand for the Company's offerings. The extent and duration of these changes remain uncertain, and the Company may need to adapt its product offerings and marketing strategies to align with evolving consumer preferences.

**Disclosure of Internal Controls over Financial Reporting**

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by such financial statements; and (ii) the Company's financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of:

i) controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

**Cautionary Note Regarding Forward-Looking Statements**

This MD&A contains certain forward-looking statements, including those relating to the Company's future operational and development plans for the Website and Cloud AI Hosting; corporate acquisitions and business development strategy; adequacy of working capital, and anticipated revenue and expense levels; and the availability of future financing. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements.

These forward-looking statements are based on numerous assumptions that are believed by management to be reasonable in the circumstances, with respect to, among other things, the Company's strategy and future plans, financial results and operational performance, financial market conditions, and technological developments, and are subject to a number of risks and uncertainties, including without limitation those listed in the "*Trends, Risks and Uncertainties*" section of this MD&A. Actual results may differ materially from results contemplated by the forward-looking statements herein. Investors and others should carefully consider the foregoing factors and should not place undue reliance on such forward-looking statements. The Company assumes no responsibility to update forward-looking statements made herein, other than as may be required by applicable securities laws.