

NEW WAVE HOLDINGS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended September 30, 2023 and 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 six months ended September 30, 2023 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 Comprehensive Loss

As at September 30, 2023 and March 31, 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Note	September 30, 2023	March 31, 2023
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		485,771	32,201
Other receivables		107,986	87,951
Prepays		46,354	-
Investments	4	2,306,724	2,326,347
TOTAL ASSETS		2,946,835	2,446,499
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	7	758,119	653,919
Share subscription proceeds to be returned		10,010	10,010
Loan payable	8	148,988	142,196
Convertible debentures	5	112,666	103,474
TOTAL LIABILITIES		1,029,783	909,599
Shareholders' equity			
Share capital	6	31,804,789	31,299,034
Reserves	6	2,083,260	2,083,260
Share subscriptions receivable		(2,755)	(212,755)
Deficit		(31,968,242)	(31,632,639)
TOTAL SHAREHOLDERS' EQUITY		1,917,052	1,536,900
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,946,835	2,446,499

Nature and Continuance of Operations – (Note 1)

Subsequent Events – (Note 11)

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

Director

“Anthony Zelen”

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 Loss

For the three and six months ended September 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Note	For the three months ended September 30,		For the six months ended September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Net Investment gain (loss)					
Interest income		331	2,975	331	4,875
Unrealized (loss) gain on investments	4	16,067	(276,854)	(19,623)	(400,828)
		16,398	(273,879)	(19,292)	(395,953)
Expenses					
Accretion interest		8,036	4,594	15,984	15,345
Consulting	7	104,300	54,300	158,600	123,183
Depreciation		-	109	-	443
Foreign Exchange (gain) loss		(105)	(307)	9	(452)
Investor Relations and Marketing		-	-	-	3,495
Office and miscellaneous		41,137	30,463	77,947	56,950
Professional fees		36,273	9,568	51,481	17,979
Regulatory		6,066	778	12,290	2,870
Share-based payments	6 and 7	-	126,000	-	126,000
		195,707	225,505	316,311	345,813
Net loss and comprehensive loss for the period		(179,309)	(499,384)	(335,603)	(741,766)
Basic and diluted loss per share		(0.01)	(0.05)	(0.03)	(0.07)
Weighted average number of common shares outstanding					
-basic and diluted		15,305,906	10,214,030	12,773,881	10,214,030

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 six months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share Capital					
	Number of shares	Share capital	Share subscriptions receivable	Reserves	Deficit	Total
Balance as at March 31, 2022	10,214,032	\$ 31,299,034	\$ (227,226)	\$ 1,957,260	\$ (30,553,678)	\$ 2,475,390
Share-based payments	-	-	-	126,000	-	126,000
Net loss for the period	-	-	-	-	(741,766)	(741,766)
Balance as at September 30, 2022	10,214,032	31,299,034	(227,226)	2,083,260	(31,295,444)	1,859,624
Balance as at March 31, 2023	10,214,032	31,299,034	(212,755)	2,083,260	(31,632,639)	1,536,900
Private placement	8,076,766	524,990	-	-	-	524,990
Share issue costs	-	(19,235)	-	-	-	(19,235)
Share subscriptions received	-	-	210,000	-	-	210,000
Net loss for the period	-	-	-	-	(335,603)	(335,603)
Balance as at September 30, 2023	18,290,798	31,804,789	(2,755)	2,083,260	(31,968,242)	1,917,052

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 six months ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the six months ended September 30,	
	2023	2022
	\$	\$
Operating activities		
Net loss for the period	(335,603)	(741,766)
Adjustment for non-cash items		
Accretion and interest	15,984	15,345
Depreciation	-	443
Share-based payments	-	126,000
Unrealized (gain) loss on investments	19,623	400,828
Changes in non-cash operating working capital items:		
Accounts payable and accrued liabilities	104,199	(5,225)
Other receivables	(20,034)	(9,892)
Prepays	(46,354)	-
Note receivable	-	(479,889)
Prepaid expenses	-	46,849
Net cash used in operating activities	(262,185)	(189,167)
Financing activities		
Shares issued for cash	524,990	-
Share issue costs - cash	(19,235)	-
Share subscriptions received	210,000	-
Net cash provided by financing activities	715,755	-
Change in cash during the period	453,570	(647,307)
Cash, beginning of period	32,201	872,317
Cash, end of period	485,771	225,010
Supplemental Disclosures of Cash Flow Information:		
Interest paid	-	-
Income tax paid	-	-

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

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 June 18, 2021, the Company completed a 20 old shares for one new share consolidation and on May 30, 2023, the Company completed another 3 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 September 30, 2023, the Company is not able to finance day to day activities through operations and has incurred a loss of \$335,603 for the six months ended September 30, 2023. 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 consolidated statement of financial position. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022 and the war escalation between Hamas and Israel. While the Company expects any direct impacts, the conflict in the Ukraine and Israel, to the business to be limited, the indirect impacts on the economy and industries in general could negatively affect the business.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

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 November 28, 2023.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION – (continued)

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, 2023. 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, 2023.

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:

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

4. INVESTMENTS – (continued)

The Company has the following investments as at September 30, 2023 and March 31, 2023:

	Note	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2023	Fair market value adjustment	Fair Value at September 30, 2023
			\$	\$	\$	\$
Equities of e-sport companies:						
Public						
AMPD Ventures Inc.	vii	100,000	30,000	5,000	(4,500)	500
TGS Esports Inc.	i	1,040,000	326,000	-	-	-
Real Luck Group Ltd.	iv	547,298	150,000	65,676	(43,784)	21,892
Tiidal Gaming Group Inc.	iii	2,866,050	496,017	257,944	28,661	286,605
Way of Will Inc.	vi	212,052	143,470	-	-	-
			1,145,487	328,620	(19,623)	308,997
Private						
Playline Ltd.	ii	51,653	250,829	-	-	-
Talon Esports Ltd.	v	681,818	405,000	1,997,727	-	1,997,727
1295764 B.C. Ltd. (Pawtocol Holdings Corporation)	viii	15,000,000	3,450,000	-	-	-
			4,105,829	1,997,727	-	1,997,727
Other investments						
AMPD Ventures Inc. - warrants	vii	100,000	-	-	-	-
Balance		-	5,251,316	2,326,347	(19,623)	2,306,724

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

4. INVESTMENTS – (continued)

	Note	Number of Shares/Units Held	Investment cost	Fair Value at March 31, 2022	Fair market value adjustment	Fair Value at March 31, 2023
			\$	\$	\$	\$
Equities of e-sport companies:						
Public						
AMPD Ventures Inc.	vii	100,000	30,000	22,000	(17,000)	5,000
TGS Esports Inc.	i	1,040,000	326,000	57,200	(57,200)	-
Real Luck Group Ltd.	iv	547,298	150,000	120,406	(54,730)	65,676
Tiidal Gaming Group Inc.	iii	2,866,050	496,017	436,889	(178,945)	257,944
Way of Will Inc.	vi	212,052	143,470	14,791	(14,791)	-
			1,145,487	651,286	(322,666)	328,620
Private						
Playline Ltd.	ii	51,653	250,829	250,829	(250,829)	-
Talon Esports Ltd.	v	681,818	405,000	985,373	1,012,354	1,997,727
1295764 B.C. Ltd. (Pawtocol Holdings Corporation)	viii	15,000,000	3,450,000	-	-	-
			4,105,829	1,236,202	761,525	1,997,727
Other investments						
AMPD Ventures Inc. - warrants	vii	100,000	-	12,000	(12,000)	-
Balance		-	5,251,316	1,899,488	426,859	2,326,347

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

4. INVESTMENTS – (continued)

- i. 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 June 28, 2021, EMG shares were converted into 1,040,000 common shares of TGS Esports Inc. which is listed on the TSX Venture Exchange. During the year ended March 31, 2023, the fair value of the Company’s investment was adjusted to \$nil as a result of certain operational and market challenges and the shares have been cease traded on the TSX venture for failure-to-file and comply with reporting requirements. As at September 30, 2023, TGS Esports Inc. shares remains halted.

- ii. 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 and its shares cannot be reliably valued using any market-derived indicators. During the year ended March 31, 2023, the Company recognized a \$250,829 fair value decrease of its investment in Playline based on review of market indicators and lack of operational results from the investment. As at September 30, 2023, there is no change in fair value.

- 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 had an estimated fair market value of \$46,017 using the Black-Scholes pricing model. During the year ended March 31, 2020, the Company exercised 250,000 stock options for an additional \$50,000 investment into Tiidal Gaming. As at September 30, 2023 and March 31, 2023, there are no advisory agreement with 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 original 2,250,000 shares in Tiidal Gaming reflect the forward stock split based on 1.2738 post-share split for a total of 2,866,050 common shares.

- iv. 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.

- v. 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 had an estimated fair market value of \$198,511 using the Black-Scholes pricing model. During the year ended March 31, 2022, 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 September 30, 2023 and March 31, 2023 was determined by the most recent financing completed by Talon at \$2.93 (US\$2.1612) per share. As at September 30, 2023 and March 31, 2023, there are no advisory agreement with Talon.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

4. INVESTMENTS – (continued)

- vi. 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 (28,190,725 pre-consolidated) 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, 2023, the Company holds 212,052 shares of WoW. As at March 31, 2023 the fair value of the Company’s investment was adjusted to \$nil as a result of certain operational and market challenges and the shares have been cease traded on the TSX venture for failure-to-file and comply with reporting requirements. As at September 30, 2023, WoW shares remain halted.
- vii. 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 September 30, 2023 and March 31, 2023, the fair value of the warrants was \$nil.
- 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.

5. CONVERTIBLE DEBENTURES

	Liability component \$	Equity component \$	Total \$
Balance, March 31, 2022	80,555	-	80,555
Accrued interest	22,919	-	22,919
Balance, March 31, 2023	103,474	-	103,474
Accrued interest	9,192	-	4,572
Balance, September 30, 2023	112,666	-	108,406

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 (\$0.10 pre-consolidated) 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 (1,857,852 pre-consolidated) share purchase warrants exercisable at \$9.00 (\$0.45 pre-consolidated) 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 (5,555,555 pre-consolidated) common shares on June 15, 2020 and recognized a premium on conversion of \$17,186.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

5. CONVERTIBLE DEBENTURES – (continued)

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 (370,371 pre-consolidated) share purchase warrants exercisable at \$3.00 (\$0.15 pre-consolidated) 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 (277,777 pre-consolidated) 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 September 30, 2023, the Company has accrued \$9,192 (March 31, 2023 – \$22,919) in interest payable which is included within the convertible debenture 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 20 old shares for one new share consolidation. On May 30, 2023, the Company completed a 3 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.

During the six months ended September 30, 2023:

On August 3, 2023, the Company completed a private placement of 8,076,766 common shares at a price of \$0.065 per share for gross proceeds of \$524,990. In connection to the financing, the Company incurred \$19,235 in share issue costs related to legal fees.

There were no shares issued for the year ended March 31, 2023.

Share Purchase Warrants

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

	September 30, 2023		March 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
	#	\$	#	\$
Balance, opening	3,355,829	3.27	3,465,495	4.02
Expired	(137,083)	30.80	(109,666)	27.00
Balance, ending	3,218,746	2.10	3,355,829	3.27

As at September 30, 2023, the weighted average remaining contractual life of share purchase warrants outstanding was 0.13 years and the weighted average exercise price was \$2.10.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (continued)

Warrants outstanding as at September 30, 2023 are as follows:

Exercise price	Expiry date	Number of warrants
\$ 2.10	November 17, 2023	*3,218,746
	TOTAL	3,218,746

*Subsequent to September 30, 2023, 3,218,746 warrants expired.

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 840,000 (2,520,000 pre-consolidated) stock options to directors, officers and consultants of the Company. The stock options entitle the holder to purchase one common share at \$0.15 (\$0.05 pre-consolidated) per share expiring on July 20, 2027. The stock option vest at the date of grant. During the year ended March 31, 2023, the Company recorded \$126,000 in share-based payments as the fair value of the stock options of was determined using the Black Scholes option valuation model with the following assumptions – Share price on date of grant of \$0.15 (\$0.05 pre-consolidated); 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:

	September 30, 2023		March 31, 2023	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
	#	\$	#	\$
Balance, opening	928,889	1.81	88,889	17.46
Granted	-	-	840,000	0.15
Forfeited	(15,000)	20.20	-	-
Balance, ending	913,889	1.50	928,889	1.81

As at September 30, 2023, the weighted average remaining contractual life of stock options outstanding was 3.62 years.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL – (continued)**Stock Options – (continued)**

Options outstanding and exercisable as at September 30, 2023 are as follows:

Exercise price	Expiry date	Number of options	Number of options exercisable
\$ 27.00	October 24, 2024	41,111	41,111
\$ 19.80	November 8, 2024	1,111	1,111
\$ 13.80	February 10, 2025	1,111	1,111
\$ 10.80	February 24, 2025	556	556
\$ 3.00	November 6, 2025	28,333	28,333
\$ 6.60	February 1, 2026	1,667	1,667
\$ 0.15	July 20, 2027	840,000	840,000
		913,889	913,889

Restricted Share Unit Plan

RSUs activities were as follows:

	September 30, 2023	March 31, 2023
	#	#
Balance opening and ending	9,486	9,486

The estimated fair value of the equity settled RSUs granted during the year ended March 31, 2022 was \$5,556 and were valued based on the trading price of the common shares on the grant date, which will be recognized as an expense over the vesting period of the RSUs.

On June 17, 2020, the Company granted 5,000 (15,000 pre-consolidated) 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. As at March 31, 2023 and 2022, 5,000 (15,000 pre-consolidated) RSU have vested and have not been issued.

On February 1, 2021, the Company granted 4,486 (13,459 pre-consolidated) RSU to consultants of the Company. The granted RSU shall vest on the date of grant. As at September 30, 2023 and March 31, 2023, these shares have not been issued.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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 six months ended September 30, 2023 and 2022, with companies controlled by officers of the Company:

	2023	2022
	\$	\$
Consulting fees	48,000	48,000
Share-based payments	-	40,000
	48,000	88,000

As at September 30, 2023, the Company owed \$12,600 to companies controlled by officers of the Company (March 31, 2023 – \$4,200) for unpaid consulting fees which is included within accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing and due on demand.

8. LOAN PAYABLE

On October 21, 2022, the Company entered into a loan agreement in the amount of \$135,471. The loan bears interest at 10% per annum, is unsecured and is repayable on demand. As at September 30, 2023, the Company has accrued \$13,517 (March 31, 2023 – \$6,725) in interest payable.

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities as at September 30, 2023 and March 31, 2023:

	September 30, 2023	March 31, 2023
	\$	\$
Fair value through profit or loss		
Investments	2,306,724	2,326,347
Amortized cost		
Cash and cash equivalents	485,771	32,201
Accounts payable and accrued liabilities	758,119	653,919
Share subscriptions to be returned	10,100	10,100
Loan payable	148,988	142,196
Convertible debentures	112,666	103,474

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)

Fair value measurement

As at September 30, 2023, financial instruments that are measured at amortized cost on the condensed interim consolidated statements of financial position are represented by cash and cash equivalents, account payable and accrued liabilities, loan payable, 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 statements 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).

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

September 30, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments	308,997	-	1,997,727	2,306,724

March 31, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Investments	328,620	-	1,997,727	2,326,347

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 at September 30, 2023 is on its bank account. 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.

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT – (continued)

Financial risk management – (continued)

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, share subscriptions to be returned, the loan payable 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 September 30, 2023, the Company's equity investments of \$2,306,724, are subject to fair value fluctuations. If the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period ended September 30, 2023, would have been approximately \$231,000 higher/lower.

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 September 30, 2023.

10. 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 3sectors.

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

	September 30, 2023	March 31, 2023
	\$	\$
Canada	2,939,238	2,438,727
United States	7,597	7,772
Total assets	2,946,835	2,446,499

New Wave Holdings Corp.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

10. SEGMENTED INFORMATION – (continued)

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

	September 30, 2023	March 31, 2023
	\$	\$
Canada	1,029,783	909,599
United States	-	-
Total liabilities	1,029,783	909,599

Geographic information with respect to the Company’s net loss is as follows:

	September 30, 2023	September 30, 2022
	\$	\$
Canada	335,594	742,219
United States	9	(453)
Net loss for the period	335,603	741,766

11. SUBSEQUENT EVENTS

Subsequent to September 30, 2023:

On October 24, 2023, the Company issued 4,000,000 common shares to acquired 51% of the issued and outstanding common shares of Rosey Inc. (“Rosey”) and advanced \$200,000 to Rosey for working capital purposes pursuant to the terms and conditions of the share exchange agreement dated September 22, 2023. The Company also has exclusive rights to purchase the remaining 49% of Rosey’s outstanding shares until December 31, 2024 (the “Option Deadline Date”), as follows: (i) an additional 9% of Rosey shares upon making a cash payment of \$300,000 to Rosey as working capital on or prior to the Option Deadline Date (ii) acquire the remaining 40% of Rosey shares by paying \$2,000,000 to the remaining shareholder on or before the Option Deadline Date.

On November 22, 2023, the Company entered into a share exchange agreement with the shareholders of Longevity AI Inc. (“Longevity”) to acquire 50% of the issued and outstanding common shares. As consideration, the Company has agreed to issue an aggregate of 20,000,002 common shares to the shareholders of Longevity on a pro-rata basis and will also issue up to 2,000,000 common shares upon Longevity’s business meeting certain milestones on a pro-rata basis. The transaction is subject to several conditions, including regulatory approval.

On November 24, 2023, the Company loaned \$75,000 through a promissory note to Eat & Beyond Global Holdings Inc (“Eat”); a company with directors and officers in common, that bears interest at 8% interest will accrue on the principal amount unless Eat is in default. If Eat is in default, then in addition to the other remedies available to the Company, interest at the rate of 8% shall apply to all outstanding balances (including accrued interest) until the amounts owing under this note are brought into good standing. .Eat will not be required to make monthly payments and the note is due on demand.