

**NEW WAVE HOLDINGS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine months ended December 31, 2022**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended December 31, 2022 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**New Wave Holdings Corp.**

## Condensed Interim Consolidated Statements of Financial Position

As at December 31, 2022 and March 31, 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Note	December 31, 2022	March 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		83,328	872,317
Other receivables		84,869	70,804
Prepaid expenses		9,369	79,643
Note receivable	8	43,726	240,712
Investments	4	2,530,997	1,899,488
<b>TOTAL CURRENT ASSETS</b>		<b>2,752,289</b>	<b>3,162,964</b>
<b>Non-Current Asset</b>			
Equipment		-	443
<b>TOTAL ASSETS</b>		<b>2,752,289</b>	<b>3,163,407</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	7	549,720	597,452
Share subscription proceeds to be returned		10,010	10,010
Loan payable	9	135,471	-
Convertible debentures	5	98,954	80,555
<b>TOTAL LIABILITIES</b>		<b>794,155</b>	<b>688,017</b>
<b>Shareholders' equity</b>			
Share capital	6	31,299,034	31,299,034
Share subscriptions receivable		(227,226)	(227,226)
Reserves	6	2,083,260	1,957,260
Deficit		(31,196,934)	(30,553,678)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,958,134</b>	<b>2,475,390</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,752,289</b>	<b>3,163,407</b>
Nature and Continuance of Operations – (Note 1)			

**Approved on behalf of the Board of Directors:***“Geoff Balderson”*

Director

*“Robert Birmingham”*

Director

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

**New Wave Holdings Corp.**

## Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

For the three and nine months ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended December 31,		For the nine months ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>NET INVESTMENT GAIN (LOSS)</b>				
Unrealized (loss) gain on investment (Note 4)	1,032,337	(1,107,183)	631,509	(1,183,813)
Impairment of note receivables	(813,542)	-	(813,542)	-
Interest income	1,008	-	5,883	296
	219,803	(1,107,183)	(176,150)	(1,183,517)
<b>EXPENSES</b>				
Accretion interest	3,054	9,345	18,399	9,345
Bad debt	5,058	-	5,058	-
Consulting (Note 7)	54,300	274,500	177,483	346,000
Depreciation	-	334	443	8,513
Foreign Exchange (gain) loss	61	20	(392)	(33)
Investor Relations and Marketing	18,903	71,608	22,398	71,608
Office	27,843	24,629	84,794	77,430
Professional	5,179	135,378	23,158	198,743
Regulatory	2,695	10,426	5,565	15,460
Share-based payments (Notes 6 and 7)	-	-	126,000	14,136
Website	4,200	-	4,200	-
	121,293	526,240	467,106	741,202
<b>Net income (loss) from operations before other items</b>	98,510	(1,633,423)	(643,256)	(1,924,719)
<b>Other items:</b>				
Advisory revenue	-	-	-	23,546
Gain on debt settlement	-	9,745	-	9,745
	-	9,745	-	33,291
<b>Net income (loss) and comprehensive loss for the period</b>	98,510	(1,623,678)	(643,256)	(1,891,428)
<b>Basic and diluted income (loss) per share</b>	0.01	(0.15)	(0.02)	(0.25)
<b>Weighted average number of common shares outstanding</b>				
<b>-basic and diluted</b>	30,642,090	10,604,052	30,642,090	7,530,321

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

**New Wave Holdings Corp.**

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	<b>Share Capital</b>				<b>Equity portion of Convertible Debentures</b>		
	<b>Number of shares</b>	<b>Share capital</b>	<b>Share subscriptions receivable</b>	<b>Reserves</b>		<b>Deficit</b>	<b>Total</b>
		\$	\$	\$	\$	\$	\$
Balance as at March 31, 2021	5,984,256	24,452,126	-	1,943,124	14,463	(23,632,745)	2,776,968
Pursuant to exercise of warrants	1,595	17,226	(17,226)	-	-	-	-
Private placement	9,656,239	3,379,684	-	-	-	-	3,379,684
Share-based payments	-	-	-	14,136	-	-	14,136
Net loss for the period	-	-	-	-	-	(1,891,428)	(1,891,428)
<b>Balance as at December 31, 2021</b>	<b>15,642,078</b>	<b>27,849,036</b>	<b>(17,226)</b>	<b>1,957,260</b>	<b>14,463</b>	<b>(25,524,173)</b>	<b>4,279,360</b>
<b>Balance as at March 31, 2022</b>	<b>30,642,090</b>	<b>31,299,034</b>	<b>(227,226)</b>	<b>1,957,260</b>	<b>-</b>	<b>(30,553,678)</b>	<b>2,475,390</b>
Share-based payments	-	-	-	126,000	-	-	126,000
Net loss for the period	-	-	-	-	-	(643,256)	(643,256)
<b>Balance as at December 31, 2022</b>	<b>30,642,090</b>	<b>31,299,034</b>	<b>(227,226)</b>	<b>2,083,260</b>	<b>-</b>	<b>(31,196,934)</b>	<b>1,958,134</b>

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

**New Wave Holdings Corp.**  
Condensed Interim Consolidated Statements of Cash Flows  
For the nine months ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<b>For the nine months ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(643,256)	(1,891,428)
Adjustment for non-cash items		
Bad debt	5,058	-
Depreciation	443	8,513
Share-based compensation	126,000	14,136
Accretion and interest	18,398	9,361
Unrealized loss (gain) on investments	(631,509)	1,183,813
Impairment of note receivable	813,542	-
Gain on debt settlement	-	(9,745)
Changes in non-cash operating working capital items:		
Accounts payable and accrued liabilities	(47,732)	75,841
Accounts receivables	(19,123)	96,273
Note receivable	(616,556)	-
Deferred revenue	-	(23,546)
Prepaid expenses	70,275	48,289
<b>Net cash used in operating activities</b>	<b>(924,460)</b>	<b>(488,493)</b>
<b>Investing activity</b>		
Investment at fair value	-	(30,000)
<b>Net cash provided by (used in) investing activity</b>	<b>-</b>	<b>(30,000)</b>
<b>Financing activities</b>		
Shares issued for cash	-	3,169,683
Loan payable	135,471	-
<b>Net cash provided by financing activities</b>	<b>135,471</b>	<b>3,169,683</b>
<b>Change in cash during the period</b>	<b>(788,989)</b>	<b>2,651,190</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>872,317</b>	<b>53,822</b>
<b>Cash and cash equivalents, end of period</b>	<b>83,328</b>	<b>2,705,012</b>
<b>Cash and cash equivalents consist of the following:</b>		
<b>Cash</b>	<b>66,043</b>	<b>141,675</b>
<b>Funds held in trust</b>	<b>17,285</b>	<b>2,563,337</b>
<b>Cash, end of period</b>	<b>83,328</b>	<b>2,705,012</b>

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

## **New Wave Holdings Corp.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

New Wave Holdings Corp. (“the Company”) was incorporated under the Business Corporation Act of British Columbia on May 17, 2006. The Company operates as an investment issuer and its objective is to generate income and achieve long term capital appreciation through investments focused on e-sports, NFT (non-fungible token), metaverse, blockchain and Web 3 sectors. The head office, principal address and records office of the Company are located at Royal Centre, Suite 1500, 1055 W Georgia Street, Vancouver, BC V6E 4N7.

On October 24, 2019, the Company completed a “three cornered” amalgamation whereby its previous wholly owned subsidiary, 1205619 B.C. Ltd., amalgamated with New Wave Holdings (BC) Corp. pursuant to an amalgamation agreement dated June 7, 2019 and as amended effective September 26, 2019, among the Company, 1205619 B.C. Ltd., and New Wave Holdings (BC) Corp. For accounting purposes, this transaction was treated as a reverse takeover. These financial statements are presented as a continuation of New Wave Holdings (BC) Corp., in which its assets and liabilities and operations are included in the consolidated financial statements at their historical carrying value.

On completion of the “three-cornered” amalgamation the Company received approval to change its business from an E-sports company to an investment issuer engaged in investing in privately and publicly traded companies. The Company determined it has met the definition of investment entity under IFRS 10 *Consolidated financial statements* as of October 24, 2019. As such, the Company commenced accounting for its investments at fair value through profit or loss (“FVTPL”) in accordance with IAS 39 Financial Instruments: recognition and measurement (“IAS 39”).

On October 28, 2019, the Company began trading on the Canadian Securities Exchange under the stock symbol NWES, which was later changed to SPOR on May 8, 2020. On June 18, 2021, the Company completed a 20 old shares for one new share consolidation. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2022, the Company incurred a loss of \$643,256 for the period ended December 31, 2022. The continuing operations of the Company are dependent upon its ability to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with equity financings, loans from directors and companies controlled by directors and/or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced customer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

As a result of these circumstances and those caused by the COVID – 19 pandemic, management has taken actions to address its going concern by proactively reducing expenses, divesting assets and raising capital through equity financings.

## **New Wave Holdings Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

#### **Statement of compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

These condensed interim consolidated financial statements were reviewed and authorized for issue by the Board of Directors on February \*, 2023

#### **Basis of preparation**

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. The financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The assessment of the Company’s ability to continue as a going concern (Note 1) requires significant judgment.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at March 31, 2022. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2022.

#### **New accounting standards and amendments effective for future periods**

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) - The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and are not expected to have a material impact on the Company.



## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

#### 4. INVESTMENTS

Marketable securities are fair valued at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to non-observable market inputs based on specific company information and general market conditions. At times, these private company investments are held at cost, which is indicative of fair value in the absence of any additional information. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model. The carrying values are marked to market and the resulting gain or loss from marketable securities are recorded against earnings. A continuity of the Company's marketable securities is as follows:

The Company has the following investments as at December 31, 2022 and as at March 31, 2022:

	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2022	Disposal/ Investment	Fair market value Adjustment	Impairment of Investment	Fair Value at Dec. 31, 2022
<b>Equities of e-sport companies:</b>		\$					\$
<b>Public</b>							
AMPD Ventures Inc.	100,000	30,000	<b>22,000</b>	-	(11,500)	-	<b>10,500</b>
Real Luck Group Ltd.	547,298	150,000	<b>120,406</b>	-	(62,940)	-	<b>57,466</b>
Tiidal Gaming Group Inc.	2,866,050	496,017	<b>436,889</b>	-	(164,615)	-	<b>272,274</b>
TGS Esports Inc.	1,040,000	326,000	<b>57,200</b>	-	-	-	<b>57,200</b>
Way of Will Inc.	212,052	143,470	<b>14,791</b>	-	(14,791)	-	-
		1,145,487	<b>651,286</b>	-	(253,846)	-	<b>397,440</b>
<b>Private</b>							
Playline Ltd.	51,653	250,829	<b>250,829</b>	-	(116,000)	-	<b>134,829</b>
Talon Esports Ltd.	681,818	405,000	<b>985,373</b>	-	1,012,355	-	<b>1,997,728</b>
1295764 B.C. Ltd. (Pawtocol Holdings Corporation)	15,000,000	3,450,000	-	-	-	-	-
		4,105,829	<b>1,236,202</b>	-	896,355	-	<b>2,132,557</b>
<b>Other investments</b>							
AMPD Ventures Inc. - warrants	100,000	-	<b>12,000</b>	-	(11,000)	-	<b>1,000</b>
<b>Balance</b>	-	5,251,316	<b>1,899,488</b>	-	631,509	-	<b>2,530,997</b>

**New Wave Holdings Corp.**

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**4. INVESTMENTS – (continued)**

	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2021	Disposal/ Investment	Fair market value Adjustment	Impairment of Investment	Fair Value at March 31, 2022
<b>Equities of e-sport companies:</b>		\$					\$
<b>Public</b>							
AMPD Ventures Inc.	100,000	30,000	-	30,000	(8,000)	-	<b>22,000</b>
Real Luck Group Ltd.	547,298	150,000	150,000	-	(29,594)	-	<b>120,406</b>
Tiidal Gaming Group Inc.	2,866,050	496,017	1,125,000	-	(688,111)	-	<b>436,889</b>
TGS Esports Inc.	1,040,000	326,000	220,000	-	(162,800)	-	<b>57,200</b>
Way of Will Inc.	212,052	143,470	500,000	(478,869)	(6,340)	-	<b>14,791</b>
		1,145,487	1,995,000	(448,869)	(894,845)	-	<b>651,286</b>
<b>Private</b>							
Playline Ltd.	51,653	250,829	250,829	-	-	-	<b>250,829</b>
Talon Esports Ltd.	681,818	405,000	985,373	-	-	-	<b>985,373</b>
1295764 B.C. Ltd. (Pawtocol Holdings Corporation)	15,000,000	3,450,000	-	3,450,000	-	(3,450,000)	-
		4,105,829	1,236,202	3,450,000	-	(3,450,000)	<b>1,236,202</b>
<b>Other investments</b>							
AMPD Ventures Inc. - warrants	100,000	-	-	-	12,000	-	<b>12,000</b>
<b>Balance</b>	-	5,251,316	3,231,202	3,001,131	(882,845)	(3,450,000)	<b>1,899,488</b>

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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#### 4. INVESTMENTS – (continued)

- i. On November 25, 2021, the Company subscribed for 100,000 units of AMPD Ventures Inc. at a price of \$0.30 per unit. The unit consisted of one common share and one share purchase warrant entitling the Company to purchase one additional common share at a price of \$0.50 per share for a period of two years. As at December 31, 2022, the Company fair values the warrants at \$1,000 (March 31, 2022 - \$12,000). AMPD Ventures Inc. is listed on a Canadian Securities Exchange.
- ii. On August 2, 2019, the Company subscribed for 7,500,000 units of Avatar One E-Sports Capital Corp. (“Avatar”) at \$0.02 each for a total subscription price of \$150,000. Each unit consists of one common share of Avatar and one common share purchase warrant of Avatar, with each such warrant entitling the holder to acquire one additional Avatar common share at a price of \$0.02 for five years. In December 2020, the Company’s 7,500,000 units of Avatar were exchanged into 547,298 common shares in Real Luck Group Ltd. (“Real Luck”) as a result of Real Luck acquiring all of the outstanding common shares of Avatar. Real Luck Group Ltd. is listed on the Canadian Securities Exchange.
- iii. On March 26, 2019, the Company purchased 2,000,000 common shares (approximately 4%) of Tiidal Gaming Group Inc. (“Tiidal Gaming”) for \$400,000. Tiidal Gaming was a private company.

On March 11, 2019, the Company entered into an advisory agreement with Tiidal Gaming to provide strategic advisory services which have since been terminated. The Company received 250,000 stock options with an exercise price of \$0.20 for a term of five years. The options received have an estimated fair market value of \$46,017 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.20, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.20 and an expected average life of 5 years. During the year ended March 31, 2020, the Company exercised 250,000 stock options for an additional \$50,000 investment into Tiidal Gaming.

On November 15, 2021, Tiidal Game was approved for listing on the Canadian Securities Exchange and commenced trading on November 17, 2021. The Company’s shares in Tiidal Gaming reflect the forward stock split.

As at December 31, 2022, there are no advisory agreement with Tiidal Gaming.

- iv. On March 27, 2019, the Company purchased 180 common shares (18%) of Even Matchup Gaming Inc. (“EMG”) for \$250,000 along with an irrevocable option to acquire an additional 31% interest, with additional terms to purchase from the Even Matchup Gaming Inc.’s existing shareholders, upwards to a maximum of 49% of all common shares. Even Matchup Gaming Inc. is a private company and its shares cannot be reliably valued using any market-derived indicators.

On February 10, 2020, the Company acquired the remaining issued and outstanding shares of EMG for \$1,230,000 comprising \$550,000 cash and 125,926 common shares of the Company. The cash consideration is payable in tranches, with \$350,000 paid on February 7, 2020 and the remainder to be paid in installments over the six months following February 7, 2020. A portion of the 125,926 common shares issued is subject to a contractual lock up and will be released to the vendors of EMG in installments over twelve months following the closing of the acquisition.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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#### 4. INVESTMENTS – (continued)

Immediately after the completed acquisition, the Company took steps to unwind the acquisition due to various operational issues encountered with EMG. On April 16, 2020, the Company and EMG reached a settlement agreement outlined below, that have been completed:

- 1- The Company would retain 200 common shares (20%) of EMG.
- 2- The Company will return 800 common shares (80%) to EMG shareholders (returned).
- 3- EMG would return to the Company 125,926 (2,518,518 pre-consolidated) common shares for cancellation (received and cancelled with a fair value of \$428,148).
- 4- The Company would pay the remaining balance of the committed \$550,000 totaling \$50,000 and also pay \$150,000 to a founding shareholder of EMG (paid).
- 5- The Company will repay \$260,000 in cash loans received from EMG which is included within accounts payable and accrued liabilities (paid).

The fair value of the investment into Even Matchup Gaming Inc. is currently reflected as the current fair market value of EMG's common shares held by the Company. On June 28, 2021, EMG shares were converted into 1,040,000 common shares of TGS Esports Inc. TGS Esports Inc. is listed on a Canadian Securities Exchange.

- v On December 18, 2020, the Company entered into a share exchange agreement with Way of Will Inc. ("WoW") and the shareholders of WoW to acquire 100% of the 5,000,000 of the issued and outstanding shares of Class A and Class B shares of WoW, through the issuance of 1,409,536 common shares of the Company fair valued at \$3,382,887. On January 31, 2022, WoW commenced trading on the Canadian Securities Exchange. On January 19, 2022, the Company spun out 4,787,948 shares of WoW to its shareholder at a value of \$0.10 per share. As at March 31, 2022 and December 31, 2022, the Company held 212,052 shares of WoW. WoW is listed on a Canadian Securities Exchange.
- vi On March 22, 2019, the Company purchased 51,653 common shares (less than 1%) of Playline Ltd. for \$250,829. Playline Ltd. is a private company. In determining its estimated fair value, the Company reviewed comparable public companies in the online betting industry and have noticed a decline in the industry; accordingly, during the period ended December 31, 2022, the Company recorded a fair value adjustment of \$116,000 based on the average decline of the public companies market price as at December 31, 2022.
- vii On December 3, 2019, the Company purchased 681,818 common shares of Talon Esports Ltd. ("Talon") at a price of \$0.59 (USD \$0.44) per share for an aggregate investment of \$405,000 (USD \$300,000) which represents approximately 6.5% of Talon. Concurrently, the Company entered into an advisory agreement with Talon which since have been terminated, to provide strategic advisory services. The Company received 681,818 stock options with an exercise price of USD \$0.44 expiring May 13, 2021. The options received have an estimated fair market value of \$198,511 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.44, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.44 and an expected average life of 1.5 years. Subsequent to the year ended March 31, 2021, the options expired unexercised and the Company adjusted the fair value of the stock options to \$Nil. The fair value of the investment into Talon at December 31, 2022 was determined by the most recent financing completed by Talon at \$2.93 (US\$2.1612) per share. As at December 31, 2022, there are no advisory agreement with Talon.
- viii On January 22, 2022, the Company completed a share exchange agreement to acquire all of the outstanding shares of a private BC Corporation and indirectly acquired Pawtocol Holdings Corp., a Delaware corporation ("Pawtocol"). As consideration the Company issued 15,000,000 common shares of the Company fair valued at \$3,450,000. On March 31, 2022, due to the decline in crypto currency, the Company recorded an impairment of \$3,450,000.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

#### 5. CONVERTIBLE DEBENTURES

	Liability component	Equity component	Total
	\$	\$	\$
Balance, March 31, 2021	69,608	14,463	84,071
Accretion	6,078	-	6,078
Amortization of discount	4,869	-	4,869
Expiry of conversion feature	-	(14,463)	(14,463)
<b>Balance, March 31, 2022</b>	<b>80,555</b>	<b>-</b>	<b>80,555</b>
Accrued interest	18,399	-	18,399
<b>Balance, December 31, 2022</b>	<b>98,954</b>	<b>-</b>	<b>98,954</b>

On February 14, 2020, the Company closed its first tranche of a convertible debt financing through the issuance of secured convertible debentures in the aggregate principal amount of \$555,555 for gross proceeds of \$500,000 reflecting a 10% discount of the principal amount. The convertible debentures are convertible into common shares at a conversion price of \$2.00 per share and will mature two years from the date of issuance. If the convertible debenture remains outstanding on the one-year anniversary of the maturity date, the principal amount will increase by 10%. The convertible debentures will not bear interest until the maturity date, after which if the principal amount remains unpaid, the convertible debentures will bear an interest rate of 22% per annum. Concurrent to the issuance of the convertible debentures, the Company issued 92,893 share purchase warrants exercisable at \$9.00 per share expiring two years from the date of issuance. On June 1, 2020, \$505,555 of convertible debentures were converted into common share of the Company; accordingly, the Company issued 277,778 common shares on June 15, 2020 and recognized a premium on conversion of \$17,186.

On February 24, 2020, the Company closed its second and final tranche of a convertible debt financing through the issuance of secured convertible debentures in the aggregate principal amount of \$111,111 for gross proceeds of \$100,000 reflecting a 10% discount of the principal amount. This issuance has the same terms as the first tranche closing on February 14, 2020. Concurrent to the second tranche closing, the Company issued 18,519 share purchase warrants exercisable at \$3.00 per share expiring two years from the date of issuance. \$27,778 of these convertible debentures were issued to a director of the Company. On January 5, 2021, \$27,778 were converted into 13,889 common shares of the Company and a premium on conversion of \$4,821 was recognized. On February 24, 2022, these convertible debentures matured. As at December 31, 2022, the Company accrued \$18,399 in accrued interest payable on the outstanding balance.

#### 6. SHARE CAPITAL

##### Authorized share capital

Unlimited number of common shares without par value, special rights or restrictions attached. On June 18, 2021, the Company completed another 20 old shares for one new share consolidation. All references to common shares, options, and warrants and per common share amounts have been retroactively restated to reflect this share consolidation.

**There were no shares issued during the nine months ended December 31, 2022.**

## New Wave Holdings Corp.

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For the nine months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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#### 6. SHARE CAPITAL (continued)

##### Issued share capital for the year ended March 31, 2022

On June 30, 2021, 1,595 common shares were issued pursuant to the exercise of share purchase warrants for total proceeds of \$17,226. As at March 31, 2022, \$17,226 is included in Share subscription receivable.

On November 17, 2021, the Company completed a private placement of 9,656,239 units at a price of \$0.35 per unit for total proceeds of \$3,379,682. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share at \$0.70 per share expiring on November 17, 2023. As at December 31, 2021, \$210,000 is included in Share subscriptions receivable.

On January 12, 2022, the Company issued 15,000,000 common shares to acquire 100% interest in Pawtocol that was fair value at \$3,450,000.

##### Escrow Shares

As at December 31, 2022, Nil (March 31, 2022 – 33,932) shares were held in escrow, to be released evenly over a 3-year period from October 24, 2019.

##### Share Purchase Warrants

The continuity of the Company's outstanding warrants is as follows:

	December 31, 2022		March 31, 2022	
	Number of	Weighted	Number of	Weighted
	Warrants	Average	Warrants	Average
	#	Exercise Price	#	Exercise Price
		\$		\$
<b>Balance, opening</b>	10,396,485	1.34	1,198,188	11.40
Expired	(328,998)	9.00	(456,347)	13.52
Exercised	-	-	(1,595)	10.80
Issued	-	-	9,656,239	0.70
<b>Balance, ending</b>	<b>10,067,487</b>	<b>1.09</b>	<b>10,396,485</b>	<b>1.34</b>

As at December 31, 2022, the weighted average remaining contractual life of share purchase warrants outstanding was 0.86 years and the weighted average exercise price was \$1.09.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 6. SHARE CAPITAL (continued)

##### Share Purchase Warrants (continued)

Warrants outstanding as at December 31, 2022 are as follows:

Exercise price	Expiry date	Number of Warrants
\$ 10.80	May 23, 2023	362,299
\$ 10.80	May 23, 2023	23,949
\$ 2.00	May 12, 2023	25,000
\$ 0.70	November 17, 2023	9,656,239
	<b>TOTAL</b>	<b>10,067,487</b>

##### Stock Options

On October 24, 2020, the Company adopted an equity incentive plan under which it is authorized to grant to officers, directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common share of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares. The Option Plan is 10% a rolling plan pursuant to which the number of common shares which may be subject to issuance pursuant to options granted under the Option Plan is 10% and when combined with all other equity compensation securities outstanding shall not be greater than 20% of the common shares issued and outstanding at the date of grant.

On July 20, 2022, the Company granted 2,520,000 stock options to directors, officers and consultants of the Company. The stock options entitle the holder to purchase one common share at \$0.05 per share expiring on July 20, 2027. The stock option vest at the date of grant. The fair value of the stock options of \$126,000 was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.05; Risk-free interest rate of 2.83%; Dividend yield of 0%; Expected life of 5 years; Forfeiture rate of 0% and Expected volatility of 159.75% based on the Company's historical data.

The continuity of the Company's outstanding options is as follows:

	December 31, 2022		March 31, 2022	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
	#	\$	#	\$
<b>Balance, opening</b>	266,666	5.82	266,666	5.82
<b>Granted</b>	2,520,000	0.05	-	-
<b>Balance, ending</b>	<b>2,786,666</b>	<b>0.60</b>	<b>266,666</b>	<b>5.82</b>

As at December 31, 2022, the weighted average remaining contractual life of stock options outstanding was 4.30 years.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 6. SHARE CAPITAL – (continued)

##### Stock Options – (continued)

Options outstanding as at December 31, 2022 are as follows:

Exercise price	Expiry date	Number of options	Number of options exercisable
\$ 7.00	May 14, 2023	15,000	15,000
\$ 6.60	June 17, 2023	30,000	30,000
\$ 9.00	October 24, 2024	123,333	123,333
\$ 6.60	November 8, 2024	3,333	3,333
\$ 4.60	February 10, 2025	3,333	3,333
\$ 3.60	February 24, 2025	1,667	1,667
\$ 1.00	November 6, 2025	85,000	85,000
\$ 2.20	February 1, 2026	5,000	5,000
\$ 0.05	July 20, 2027	2,520,000	2,520,000
		<b>2,786,666</b>	<b>2,786,666</b>

##### Restricted Share Unit Plan

RSUs activities were as follows:

	December 31, 2022	March 31, 2022
	#	#
<b>Balance, opening</b>	28,459	28,459
<b>Balance, ending</b>	28,459	28,459

On June 17, 2020, the Company granted 15,000 Restricted Share Units (“RSU”) to a consultant of the Company. The RSU vest at 1/3 every six months with the first vesting on grant date. During the year ended March 31, 2021, the Company recorded \$72,444 as share-based payment and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve. As at December 31, 2022 and March 31, 2022, 15,000 RSU have vested and have not been issued.

On February 1, 2021, the Company granted 13,459 RSU to consultants of the Company. The granted RSU shall vest on the date of grant. During the year ended March 31, 2021, the Company recorded \$29,609 as share-based payment and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to reserve. As at December 31, 2022 and March 31, 2022 these shares have not been issued.



## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 7. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the fair market value. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

##### Transactions with key management and directors

The Company incurred the following transactions for the year ended, with companies controlled by current and former directors and officers of the Company:

	For the nine months ended	
	December 31,	
	2022	2021
	\$	\$
Consulting fees	72,000	24,000
Share-based compensation	40,000	-
	112,000	24,000

Included in December 31, 2022 accounts payable and accrued liabilities is \$4,200 to a company controlled by an officer of the Company (March 31, 2022 - \$12,800) for unpaid consulting fees and are unsecured, non-interest bearing and payable on demand.

#### 8. NOTE RECEIVABLE

On January 26, 2022, the Company loaned \$40,000 through a promissory note to Lida Resources Inc. (“Lida”). The note bears interest at 10% per annum unless Lida is in default under the terms of the note, interest at the rate of 15% shall apply to all outstanding balance (including accrued interest) until the amounts owing under this Note is brought into good standing. Lida will not be required to make monthly payments and is due on demand. As at December 31, 2022, the Company has accrued interest receivable of \$3,726 (March 31, 2022 - \$712). During the nine months ended December 31, 2022 accrued \$3,014 in interest income.

On March 4, 2022, the Company loaned \$200,000 through a promissory note to 1320310 B.C. Ltd. (“1320310”). No interest will accrue on the principal amount unless earlier payment is required by the Company. The outstanding principal is due on the earlier of (i) the closing of the acquisition of 1320310 pursuant to the letter of intent dated February 15, 2022 among 1320310 and the Company; and (ii) June 4, 2022 maturity date. On July 26, 2022, the Company collected the \$200,000 promissory note.

As at March 31, 2022, the Company loaned \$638,606 (US\$500,000) through a promissory note to Pawtocol LLC, a wholly owned subsidiary of Pawtocol. No interest will accrue on the principal amount unless Pawtocol LLC is in default under the terms of this Note. If Pawtocol LLC is in default, then in addition to the other remedies available to Pawtocol LLC, interest at the rate of 10% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this Note are brought into good standing. Pawtocol LLC will not be required to make monthly payments and is due on demand. On March 31, 2022, the Company wrote-off the note receivable to \$Nil following the impairment of the related investment. During the period ended December 31, 2022, the Company advanced another \$600,000 and US\$100,000 (CAD\$135,659) to Pawtocol LLC with similar terms. On December 31, 2022, the Company impaired the note receivable to \$Nil.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended December 31, 2022 and 2021

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#### 8. NOTE RECEIVABLE – (continued)

During the period ended December 31, 2022, the Company loaned an aggregate of \$75,088 through promissory notes to Way of Will Inc. (WoW). The notes will bear interest at 10% per annum unless WoW is in default under the terms of the note, interest at the rate of 20% shall apply to all outstanding balance (including accrued interest) until the amounts owing under this note is brought into good standing. WoW will not be required to make monthly payments and is due on demand. On December 31, 2022, the Company recorded an impairment of \$77,883 on the promissory and the accrued interest charged.

#### 9. LOAN PAYABLE

During the period ended December 31, 2022, the Company received \$135,471 from a non-related party to provide short term financing for the Company's operations. The loan is unsecured, non-interest bearing and payable on demand.

#### 10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities as at December 31, 2022 and March 31, 2022:

	December 31, 2022	March 31, 2022
	\$	\$
<b>Fair value through profit or loss</b>		
Investments	2,530,997	1,899,488
<b>Amortized cost</b>		
Cash and cash equivalents	83,328	872,317
Note receivables	43,726	240,712
Accounts payable and accrued liabilities	549,720	597,452
Loan payable	135,471	-
Convertible debentures	98,954	80,555

#### Fair value measurement

As at December 31, 2022, financial instruments that are measured at amortized cost on the condensed interim consolidated statement of financial position are represented by cash and cash equivalents, account payable and accrued liabilities, and convertible debentures. The fair values of these financial instruments approximate the carrying value due to their short-term nature.

Financial assets and liabilities that are recognized on the condensed interim consolidated statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)

The Company's financial assets measured at fair values through profit or loss are as follows:

<b>December 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Investments	397,440	-	2,133,557

  

<b>March 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	\$	\$	\$
Investments	651,286	-	1,248,202

#### Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account and note receivables. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

##### *Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

##### *Liquidity risk*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities which carry net 30 terms and the convertible debentures. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

##### *Price risk*

Equity price risk is the risk of potential loss to the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at December 31, 2022, the Company's equity investments of \$2,530,997, are subject to fair value fluctuations. If the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period ended December 31, 2022 would have been approximately \$253,000 higher/lower.

## New Wave Holdings Corp.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 10. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)

##### *Capital Management*

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the period ended December 31, 2022.

#### 11. SEGMENTED INFORMATION

The Company operates in one business segment: to generate income and achieve long term capital appreciation through investments focused on e-sports, NFT (non-fungible token), metaverse, blockchain and Web 3 sectors.

Geographic information with respect to the Company's assets is as follows:

	December 31, 2022	March 31, 2022
	\$	\$
Canada	2,744,517	3,156,237
United States	7,772	7,170
Total assets	2,752,289	3,163,407

Geographic information with respect to the Company's liabilities is as follows:

	December 31, 2022	March 31, 2022
	\$	\$
Canada	794,155	688,017
United States	-	-
Total liabilities	794,155	688,017

Geographic information with respect to the Company's net loss (income) is as follows:

	December 31, 2022	December 31, 2021
	\$	\$
Canada	643,648	1,903,712
United States	(392)	837
Net loss (income) for the period	643,256	1,904,549