

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-38015

NEXTTRIP, INC.

(Exact name of registrant as specified in its charter)

NEVADA	27-1865814
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
3900 Paseo del Sol Santa Fe, NM 87507 (Address of principal executive offices)	
(954) 526-9688 (Registrant's telephone number, including area code)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	NTRP	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of October 14, 2024, the issuer had 1,421,427 shares of common stock outstanding.

NEXTTRIP, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NEXTTRIP, INC. (FORMERLY SIGMA ADDITIVE SOLUTIONS, INC.) CONDENSED CONSOLIDATED BALANCE SHEETS

	August 31, 2024 (unaudited)	February 29, 2024
ASSETS		
Cash and cash equivalents	\$ 102,006	\$ 323,805
Promissory note receivable, net	1,000,000	1,000,000
Accounts receivable, net	11,201	34,082
Prepaid expenses and other current assets	244,870	340,921
Total Current Assets	1,358,077	1,698,808
Non-Current assets		
Property and equipment, net	6,703	6,642
Intangible assets, net	2,310,927	2,173,420
Security deposit	45,167	42,167
Goodwill	1,167,805	1,167,805
Total Non-Current Assets	3,530,602	3,390,034
Total Assets	\$ 4,888,679	\$ 5,088,842
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,145,536	\$ 531,847
Accrued expenses	880,585	460,768
Deferred revenue	138,067	139,921
Notes payable	140,000	-
Notes payable - related parties	2,718,594	828,277
Total Current Liabilities	5,022,782	1,960,813
Total Liabilities	5,022,782	1,960,813
Commitments and Contingencies	-	-
Stockholder's Equity		
Preferred Stock, \$0.001 par value, 10,000,000 shares authorized; 93,295 and 472,996 shares issued and outstanding, respectively	94	474
Common Stock, \$0.001 par value, 250,000,000 and 1,200,000 shares authorized, respectively; 1,388,641 and 936,430 shares issued and outstanding, respectively	1,389	936
Additional Paid in Capital	27,550,296	27,277,758
Accumulated deficit	(27,685,882)	(24,151,139)
Total Stockholders' Equity	(134,103)	3,128,029
Total Liabilities and Stockholders' Equity	\$ 4,888,679	\$ 5,088,842

See accompanying notes to condensed financial statements.

NEXTTRIP, INC. (FORMERLY SIGMA ADDITIVE SOLUTIONS, INC.) CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Three Months Ended
August 31,

Six Months Ended
August 31,

	2024	2023	2024	2023
Revenue	\$ 154,498	\$ 27,663	\$ 343,291	\$ 47,225
Cost of revenue (exclusive of depreciation and amortization, shown separately below)	155,455	23,734	329,036	41,452
Gross profit (loss)	(957)	3,929	14,255	5,773
Operating Expenses:				
Salaries and benefits	628,759	360,947	1,255,511	768,555
Stock based compensation	13,841	-	30,235	-
General and administrative	21,677	128,955	49,231	198,058
Sales and marketing	51,347	49,758	207,536	90,539
Professional service fees	372,027	125,934	895,900	260,304
Technology	141,022	83,786	325,691	119,680
Organization costs	80,452	-	109,189	-
Depreciation and amortization	95,414	331,549	383,000	667,889
Other expenses	63,796	10,001	179,655	17,731
Total Operating Expenses	1,468,335	1,090,930	3,435,948	2,122,756
Operating loss	(1,469,292)	(1,087,001)	(3,421,693)	(2,116,983)
Other Income (Expenses)				
Interest income (expense), net	(64,227)	(73,762)	(99,452)	(139,151)
Total Other Income (Expense)	(64,227)	(73,762)	(99,452)	(139,151)
Net loss from continuing operations before taxes	(1,533,519)	(1,160,763)	(3,521,145)	(2,256,134)
Provision for income taxes	-	-	-	-
Net loss from continuing operations	\$ (1,533,519)	\$ (1,160,763)	\$ (3,521,145)	\$ (2,256,134)
Net gain (loss) from discontinued operations, net of taxes	(1,131)	-	7,778	\$ -
Net loss	\$ (1,534,650)	\$ (1,160,763)	\$ (3,513,367)	\$ (2,256,134)
Preferred dividends	(10,688)	-	(21,376)	-
Net Loss Applicable to Common Stockholders	\$ (1,545,338)	\$ (1,160,763)	\$ (3,534,743)	\$ (2,256,134)
Basic and diluted loss per common share from continuing operations (*)	\$ (1.13)	\$ (13.92)	\$ (2.67)	\$ (27.06)
Basic and diluted loss per common share from discontinued operations (*)	\$ (0.01)	\$ -	\$ (0.01)	\$ -
Basic and diluted loss per common share (*)	\$ (1.14)	\$ (13.92)	\$ (2.68)	\$ (27.06)
Basic and diluted weighted average number of common shares (*)	1,359,126	83,371	1,319,146	83,371

* On December 29, 2023, Sigma Additive Solutions, Inc. acquired NextTrip in a reverse acquisition. NextTrip Group, LLC was issued 83,371 shares of Sigma Additive Solutions, Inc. common stock in exchange for 100% of the issued and outstanding capital stock of NextTrip at the time of the reverse acquisition. The Company has reflected this transaction retroactively in these financial statements.

See accompanying notes to condensed financial statements.

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NEXTTRIP, INC. (FORMERLY SIGMAADDITIVE SOLUTIONS, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
For the Three Months and Six Months Ended August 31, 2024, and August 31, 2023

(Unaudited)

For the Three Months Ended August 31, 2024, and August 31, 2023

	Preferred Stock		Common Stock		Additional Paid-in Capital		Accumulated Deficit	Total
	Shares Outstanding	Preferred Stock	Shares Outstanding	Common Stock	Paid-in Capital			
Balances, May 31, 2024	63,494	\$ 64	1,345,932	\$ 1,346	\$ 27,304,840		\$ (26,140,544)	\$ 1,165,706
Net Loss	-	-	-	-	-		(1,534,650)	(1,534,650)
Preferred Stock Dividends	-	-	-	-	10,688		(10,688)	-
Issuance of Convertible Preferred Shares	29,801	30	-	-	89,970		-	90,000
Common Shares Issued for Third party Services	-	-	42,709	43	130,957		-	131,000
Stock Options Issued to Employees	-	-	-	-	13,841		-	13,841
	93,295	\$ 94	1,388,641	\$ 1,389	\$ 27,550,296		\$ (27,685,882)	\$ (134,103)
Balances, August 31, 2024								

	Preferred Stock		Common Stock		Additional Paid-in Capital		Accumulated Deficit	Total
	Shares Outstanding	Preferred Stock	Shares Outstanding	Common Stock	Paid-in Capital			
Balances, May 31, 2023(*)	-	\$ -	83,371	\$ 83	\$ 17,295,890		\$ (17,907,234)	\$ (611,261)
Net Loss	-	-	-	-	-		(1,160,763)	(1,160,763)
Balances, August 31, 2023(*)	-	\$ -	83,371	\$ 83	\$ 17,295,890		\$ (19,067,997)	\$ (1,772,024)

* On December 29, 2023, Sigma Additive Solutions, Inc. acquired NextTrip in a reverse acquisition. NextTrip Group, LLC was issued 83,371 shares of Sigma Additive Solutions, Inc. common stock in exchange for 100% of the issued and outstanding capital stock of NextTrip at the time of the reverse acquisition. The Company has reflected this transaction retroactively in these financial statements.

For the Six Months Ended August 31, 2024, and August 31, 2023

	Preferred Stock		Common Stock		Additional	Accumulated Deficit	Total
	Shares Outstanding	Preferred Stock	Shares Outstanding	Common Stock	Paid-in Capital		
Balances, February 29, 2024	472,996	\$ 474	936,430	\$ 936	\$27,277,758	\$ (24,151,139)	\$ 3,128,029
Net Loss	-	-	-	-	-	(3,513,367)	(3,513,367)
Preferred Stock Dividends	-	-	-	-	21,376	(21,376)	-
Issuance of Convertible Preferred Shares	29,801	30	-	-	89,970	-	90,000
Common Shares Issued for Conversion of Preferred Stock	(409,502)	(410)	409,502	410	-	-	-
Issuance of Common Shares for Third Party Services	-	-	42,709	43	130,957	-	131,000
Stock Options Issued to Employees	-	-	-	-	30,235	-	30,235
Balances, August 31, 2024	<u>93,295</u>	<u>\$ 94</u>	<u>1,388,641</u>	<u>\$ 1,389</u>	<u>\$27,550,296</u>	<u>\$ (27,685,882)</u>	<u>\$ (134,103)</u>
	Preferred Stock		Common Stock		Additional	Accumulated Deficit	Total
	Shares Outstanding	Preferred Stock	Shares Outstanding	Common Stock	Paid-in Capital		
Balances, February 28, 2023(*)	-	\$ -	83,371	\$ 83	\$17,295,890	\$ (16,811,863)	\$ 484,110
Net Loss	-	-	-	-	-	(2,256,134)	(2,256,134)
Balances, August 31, 2023(*)	<u>-</u>	<u>\$ -</u>	<u>83,371</u>	<u>\$ 83</u>	<u>\$17,295,890</u>	<u>\$ (19,067,997)</u>	<u>\$ (1,772,024)</u>

* On December 29, 2023, Sigma Additive Solutions, Inc. acquired NextTrip in a reverse acquisition. NextTrip Group, LLC was issued 83,371 shares of Sigma Additive Solutions, Inc. common stock in exchange for 100% of the issued and outstanding capital stock of NextTrip at the time of the reverse acquisition. The Company has reflected this transaction retroactively in these financial statements.

See accompanying notes to condensed financial statements.

NEXTTRIP, INC. (FORMERLY SIGMA ADDITIVE SOLUTIONS, INC.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	August 31, 2024	August 31, 2023
OPERATING ACTIVITIES		
Net Loss – Continuing Operations	\$ (3,521,145)	\$ (2,256,134)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Noncash Expenses:		
Depreciation and amortization – property and equipment and intangibles	383,000	667,889
Depreciation of right of use asset	-	74,848
Stock-based compensation	30,235	-
Change in Assets and Liabilities:		
Accounts receivable	22,881	(5,000)
Prepaid expenses	96,051	(34,114)
Promissory note receivable	-	(8,722)
Accounts payable and accrued expenses	1,033,506	110,959
Deferred revenue	(1,854)	57,156
Security deposit	(3,000)	-
NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	(1,960,326)	(1,393,118)
NET CASH PROVIDED IN OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	7,778	-
NET CASH USED IN OPERATING ACTIVITIES	(1,952,548)	(1,393,118)
INVESTING ACTIVITIES		
Capitalized software development costs	(389,568)	(345,807)
NET CASH USED IN INVESTING ACTIVITIES	(389,568)	(345,807)
FINANCING ACTIVITIES		
Proceeds from issuance of convertible notes	-	1,269,852
Proceeds from issuance of convertible preferred shares	90,000	-
Notes payable	140,000	-
Advances from related parties	1,890,317	292,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,120,317	1,562,352
NET CHANGE IN CASH FOR PERIOD	(221,799)	(176,573)
CASH AT BEGINNING OF PERIOD	323,805	282,475
CASH AT END OF PERIOD	\$ 102,006	\$ 105,902
Supplemental Disclosures:		
Noncash Investing and Financing Activities Disclosure:		
Issuance of common shares for services	\$ 131,000	\$ -

Preferred stock dividends	\$ 21,736	\$ -	-
Disclosure of Cash Paid for:			
Interest	\$ 8,620	\$ 410	
Income Taxes	\$ -	\$ -	

See accompanying notes to condensed financial statements.

NEXTTRIP, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS
August 31, 2024

NOTE 1 - Business Description and Going Concern

Sigma Additive Solutions, Inc. ("Sigma"), the legal acquirer of NextTrip, was initially incorporated as Messidor Limited in Nevada on December 23, 1985, and changed its name to Framewaves Inc. in 2001. On September 27, 2010, the name was changed to Sigma Labs, Inc. On May 17, 2022, Sigma Labs, Inc. began doing business as Sigma Additive Solutions, and on August 9, 2022, changed its name to Sigma Additive Solutions, Inc.

On March 11, 2024, Sigma filed a Certificate of Amendment to its Amended and Restated Articles of Incorporation, as amended, with the Secretary of State of the State of Nevada, pursuant to which, effective as of 12:01 a.m. Pacific time on March 13, 2024, among other things, Sigma's corporate name was changed from Sigma Additive Solutions, Inc. to "NextTrip, Inc."

The Company's corporate office is located at 3900 Paseo del Sol, Santa Fe, NM 87507. The consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, NextTrip Holdings Inc. incorporated October 22, 2015, and Extraordinary Vacations USA, Inc. incorporated on June 24, 2002.

Prior to the Exchange Agreement as described below, NextTrip Holdings, Inc. ("NextTrip") was a wholly owned subsidiary of NextTrip Group, LLC ("Group"), which in turn, was a wholly owned subsidiary of NextPlay Technologies, Inc. ("NextPlay"). All of the business operations of Group were conducted through its subsidiaries. On January 25, 2023, NextPlay and Group entered into an Amended and Restated Separation Agreement ("Separation Agreement"), Amended and Restated Operating Agreement ("Operating Agreement"), and Exchange Agreement ("Exchange Agreement", and together, the "Agreements"), whereby NextPlay transferred their interest in the travel business to Group. Pursuant to the Exchange Agreement, NextPlay exchanged 1,000,000 Membership Units of Group for 400,000 Preferred Units of Group, with a value of \$ 10 per unit. Prior to the exchange for Preferred Units, Group had a payable due to NextPlay of \$17,295,873, representing cash advances and payment of expenses by NextPlay on behalf of Group, while NextPlay had obligations to provide ongoing support to NextTrip. Such liability was settled by the issuance of the Preferred Units and the waiver of all of NextPlay's ongoing support obligations except for a \$1.5 million advance remaining under a promissory note and as such NextTrip recorded the payable as contributed capital.

The Company provides travel technology solutions with sales originating in the United States, with a primary emphasis on hotels, air, and all-inclusive travel packages. Our proprietary booking engine, branded as NextTrip 2.0, provides travel distributors access to a sizeable inventory.

The Company owns 50% of Next Innovation LLC (Joint Venture) and this entity is in the process of a first structure plan. No activities nor operations occurred in 2023 or 2024 for this entity, and NextTrip, Inc. does not have control of the company and therefore no minority interest was recorded.

Reverse Acquisition

On October 12, 2023, Sigma entered into a Share Exchange Agreement (as amended, the "Exchange Agreement") with NextTrip, Group, and William Kerby (the "NextTrip Representative"). Under the terms of the Exchange Agreement, the parties agreed that Group would sell and transfer to Sigma all of the issued and outstanding shares of NextTrip in exchange for 156,007 restricted shares of Sigma common stock (the "Closing Shares"), issuable at closing, and the right to receive up to an additional 5,843,993 restricted shares of Sigma common stock upon satisfaction of certain milestones set forth in the Exchange Agreement (the "Contingent Shares," and together with the Closing Shares, the "Restricted Shares"), which Restricted Shares are issuable to the members of Group, on a pro rata basis, under the terms of the Exchange Agreement, subject to certain closing conditions (the "Acquisition"). Upon the closing of the Acquisition on December 29, 2023, NextTrip became a wholly owned subsidiary of Sigma.

The Contingent Shares, together with the Closing Shares, will not exceed 6,000,000 shares of Sigma common stock, or approximately 90.2% of the issued and outstanding shares of Sigma common stock immediately prior to the closing. The Acquisition will likely result in a change of control, with the members of Group receiving an aggregate number of shares that exceeds the number of shares that held by the legacy shareholders of Sigma. As a result, the Acquisition is accounted for as a reverse acquisition of NextTrip by Sigma, whereby Sigma is treated as the legal acquirer and NextTrip is treated as the accounting acquirer. As a result, the historical financial information presented is that of NextTrip.

In accordance with ASC 805-40-45-1, the consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (NextTrip, Inc., f/k/a Sigma Additive Solutions, Inc.) but described in the notes to the financial statements as a continuation of the financial statements of the legal subsidiary (NextTrip), with one adjustment, which is to retroactively adjust the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. That adjustment is required to reflect the capital of the legal parent. Comparative information presented in the consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent.

Under ASC 805-40-45-2, the consolidated financial statements represent the continuation of the legal subsidiary except for the capital structure, as follows:

- (a) The assets and liabilities of the legal subsidiary recognized and measured at their pre-combination carrying amounts;
- (b) The assets and liabilities of the legal parent recognized and measured in accordance with the guidance in this topic applicable to business combinations (ASC 805);
- (c) The retained earnings and other equity balances of the legal subsidiary before the business combination;

(d) The amount required to be recognized as issued equity interests in the consolidated financial statements determined by adding the issued equity interest of the legal subsidiary outstanding immediately before the business combination to the fair value of the legal parent determined in accordance with the guidance in ASC 805 applicable to business combinations. However, the equity structure reflects the equity structure of the legal parent, including the equity interests the legal parent issued to affect the combination. Accordingly, the equity structure of the legal subsidiary is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent issued in the reverse acquisition.

The assets and liabilities of Sigma Additive Solutions, Inc. were recognized at fair value pursuant to ASC 805.

Going Concern – The Company has sustained losses and had negative cash flows from operating activities since its inception.

The Company currently does not have sufficient cash and working capital to fund its operations and will require additional funding in the public or private markets in the near-term to be able to continue operations. The Company currently has no understanding or agreement to obtain such funding, and there is no assurance that we will be successful in obtaining additional funding. If we fail to obtain sufficient funding when needed, we will be forced to delay, scale back or eliminate all or a portion of our commercialization efforts and operations. As a result, there is substantial doubt about our ability to continue as a going concern.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared by the Company in accordance with Generally Accepted Accounting Principles ("GAAP") in the United States of America. The financial statements have been prepared on a consolidated basis with those of the Company's wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at August 31, 2024 and 2023 and for the periods then ended have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. The Company suggests these condensed financial statements be read in conjunction with the February 29, 2024 audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on September 4, 2024. The results of operations for the period ended August 31, 2024 are not necessarily indicative of the operating results for the full year.

Reclassification

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on the net earnings (loss) or financial position.

Promissory Note Receivable

NextPlay is in default under the terms of its promissory note to NextTrip, and as a result, an allowance for doubtful accounts of \$ 1,567,665 was established as of February 29, 2024, as collectability of the entire receivable is uncertain. During the three and six months ended August 31, 2024, and 2023, there was no bad debt expense recorded related to the allowance account, and the allowance is unchanged as of August 31, 2024. As of August 31, 2023, no allowance for doubtful accounts was established.

Loss Per Share – The computation of loss per share is based on the weighted average number of shares outstanding during the period in accordance with ASC Topic No. 260, "Earnings Per Share." Shares underlying the Company's outstanding warrants, options and preferred stock were excluded due to the anti-dilutive effect they would have on the computation. At August 31, 2024 and 2023 the Company had the following common shares underlying these instruments:

	August 31,	
	2024	2023
Warrants	78,877	-
Stock Options	484,063	-
Preferred Stock	96,238	-
Total Underlying Common Shares	659,178	-

The following table shows the amounts used in computing loss per share and the effect on net loss and the weighted average number of shares of dilutive potential common stock for the periods three and six months ended August 31, 2024, and 2023:

	Three Months Ended		Six Months Ended	
	August 31,		August 31,	2023
	2024	2023	2024	2023
Loss from continuing operations	\$ (1,533,519)	\$ (1,160,763)	\$ (3,521,145)	\$ (2,256,134)
Preferred dividends	\$ (10,688)	\$ -	\$ (21,376)	\$ -
Loss from continuing operations applicable to common stockholders	(1,544,207)	(1,160,763)	(3,542,521)	(2,256,134)
Gain (loss) from discontinued operations applicable to common stockholders	(1,131)	-	7,778	-
Net loss applicable to common stockholders	\$ (1,545,338)	\$ (1,160,763)	\$ (3,534,743)	\$ (2,256,134)
Weighted average number of common shares outstanding used in loss per share during the period (denominator)	1,359,126	83,371	1,319,146	83,371

Dilutive loss per share was not presented, as the Company's outstanding warrants, stock options and preferred stock common equivalent shares for the periods presented would have had an anti-dilutive effect. At August 31, 2024, the Company had outstanding warrants to purchase 484,063 shares of common stock, stock options exercisable for 78,877 shares of common stock, 316 shares of Series E Preferred Stock, which could be converted into 3,259 shares of common stock, 33,000 shares of Series H Preferred Stock, convertible into 33,000 shares of common stock, and 59,979 shares of Series I Preferred Stock, convertible into 59,979 shares of common stock, resulting in a potential total additional 659,178 shares of common stock outstanding in the future. At August 31, 2023, the Company had no outstanding potentially dilutive securities.

Accounting Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated by management. Significant

accounting estimates that may materially change in the near future are impairment of long-lived assets, values of stock compensation awards and stock equivalents granted as offering costs, and allowance for bad debts and inventory obsolescence.

Revenue Recognition – The Company recognizes revenue in accordance with ASC Topic No. 606. In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 is a comprehensive revenue recognition standard that superseded nearly all existing revenue recognition guidance under prior U.S. GAAP and replaced it with a principles-based approach for determining revenue recognition. The core principle of the standard is the recognition of revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In general, we determine revenue recognition by: (1) identifying the contract, or contracts, with our customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to performance obligations in the contract; and (5) recognizing revenue when, or as, we satisfy performance obligations by transferring the promised goods or services.

The Company recognizes revenue when the customer has purchased the product, the occurrence of the earlier of date of travel or the date of cancellation has expired, as satisfaction of the performance obligation, the sales price is fixed or determinable and collectability is reasonably assured. Revenue for customer travel packages purchased directly from the Company is recorded gross (the amount paid to the Company by the customer is shown as revenue and the cost of providing the respective travel package is recorded to cost of revenues).

The Company generates revenues from sales directly to customers as well as through other distribution channels of tours and activities at destinations throughout the world.

The Company controls the specified travel product before it is transferred to the customer and is therefore a principal, based on but not limited to, the following:

- The Company is primarily responsible for fulfilling the promise to provide such travel product.
- The Company has inventory risk before the specified travel product has been transferred to a customer or after transfer of control to a customer.
- The Company has discretion in establishing the price for the specified travel product.

Payments for tours or activities received in advance of services being rendered are recorded as deferred revenue and recognized as revenue at the earlier of the date of travel or the last date of cancellation (i.e., the customer's refund privileges lapse).

NOTE 3 – Intangible Assets

Intangible assets as of August 31, 2024, and February 29, 2024 consisted of the following:

	August 31, 2024	February 29, 2024
Software Development	\$ 7,122,596	\$ 6,602,028
Software Licenses	789,576	789,576
Trademark	6,283	6,283
Total	7,918,455	7,397,887
Accumulated amortization	(5,607,528)	(5,224,467)
Intangible assets, net of amortization	<u>\$ 2,310,927</u>	<u>\$ 2,173,420</u>

Amortization expense for the six months ended August 31, 2024, and 2023 was \$ 383,061 and \$657,389, respectively.

During the three and six months ended August 31, 2024, and 2023, the Company recorded no impairment losses associated with the carrying value exceeding its recoverable amount.

The estimated aggregate amortization expense for years ending February 28 is as follows:

2025 (Remaining)	\$ 200,232
2026	313,329
2027	270,728
2028	2,957
Thereafter	-
	<u>\$ 787,246</u>

NOTE 4 – Goodwill

The legal acquisition of NextTrip Holdings, Inc. by Sigma Additive Solutions, Inc. on December 29, 2023 was determined to be a reverse acquisition, with NextTrip as the accounting acquirer, using the acquisition method of accounting in accordance with ASC 805, Business Combinations. Under this method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of consummation of the transaction.

Pursuant to ASC 350-20, the Company assigned its goodwill to reporting units and is required to test each reporting unit's goodwill for impairment at least on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The goodwill resulting from the reverse acquisition is primarily attributable to NextTrip's objective to obtain access to public markets to provide funding wherewithal to fund business growth. NextTrip's benefit in paying for these synergies in the reverse acquisition transaction are to avoid the time and expense of organizing and executing an Initial Public Offering ("IPO") transaction. In the reverse acquisition, \$1,167,805 of goodwill was allocated to the NextTrip Reporting Unit under the acquisition method of accounting.

NOTE 5 - Related Party Transactions

On March 18, 2024, the Company's wholly-owned subsidiary, NextTrip, entered into an unsecured promissory note for a line of credit with Donald Monaco and William Kerby, the Company's Chairman of the board of directors and Chief Executive Officer, respectively, for the aggregate principal amount of \$500,000 with an initial advance of \$ 125,000, provided that the aggregate principal amount of the note does not exceed \$ 500,000 at any time. Under the terms of the note, advances under the line of credit may be made at the Company's request until August 31, 2024. The note bears an annual

interest rate of 7.5% and matures on February 28, 2025, and may be prepaid by the Company at any time prior to maturity without penalty. As of August 31, 2024, the full principal amount of the note had been advanced to the Company.

On April 23, 2024, the Company's board of directors approved the Company's wholly-owned subsidiary, NextTrip, to enter into a series of unsecured promissory notes with certain related parties, including investors, directors, officers and employees, who may individually provide funds for the aggregate principal amount of \$1,000,000. The notes bear an annual interest rate of 7.5% and shall mature one year from the date of each note's execution, and may be prepaid by the Company at any time prior to maturity without penalty. On August 14, 2024, at a joint meeting of the Audit Committee and the board of directors, the directors unanimously approved an increase in the principal amount of the related party line of credit to \$2,000,000 on the same terms and conditions as previously approved. As of August 31, 2024, \$1,411,414 had been advanced to the Company.

On May 21, 2024, NextTrip issued an unsecured promissory note, in the principal amount of \$ 455,000 (the "Promissory Note"), to Mr. Monaco to memorialize the terms and conditions of certain working capital advances made by Mr. Monaco to NextTrip. As of August 31, 2024, the outstanding principal balance of the Line of Credit Promissory Note was \$405,000. The Promissory Note accrues interest at a rate equal to 7.5% simple interest per annum, and will automatically mature and become due and payable in full on February 28, 2025, subject to certain limited exceptions. The Promissory Note, or any portion thereof, may be prepaid by NextTrip without any penalty. Mr. Monaco serves as Chairman of the Company's board of directors. The Promissory Note was approved by the Company's Board of Directors, including the independent members thereof.

The total amounts due to related parties at August 31, 2024 and February 29, 2024 totaled \$ 2,718,594 and \$828,277, respectively.

NOTE 6 – Notes Payable

On May 24, 2024, the Company issued an unsecured promissory note for \$ 100,000 to an investor upon receipt of proceeds. The note bears an annual interest rate of 7.5% and will mature and be due and payable on the earlier date of the completion of a public financing or October 31, 2024, unless extended by the written consent of the investor. The note can be prepaid at any time by the Company without penalty.

On July 11, 2024, the Company issued an unsecured promissory note for \$ 40,000 to an investor upon receipt of proceeds. The note bears an annual interest rate of 7.5% and will mature and be due and payable on June 25, 2025, unless extended by the written consent of the investor. The note can be prepaid at any time by the Company without penalty.

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NOTE 7 - Leases

On January 25, 2023, as part of the separation agreement with NextPlay Technologies Inc., the Company assumed control of a lease arrangement for office space in Florida.

The Company adopted ASU 2016-02 (Topic ASC 842) Leases, which requires a lessee to recognize a lease asset and a leases liability for operating leases arrangements greater than twelve (12) months.

We determined that the arrangement was an operating lease at inception and included it in operating lease ROU assets, operating lease liabilities - current, and operating lease liabilities - noncurrent on the balance sheet as of February 28, 2023. The office facility was occupied by NextTrip employees through March 16, 2023, when the landlord informed NextTrip that it would not recognize NextTrip as the tenant. The Company continued to negotiate the assumption of the lease with the landlord, but was ultimately unsuccessful, and as a result derecognized the lease in the financial statements as of February 29, 2024. No restatement was made for fiscal year 2023 as the Company had use of the offices at that time and was in negotiations to assume the lease from NextPlay Technologies, Inc. No payments have been made on the lease and no expense has been recognized for the three and six months ended August 31, 2024. Rent expense for the three and six months ended August 31, 2023 totaled \$37,822 and \$74,847, respectively.

The Company leases approximately 350 square feet of space for its principal executive offices at 3900 Paseo del Sol, Santa Fe, New Mexico 87507. The lease has a 6-month term which ends on December 31, 2024. The landlord can terminate the lease upon 30 days written notice and NextTrip can terminate the lease upon 45 days written notice. Therefore, the Company has elected the short-term lease recognition exemption, whereby leases are not recorded on the Company's balance sheet and lease payments are recognized as lease expense on a straight-line basis over the lease term. Rent expense related to this lease for the three and six months ended August 31, 2024 was \$1,650 and \$3,300, respectively, and \$0 for the same periods in 2023.

NOTE 8 - Stockholders' Equity

Common Stock

On March 8, 2024, at a special meeting of stockholders, the Company received approval to increase its authorized shares of common stock from 1,200,000 to 250,000,000 (the "Increase in Authorized"). On March 11, 2024, the Company filed a Certificate of Amendment to its amended and restated articles of incorporation, as amended, with the Secretary of State of the State of Nevada, pursuant to which, effective as of 12:01 a.m. Pacific time on March 13, 2024, the Increase in Authorized was implemented.

In the first quarter of 2024, the Company issued 100,000 shares of common stock upon conversion of 100,000 shares of Series G Convertible Preferred Stock, 117,000 shares of common stock upon conversion of 117,000 shares of Series H Convertible Preferred Stock, and 192,502 shares of common stock upon conversion of 192,502 shares of Series I Convertible Preferred Stock.

In the second quarter of 2024, the Company issued 42,709 shares of common stock to a service provider as partial compensation for development work related to Compass.tv, the Company's Free-Ad Supported TV ("FAST") channel.

Preferred Stock

Under our amended and restated articles of incorporation, as amended ("Articles"), our board of directors has the authority, without further action by stockholders, to designate one or more series of preferred stock and to fix the voting powers, designations, preferences, limitations, restrictions and relative rights granted to or imposed upon the preferred stock, including dividend rights, conversion rights, voting rights, rights and terms of redemption, liquidation preference and sinking fund terms, any or all of which may be preferential to or greater than the rights of the common stock.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock.

The Company is authorized to issue 10,000,000 shares of preferred stock, \$0.001 par value. An aggregate of 93,295 and 472,996 shares of preferred stock were issued and outstanding at August 31, 2024 and February 29, 2024, respectively.

Series E Convertible Preferred Stock

Under the Certificate of Designations for the Series E Preferred Stock, the Series E Preferred Shares have an initial stated value of \$ 1,500 per share (the "Stated Value"). Dividends at the initial rate of 9% per annum will accrue and, on a monthly basis, shall be payable in kind by the increase of the Stated Value of the Series E Preferred Stock by said amount. The holders of the Series E Preferred Shares have the right at any time to convert all or a portion of the Series E Preferred Shares (including, without limitation, accrued and unpaid dividends and make-whole dividends through the third anniversary of the closing date) into shares of the Company's common stock at an initial conversion rate determined by dividing the Conversion Amount by the Conversion Price (\$0.13 above the consolidated closing bid price for the trading day prior to the execution of the relates stock purchase agreement). The Conversion Amount is the sum of the Stated Value of the Series E Preferred Shares then being converted plus any other unpaid amounts payable with respect to the Series E Preferred Shares being converted, plus the "Make Whole Amount" (the amount of any dividends that, but for the conversion, would have accrued at the dividend rate for the period through the third anniversary of the initial issuance date). The Conversion Rate is also subject to adjustment for stock splits, dividends recapitalizations and similar events.

At August 31, 2024, 316 shares of the issued Series E Convertible Preferred Stock were outstanding, which if converted as of August 31, 2024, including the make-whole dividends, would have resulted in the issuance of 3,259 shares of common stock.

Series F Convertible Preferred Stock

On January 4, 2024, the Company filed a Certificate of Designation of Series F Convertible Preferred Stock (the "Series F Certificate of Designation") with the Secretary of State of the State of Nevada, designating 5,843,993 shares of the Company's preferred stock as Series F Convertible Preferred Stock, par value \$0.001 per share (the "Series F Preferred"). The Series F Preferred was designated by the Company in connection with its acquisition of NextTrip, and, in the event that the Company does not have sufficient shares of common stock available to fulfill its obligations pursuant to the Share Exchange Agreement governing the terms of the acquisition, shares of Series F Preferred shall be issued to the previous equity holders of NextTrip in lieu of shares of Company common stock.

The terms and conditions set forth in the Series F Certificate of Designation are summarized below:

Ranking. The Series F Preferred rank pari passu to the Company's common stock.

Dividends. Holders of Series F Preferred will be entitled to dividends, on an as-converted basis, equal to dividends actually paid, if any, on shares of Company common stock.

Voting. Except as provided by the Articles, or as otherwise required by the Nevada Revised Statutes, holders of Series F Preferred are entitled to vote with the holders of outstanding shares of Company common stock, voting together as a single class, with respect to all matters presented to the Company's stockholders for their action or consideration. In any such vote, each holder is entitled to a number of votes equal to the number of shares of common stock into which the Series F Preferred held by such holder is convertible. The Company may not, without the consent of holders of a majority of the outstanding shares of Series F Preferred, (i) alter or change adversely the powers, preferences or rights given to the Series F Preferred or alter or amend the Series F Certificate of Designation, (ii) amend its Articles or other charter documents in any manner that adversely effects any rights of the holders of the Series F Preferred, or (iii) enter into any agreement with respect to the foregoing.

Conversion. On such date that the Company amends its Articles to increase the number of shares of common stock authorized for issuance thereunder, to at least the extent required to convert all of the outstanding Series F Preferred, each outstanding share of Series F Preferred shall automatically be converted into one share of Company common stock (subject to adjustment under certain limited circumstances) (the "Conversion Ratio").

Liquidation. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary (each, a "Liquidation"), holders of Series F Preferred will be entitled to participate, on an as-converted-to-common stock basis calculate based on the Conversion Ratio, with holders of Company common stock in any distribution of assets of the Company to holders of the Company's common stock.

At August 31, 2024, no shares of the Series F Convertible Preferred Stock were outstanding.

Series G Convertible Preferred Stock

On January 26, 2024, the Company filed a Certificate of Designation of Series G Convertible Preferred Stock (the "Series G Certificate of Designation") with the Secretary of State of the State of Nevada, designating 100,000 shares of the Company's preferred stock as Series G Preferred Stock, par value \$0.001 per share (the "Series G Preferred").

The terms and conditions set forth in the Series G Certificate of Designation are summarized below:

Ranking. The Series G Preferred rank pari passu to the Company's common stock.

Dividends. Holders of Series G Preferred will be entitled to dividends, on an as-converted basis, equal to dividends actually paid, if any, on shares of Company common stock.

Voting. Except as provided by the Company's Articles or as otherwise required by the Nevada Revised Statutes, holders of Series G Preferred are entitled to vote with the holders of outstanding shares of Company common stock, voting together as a single class, with respect to all matters presented to the Company's stockholders for their action or consideration. In any such vote, each holder is entitled to a number of votes equal to the number of shares of common stock into which the Series G Preferred held by such holder is convertible. The Company may not, without the consent of holders of a majority of the outstanding shares of Series G Preferred, (i) alter or change adversely the powers, preferences or rights given to the Series G Preferred or alter or amend the Series G Certificate of Designation, (ii) amend its Articles or other charter documents in any manner that adversely effects any rights of the holders of the Series G Preferred, or (iii) enter into any agreement with respect to the foregoing.

Conversion. On such date that the Company amends its Articles to increase the number of shares of common stock authorized for issuance thereunder, to at least the extent required to convert all of the outstanding Series G Preferred, each outstanding share of Series G Preferred shall automatically be converted into one share of Company common stock (subject to adjustment under certain limited circumstances) (the "Series G Conversion Ratio").

Liquidation. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, holders of Series G Preferred will be entitled to participate, on an as-converted-to-common stock basis calculate based on the Series G Conversion Ratio, with holders of Company common stock in any distribution of assets of the Company to holders of the Company's common stock.

Redemption Right. The Company shall have the right to redeem up to 50% of the Series G Preferred Stock for an aggregate price of \$1.00 in accordance with the terms of the Perpetual License Agreement.

At August 31, 2024, no shares of the issued Series G Convertible Preferred Stock were outstanding.

Series H Convertible Preferred Stock

On January 26, 2024, the Company filed a Certificate of Designation of Series H Convertible Preferred Stock (the "Series H Certificate of Designation") with the Secretary of State of the State of Nevada, designating 150,000 shares of the Company's preferred stock as Series H Preferred Stock, par value \$0.001 per share (the "Series H Preferred").

The terms and conditions set forth in the Series H Certificate of Designation are summarized below:

Ranking. The Series H Preferred rank pari passu to the Company's common stock.

Dividends. Holders of Series H Preferred will be entitled to dividends, on an as-converted basis, equal to dividends actually paid, if any, on shares of Company common stock.

Voting. Except as provided by the Company's Articles or as otherwise required by the Nevada Revised Statutes, holders of Series H Preferred are entitled to vote with the holders of outstanding shares of Company common stock, voting together as a single class, with respect to all matters presented to the Company's stockholders for their action or consideration. In any such vote, each holder is entitled to a number of votes equal to the number of shares of common stock into which the Series H Preferred held by such holder is convertible. The Company may not, without the consent of holders of a majority of the outstanding shares of Series H Preferred, (i) alter or change adversely the powers, preferences or rights given to the Series H Preferred or alter or amend the Series H Certificate of Designation, (ii) amend its Articles or other charter documents in any manner that adversely effects any rights of the holders of the Series H Preferred, or (iii) enter into any agreement with respect to the foregoing.

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Conversion. On such date that the Company amends its Articles to increase the number of shares of common stock authorized for issuance thereunder, to at least the extent required to convert all of the outstanding Series H Preferred, each outstanding share of Series H Preferred shall automatically be converted into one share of Company common stock (subject to adjustment under certain limited circumstances) (the "Series H Conversion Ratio").

Liquidation. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, holders of Series H Preferred will be entitled to participate, on an as-converted-to-common stock basis calculate based on the Series H Conversion Ratio, with holders of Company common stock in any distribution of assets of the Company to holders of the Company's common stock.

At August 31, 2024, 33,000 shares of the issued Series H Convertible Preferred Stock were outstanding, which if converted as of August 31, 2024, would have resulted in the issuance of 33,000 shares of common stock.

Series I Convertible Preferred Stock

On February 22, 2024, the Company filed a Certificate of Designation of Series I Convertible Preferred Stock (the "Series I Certificate of Designation") with the Secretary of State of the State of Nevada, designating 331,124 shares of the Company's preferred stock as Series I Convertible Preferred Stock, par value \$0.001 per share (the "Series I Preferred").

The terms and conditions set forth in the Series I Certificate of Designation are summarized below:

Ranking. The Series I Preferred rank pari passu to the Company's common stock.

Dividends. Holders of Series I Preferred will be entitled to dividends, on an as-converted basis, equal to dividends actually paid, if any, on shares of Company common stock.

Voting. Except as provided by the Articles, or as otherwise required by the Nevada Revised Statutes, holders of Series I Preferred are entitled to vote with the holders of outstanding shares of Company common stock, voting together as a single class, with respect to all matters presented to the Company's stockholders for their action or consideration. In any such vote, each holder is entitled to a number of votes equal to the number of shares of common stock into which the Series I Preferred held by such holder is convertible. The Company may not, without the consent of holders of a majority of the outstanding shares of Series I Preferred, (i) alter or change adversely the powers, preferences or rights given to the Series I Preferred or alter or amend the Series I Certificate of Designation, (ii) amend its Articles or other charter documents in any manner that adversely effects any rights of the holders of the Series I Preferred, or (iii) enter into any agreement with respect to the foregoing.

Conversion. On such date that the Company amends its Articles to increase the number of shares of common stock authorized for issuance thereunder, to at least the extent required to convert all of the outstanding shares of Series I Preferred, each outstanding share of Series I Preferred shall automatically be converted into one share of Company common stock (subject to adjustment under certain limited circumstances) (the "Series I Conversion Ratio").

Liquidation. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, holders of Series I Preferred will be entitled to participate, on an as-converted-to-common stock basis calculated based on the Series I Conversion Ratio, with holders of Company common stock in any distribution of assets of the Company to holders of the Company's common stock.

On August 15, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 4,967 shares of Series I Convertible Preferred Stock, at \$3.02 per share, resulting in gross proceeds to the Company of \$ 15,000.

On August 31, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 24,834 shares of Series I Convertible Preferred Stock at \$3.02 per share, resulting in gross proceeds to the Company of \$ 75,000.

At August 31, 2024, 59,979 shares of the issued Series I Convertible Preferred Stock were outstanding, which if converted as of August 31, 2024, would have resulted in the issuance of 59,979 shares of common stock.

Stock Options

On December 28, 2023, at the Annual Meeting of Stockholders of the Company, the Company's stockholders approved the adoption of the NextTrip 2023 Equity Incentive Plan (the "2023 Plan"). 7,000,000 shares of common stock have been reserved for issuance under the 2023 Plan., and as of August 31, 2024, all of such shares are available for issuance.

The Company's 2013 Equity Incentive Plan expired on March 15, 2023. As such, no new grants may be made under the 2013 Plan. At August 31, 2024,

there were 78,877 shares of common stock reserved for issuance upon exercise of outstanding stock options issued under the 2013 Plan prior to its expiration.

There were no issuances of stock options for the six months ended August 31, 2024 or August 31, 2023.

The Company generally grants stock options to employees and directors at exercise prices equal to the fair market value of the Company's common stock on the grant date, but not less than 100% of the fair market value. Stock options are typically granted throughout the year and generally vest over a period from one to three years of service and expire five years from the grant date, unless otherwise specified. The Company recognizes compensation expense for the fair value of the stock options over the vesting period for each stock option award.

Total stock-based compensation expense included in the statements of operations for the three and six months ended August 31, 2024 was \$ 13,841 and \$30,235, respectively, all of which was related to stock options. There was no stock-based compensation included in the statements of operations for the three or six months ended August 31, 2023.

Option activity for the six months ended August 31, 2024 and the year ended February 29, 2024 was as follows:

	Options	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (Yrs.)	Aggregate Intrinsic Value (\$)
Options outstanding at February 28, 2023	-	-	-	-
Options assumed pursuant to reverse acquisition	86,642	61.43	2.68	-
Exercised	-	-	-	-
Forfeited or cancelled	(1,342)	120.87	-	-
Options outstanding at February 29, 2024	<u>85,300</u>	60.50	2.52	-
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or cancelled	(6,423)	87.06	-	-
Options outstanding August 31, 2024	<u>78,877</u>	58.19	2.03	-
Options expected to vest in the future as of August 31, 2024	1,432	32.25	3.10	-
Options exercisable at August 31, 2024	<u>77,445</u>	58.67	2.01	-
Options vested, exercisable, and options expected to vest at August 31, 2024	<u>78,877</u>	58.19	2.03	-

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the market price of our common stock for those awards that have an exercise price below the market price of our common stock. At August 31, 2024, no option had an exercise price below the \$2.59 closing price of our common stock as reported on the Nasdaq Capital Market.

At August 31, 2024, there was \$16,139 of unrecognized stock-based compensation expense related to unvested stock options with a weighted average remaining recognition period of 0.74 years.

Stock Appreciation Rights

The purposes of the 2020 Stock Appreciation Rights Plan (the "SAR Plan") are to: (i) enable the Company to attract and retain the types of employees, consultants, and directors (collectively, "Service Providers") who will contribute to the Company's long-range success; (ii) provide incentives that align the interests of Service Providers with those of the stockholders of the Company; and (iii) promote the success of the Company's business. The SAR Plan provides for incentive awards only in the form of stock appreciation rights payable in cash ("SARs") and no shares of common stock are reserved or will be issued pursuant to the SAR Plan.

SARs may be granted to any Service Provider. A SAR is the right to receive an amount equal to the Spread with respect to a share of the Company's common stock ("Share") upon the exercise of the SAR. The "Spread" is the difference between the exercise price per share specified in a SAR agreement on the date of grant and the fair market value per share on the date of exercise of the SAR. The exercise price per share will not be less than 100% of the fair market value of a share of common stock on the date of grant of the SAR. The administrator of the SAR Plan will have the authority to, among other things, prescribe the terms and conditions of each SAR, including, without limitation, the exercise price and vesting provisions, and to specify the provisions of the SAR Agreement relating to such grant.

The Company did not grant any SAR's during the six months ended August 31, 2024 or August 31, 2023.

The Company recognizes compensation expense and a corresponding liability for the fair value of the SARs over the vesting period for each SAR award. The SARs are revalued at each reporting date in accordance with ASC 718 "Compensation-Stock Compensation," and any changes in fair value are reflected in the Statement of Operations as of the applicable reporting date.

SARs activity for the six months ended August 31, 2024 and the year ended February 29, 2024 was as follows:

	SARs	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (Yrs.)	Aggregate Intrinsic Value (\$)
SARs outstanding at February 28, 2023	-	-	-	-
SARs assumed pursuant to reverse acquisition	40,390	44.77	2.99	-
Exercised	-	-	-	-
Forfeited or cancelled	-	-	-	-
SARs outstanding at February 29, 2024	<u>40,390</u>	44.77	2.99	-

Granted	-	-	-
Exercised	-	-	-
Forfeited or cancelled	(167)	37.40	-
SARs outstanding August 31, 2024	<u>40,223</u>	<u>44.80</u>	<u>2.49</u>
SARs expected to vest in the future as of August 31, 2024	5,645	29.37	2.84
SARs exercisable at August 31, 2024	<u>34,578</u>	<u>47.31</u>	<u>2.43</u>
SARs vested, exercisable, and SARs expected to vest at August 31, 2024	<u>40,223</u>	<u>44.80</u>	<u>2.49</u>

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the market price of our common stock for those awards that have an exercise price below the market price of our common stock. At August 31, 2024, no SAR had an exercise price below the \$2.59 closing price of our common stock as reported on the Nasdaq Capital Market.

At August 31, 2024, there was \$ 943 of unrecognized stock-based compensation expense related to unvested SARs with a weighted average remaining recognition period of 0.64 years.

Warrants

Warrant activity for the six months ended August 31, 2024 and the year ended February 29, 2024 was as follows:

	Warrants	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual Life (Yrs.)
Warrants outstanding at February 28, 2023	-	-	-
Warrants assumed pursuant to reverse acquisition	217,593	21.01	1.86
Granted	<u>268,572</u>	<u>3.02</u>	<u>2.17</u>
Exercised	-	-	-
Forfeited or cancelled	-	-	-
Warrants outstanding at February 29, 2024	<u>486,165</u>	<u>9.94</u>	<u>1.96</u>
Granted	-	-	-
Exercised	-	-	-
Forfeited or cancelled	<u>(2,102)</u>	<u>322.00</u>	<u>-</u>
Warrants outstanding at August 31, 2024	<u>484,063</u>	<u>8.58</u>	<u>1.46</u>

NOTE 9 - Subsequent Events

Related Party Advances

Between September 1, 2024 and October 11, 2024, additional net related party advances totaled \$ 84,060, and the aggregate outstanding principal balance of related party advances was \$2,802,654.

On September 13, 2024, the Company's board of directors approved the conversion of up to 100% of the outstanding principal balance of the promissory notes held by Messrs. Kerby and Monaco into shares of a series of non-redeemable convertible preferred stock preferred stock yet to be designated. Messrs. Kerby and Monaco have agreed to initially convert \$1,500,000, or 56.3% of their total outstanding principal balance of \$ 2,666,790 into the new series of convertible preferred stock, and, at their discretion, may convert up to the remaining principal balance, or any portion thereof, into additional shares of such convertible preferred stock at a future date. The conversion remains subject to completion of final documentation for the transaction, including the filing of the certificate of designation for the new series of convertible preferred stock with the Nevada Secretary of State.

Nasdaq Listing Requirement Deficiency Notice

On September 18, 2024, the Company received a notification letter (the "Notice") from the Nasdaq Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that its amount of stockholders' equity has fallen below the \$2,500,000 required minimum for continued listing set forth in Nasdaq Listing Rule 5550(b)(1). The Notice also noted that the Company does not meet the alternatives of market value of listed securities or net income from continuing operations, and therefore, the Company no longer complies with Nasdaq's Listing Rules.

Under Nasdaq Listing Rules, the Company has until November 4, 2024 to provide Nasdaq with a specific plan to achieve and sustain compliance. If Nasdaq accepts the Company's plan to regain compliance, Nasdaq may grant an extension of up to 180 calendar days from the date of the Notice to evidence compliance. If Nasdaq does not accept the Company's plan to regain compliance, the Company will have the opportunity to appeal the decision to a Nasdaq Hearings Panel. A hearing request will stay the suspension and delisting of the Company's securities pending the Nasdaq Hearings Panel's decision.

The Notice has no immediate effect on the listing of the Company's common stock on the Nasdaq Capital Market, and, therefore, the Company's listing remains fully effective.

The Company is evaluating various courses of action to achieve compliance with Nasdaq Listing Rule 5550(b)(1). There can be no assurance that the Company will regain compliance with Nasdaq Listing Rule 5550(b)(1) or that the Company will be able to meet the continued listing requirements during any compliance period that may be granted by Nasdaq.

On September 18, 2024, the Company also received a letter from the Staff of Nasdaq indicating that the Staff has determined that the Company has regained compliance with the periodic filing requirements set forth in Nasdaq Listing Rule 5250(c)(1) because the Company filed its Annual Report on Form 10-K for the fiscal year ended February 29, 2024 and the Quarterly Report on Form 10-Q for the quarter ended May 31, 2024.

Accordingly, the Company has regained full compliance with the periodic filing requirement deficiency, which the Company disclosed in those Current Reports on Form 8-K filed with the Securities and Exchange Commission on June 21, 2024 and July 19, 2024, and Nasdaq has informed the Company in writing that the matter is now closed.

September 2024 Alumni Capital Transactions

On September 19, 2024 the Company entered into a securities purchase agreement (the "Note & Warrant SPA") with Alumni Capital LP (Alumni Capital")

for the sale of a short-term promissory note (the "Alumni Note") and warrants (the "Warrants") to Alumni Capital for total consideration of \$250,000. After deducting commissions, net proceeds to the Company were \$230,000.

The Alumni Note is in the principal amount of \$ 300,000 with an original issue discount of \$50,000 and guaranteed interest on the principal amount of ten percent (10%) per annum which shall be due and payable on December 19, 2024. In the event of a failure to re-pay the Alumni Note on or before December 19, 2024, the interest rate will increase to the lesser of twenty-two percent (22%) per annum or the maximum amount permitted under law from the due date thereof until the same is paid. The Alumni Note is convertible into common stock of the Company only upon an event of default.

Upon such an event of default, Alumni shall have the right to convert all or any part of the outstanding and unpaid principal, interest, penalties, and all other amounts under the Alumni Note into fully paid and non-assessable shares of the Company's common stock at a conversion price of eighty percent (80%) of the lowest traded price of the common stock during the twenty (20) business days prior to Alumni's delivery of a notice of conversion (the "Conversion Price"), subject to adjustment in the event the Company is no longer DWAC eligible, is subject to a DTC "chill" and/or the Company ceases to be a reporting issuer. Notwithstanding the foregoing, conversions will be subject to limitation whereby such conversion would result in beneficial ownership by Alumni and its affiliates of more than 9.99% of the outstanding shares of Company's common stock (the "Beneficial Ownership Limitation") or would exceed 19.99% of the Company's outstanding common stock as of September 19, 2024 (the "Exchange Cap").

In conjunction with the issuance of the Alumni Note to Alumni, the Company also issued Warrants to purchase 96,774 shares of common stock at a price per share of \$3.10, which represents 100% warrant coverage on the principal amount of the Alumni Note. The Warrants are exercisable on or prior to the five (5) year anniversary of the date of issuance.

On September 19, 2024, the Company also entered into a Common Stock Securities Purchase Agreement (the "Common Stock SPA") with Alumni Capital. Pursuant to the Common Stock SPA, the Company has the right, but not the obligation to cause Alumni Capital to purchase up to \$10 million shares of common stock (the "Commitment Amount") at the Purchase Price (defined below) during the period beginning on the execution date of the Common Stock SPA and ending on the earlier of (i) the date on which Alumni Capital has purchased \$10 million shares of common stock pursuant to the Common Stock SPA or (ii) December 31, 2025. Pursuant to the Common Stock SPA, the "Purchase Price" means the lowest traded price of Company common stock during the five (5) business days prior a closing date multiplied by eighty nine percent (89%). No Purchase Notice will be made without an effective registration statement and no Purchase Notice will be in an amount greater than \$500,000.

In consideration for Alumni Capital's execution and delivery of, and performance under, the Common Stock SPA, the Company (i) issued and delivered 32,786 shares of Company common stock to Alumni Capital on September 19, 2024, and (ii) within one (1) business day from the date of effectiveness of the S-1 Registration Statement registering shares issuable pursuant to the Common Stock SPA, the Company shall cause its transfer agent to issue and deliver as DWAC or DRS shares to Alumni Capital that number of shares of common stock equal to two percent (2.00%) of the Commitment Amount divided by the VWAP for the Company's common stock for the business day prior to the notice of effectiveness.

October 2024 Preferred Stock Sale

On October 1, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 66,225 shares of Series I Convertible Preferred Stock at \$3.02 per share, for total consideration of \$200,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-looking statements

This Quarterly Report contains "Forward-Looking Statements." All statements other than statements of historical fact are "Forward-Looking Statements" including but not limited to, statements regarding our expectations about development and commercialization of our technology, any projections of revenues or statements regarding our anticipated revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this Quarterly Report are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including factors referred to in our press releases and reports filed with the Securities and Exchange Commission ("SEC"). All subsequent Forward-Looking Statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended February 29, 2024 and elsewhere in this Quarterly Report.

Corporation Information

Sigma Additive Solutions, Inc. ("Sigma"), the legal acquiror of NextTrip, was initially incorporated as Messidor Limited in Nevada on December 23, 1985, and changed its name to Framewaves Inc. in 2001. On September 27, 2010, the name was changed to Sigma Labs, Inc. On May 17, 2022, Sigma Labs, Inc. began doing business as Sigma Additive Solutions, and on August 9, 2022, changed its name to Sigma Additive Solutions, Inc.

On March 11, 2024, Sigma filed a Certificate of Amendment to its Amended and Restated Articles of Incorporation, as amended to date, with the Secretary of State of the State of Nevada, pursuant to which, effective as of 12:01 a.m. Pacific time on March 13, 2024, among other things, Sigma's corporate name was changed from Sigma Additive Solutions, Inc. to "NextTrip, Inc."

Our principal executive offices are located at 3900 Paseo del Sol, Santa Fe, New Mexico 87507, and our telephone number is (954) 526-9688. Our website address is www.nexttrip.com. The Company's annual reports, quarterly reports, current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other information related to the Company, are available, free of charge, on our website. The Company's website and the information contained therein, or connected thereto, are not and are not intended to be incorporated into this Quarterly Report.

Prior to the Exchange Agreement, as described below, NextTrip Holdings, Inc. ("NextTrip") was a wholly owned subsidiary of NextTrip Group, LLC ("Group"), which in turn, was a wholly owned subsidiary of NextPlay Technologies, Inc. ("NextPlay"). All business operations of Group were conducted through its subsidiaries. On January 25, 2023, NextPlay and Group entered into an Amended and Restated Separation Agreement ("Separation Agreement"), Amended and Restated Operating Agreement ("Operating Agreement"), and Exchange Agreement ("Exchange Agreement", and together the "Agreements"), whereby NextPlay transferred their interest in the travel business to Group. Pursuant to the Exchange Agreement, NextPlay exchanged 1,000,000 Membership Units of Group for 400,000 Preferred Units of Group, with a value of \$10 per unit. Prior to the exchange for Preferred Units, Group had a payable due to NextPlay of \$17,295,873, representing cash advances and payment of expenses by NextPlay on behalf of Group, while NextPlay had obligations to provide ongoing support to NextTrip. Such liability was settled by the issuance of the Preferred Units and the waiver of

all of NextPlay's ongoing support obligations except for a \$1.5 million advance remaining under a promissory note, and as such NextTrip recorded the payable as contributed capital.

The Company provides travel technology solutions with sales originating in the United States, with a primary emphasis on hotels, air, and all-inclusive travel packages. Our proprietary booking engine, branded as NextTrip 2.0, provides travel distributors access to a sizeable inventory.

The Company owns 50% of Next Innovation LLC (Joint Venture) and this entity is in the process of a first structure plan. No activities nor operations occurred in 2024 or 2023 for this entity and NextTrip, Inc. does not have control of the company and therefore no minority interest was recorded.

Reverse Acquisition

On October 12, 2023, Sigma entered into a Share Exchange Agreement (as amended, the "Exchange Agreement") with NextTrip, Group, and William Kerby (the "NextTrip Representative"). Under the terms of the Exchange Agreement, the parties agreed that Group would sell and transfer to Sigma all of the issued and outstanding shares of NextTrip in exchange for 156,007 restricted shares of Sigma common stock (the "Closing Shares"), issuable at closing, and the right to receive up to an additional 5,843,993 restricted shares of Sigma common stock upon satisfaction of certain milestones set forth in the Exchange Agreement (the "Contingent Shares," and together with the Closing Shares, the "Restricted Shares"), which Restricted Shares are issuable to the members of Group, on a pro rata basis, under the terms of the Exchange Agreement, subject to certain closing conditions (the "Acquisition"). Upon the closing of the Acquisition on December 29, 2023, NextTrip became a wholly owned subsidiary of Sigma.

The Contingent Shares, together with the Closing Shares, will not exceed 6,000,000 shares of Sigma common stock, or approximately 90.2% of the issued and outstanding shares of Sigma common stock immediately prior to the closing. The Acquisition will likely result in a change of control, with the members of Group receiving an aggregate number of shares that exceeds the number of shares that held by the legacy shareholders of Sigma. As a result, the Acquisition is accounted for as a reverse acquisition of NextTrip by Sigma, whereby Sigma is treated as the legal acquirer and NextTrip is treated as the accounting acquirer. As a result, the historical financial information presented is that of NextTrip.

In accordance with ASC 805-40-45-1, the consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (NextTrip, Inc., f/k/a Sigma Additive Solutions, Inc.) but described in the notes to the financial statements as a continuation of the financial statements of the legal subsidiary (NextTrip), with one adjustment, which is to retroactively adjust the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree. That adjustment is required to reflect the capital of the legal parent. Comparative information presented in the consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent.

Under ASC 805-40-45-2, the consolidated financial statements represent the continuation of the legal subsidiary except for the capital structure, as follows:

- (a) The assets and liabilities of the legal subsidiary recognized and measured at their pre-combination carrying amounts;
- (b) The assets and liabilities of the legal parent recognized and measured in accordance with the guidance in this topic applicable to business combinations (ASC 805);
- (c) The retained earnings and other equity balances of the legal subsidiary before the business combination;
- (d) The amount required to be recognized as issued equity interests in the consolidated financial statements determined by adding the issued equity interest of the legal subsidiary outstanding immediately before the business combination to the fair value of the legal parent determined in accordance with the guidance in ASC 805 applicable to business combinations. However, the equity structure reflects the equity structure of the legal parent, including the equity interests the legal parent issued to affect the combination. Accordingly, the equity structure of the legal subsidiary is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent issued in the reverse acquisition.

The assets and liabilities of Sigma Additive Solutions, Inc. were recognized at fair value under ASC 805 as described in NOTE 4– Goodwill.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported assets, liabilities, sales and expenses in the accompanying financial statements. Critical accounting policies are those that require the most subjective and complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. By their nature, changes in these assumptions and estimates could significantly affect our financial position or results of operations. Significant accounting estimates that may materially change in the near future are revenue recognition, impairment of long-lived assets, values of stock compensation awards and stock equivalents granted as offering costs, and allowance for bad debts and inventory obsolescence. Such critical accounting policies, including the assumptions and judgments underlying them, are disclosed in Note 1 of the Notes to Financial Statements included in this Quarterly Report. However, we do not believe that there are any alternative methods of accounting for our operations that would have a material effect on our financial statements.

The critical accounting policies and estimates addressed below reflect our most significant judgements and estimates used in the preparation of our financial statements.

Revenue Recognition – The Company recognizes revenue in accordance with ASC 606 which involves identifying the contracts with customers, identifying performance obligations in the contracts, determining transactions price, allocating transaction price to the performance obligation and recognizing revenue when the performance obligation is satisfied.

The Company recognizes revenue when the customer has purchased the product, the occurrence of the earlier of date of travel or the date of cancellation has expired, as satisfaction of the performance obligation, the sales price is fixed or determinable and collectability is reasonably assured. Revenue for customer travel packages purchased directly from the Company are recorded gross (the amount paid to the Company by the customer is shown as revenue and the cost of providing the respective travel package is recorded to cost of revenues).

The Company generates revenues from sales directly to customers as well as through other distribution channels of tours and activities at destinations throughout the world.

The Company controls the specified travel product before it is transferred to the customer and is therefore a principal, based on but not limited to, the following:

- The Company is primarily responsible for fulfilling the promise to provide such travel product.
- The Company has inventory risk before the specified travel product has been transferred to a customer or after transfer of control to a customer.
- The Company has discretion in establishing the price for the specified travel product.

Payments for tours or activities received in advance of services being rendered are recorded as deferred revenue and recognized as revenue at the earlier of the date of travel or the last date of cancellation (i.e., the customer's refund privileges lapse).

Promissory Note Receivable

NextPlay is in default under the terms of its promissory note to NextTrip, and as a result, an allowance for doubtful accounts of \$1,567,665 was established as of February 29, 2024 as collectability of the entire receivable is uncertain. During the six months ended August 31, 2024 and 2023, there was no bad debt expense recorded related to the allowance account, and the allowance is unchanged as of August 31, 2024. As of August 31, 2023, no allowance for doubtful accounts was established.

Business Overview

NextTrip, Inc. (the "Company," "NextTrip," "we," "us" and "our") is an innovative technology company that is building next generation solutions to power the travel industry. NextTrip, through its subsidiaries, provides travel technology solutions with sales originating in the United States, leisure travel, business travel, groups travel, media and tech. We connect people to new places and discoveries by utilizing digital media engagement, seasoned planning expertise, and unique inventory to curate custom vacations and business travel across the globe. Our proprietary booking engine, branded as NXT 2.0, provides travel distributors access to a sizeable inventory.

Our vision is to drive the evolution of the travel industry by merging advanced digital solutions with personalized travel services. Our core technology – a fully integrated travel booking platform – focuses on untapped and underserved sectors of the travel industry, intending to capture new markets. We expect that our future growth will be accelerated by interactive technology, immersive media and unparalleled travel industry expertise.

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We believe NextTrip will revolutionize the travel industry by combining advanced digital technologies with personalized travel services. Our mission is to become the premier travel, media, and lifestyle brand, inspiring and empowering individuals to explore the world. Through our brands, including NextTrip Vacations, Travel Magazine, and Compass.tv, we aim to create a unique ecosystem that reduces dependency on traditional marketing methods, where major travel companies spend billions to attract customers.

Our strategy focuses on both the Media and Travel divisions working together to draw users into our ecosystem by offering the following benefits:

- Access to a wealth of highly relevant travel videos and articles for research.
- The ability to plan and save future travel destinations and activities on personalized profiles.
- Options to share travel ideas and communicate with others.
- Assistance from our concierge help desk and AI-powered solutions.
- The convenience of booking travel online or through a call center.
- Access to customer support before, during, and after travel.
- The opportunity to earn rewards that encourage repeat bookings.

Our ecosystem is built on four key pillars:

1. **NextTrip:** A comprehensive travel booking platform that offers curated, personalized, and seamless travel experiences for every budget and interest. Powered by the NXT 2.0 booking platform, NextTrip serves as our direct-to-consumer transactional hub, providing users with detailed scheduling, pricing, and availability information for airlines, hotels, rental cars, and other travel products. We also offer dynamically assembled travel packages and provide valuable content, including destination information, maps, and travel details, all supported by our customer call center.
2. **Travel Magazine:** A trusted source of captivating travel inspiration, offering authentic stories, practical advice, and diverse perspectives to fuel wanderlust and create lasting vacation memories. Travel Magazine will launch My Bucket List, a platform designed for travelers to build and share their travel bucket lists with personalized suggestions, booking support, and local insights. The launch is currently anticipated to be early 2025.
3. **Compass.tv:** Our Free Ad-supported Streaming TV ("FAST") channel, which we soft-launched on October 1, 2024. Compass.tv will offer over 1,000 hours of travel shows and long-form travel content at launch. To draw users into the NextTrip ecosystem, the launch will be supported by travel influencers, promoted to our multi-million strong email list, and marketed to major streaming platforms like Roku and YouTube. Compass.tv plans to use artificial intelligence to personalize content, convert blogs and articles to video, and enable users to create custom videos. This platform will allow users to create fully customized FAST channels featuring vacation opportunities that can be explored and booked directly through the NextTrip booking engine.
4. **PrometheanTV:** A unique influencer-led platform that drives advertising revenue and content-to-commerce. We have secured a perpetual license with Promethean TV, Inc., the developer of the Ignite TV interactive video platform. This technology will power Compass.tv and video content on Travel Magazine/My Bucket List, allowing for targeted advertising via video overlays, enabling viewers to purchase travel directly from their screens. This integration is designed to enhance customer engagement, drive ad-supported revenue, and increase travel transactions.

By integrating the NextTrip booking platform across all our media platforms, we will enable users to research and book travel seamlessly from any of our offerings. Our ecosystem will encompass leisure travel, wellness travel, business travel, alternative lodging, and innovative technology and media solutions. We will engage with consumers throughout the entire travel planning journey, from initial research to post-travel, offering robust product options and preferred rates in top global destinations. We believe that NextTrip stands apart from other travel companies, providing users with the tools to create personalized vacation packages and travel solutions, resulting in a more rewarding experience than traditional pre-packaged offerings. This ensures a thriving and growing ecosystem that drives both travel transactions and targeted advertising revenue while supporting consumers on their travel journeys – truly a next-generation travel company.

NextTrip is launching a pilot program featuring a successful travel discovery app to deliver AI-driven and user-generated video content to its Travel

Magazine and Compass.tv platforms. In addition, NextTrip will curate exclusive leisure offers for the discovery app and implement enhanced marketing strategies to boost bookings and viewership.

Organizational History

Historical Monaker Group Business

NextTrip's travel business was the principal business of NextPlay (then, Monaker Group, Inc. ("Monaker")) until June 30, 2020, when Monaker entered into a share exchange transaction with HotPlay Enterprise Limited ("HotPlay"), resulting in HotPlay becoming a wholly owned subsidiary of Monaker and HotPlay's business becoming the principal business of Monaker. Prior to this share exchange, the primary focus of Monaker had been its travel business, which included the sale of vacation rentals, and in particular, ALRs, to consumers through its proprietary booking engine. To support its travel offerings, Monaker introduced travelmagazine.com, featuring travel and lifestyle content to appeal to travelers researching destinations and planning future vacations. In January 2023, NextPlay spun the NextTrip business out to its founders to separate it from NextPlay's primary business.

COVID-era Transition and Technology Development

The spread of the COVID-19 virus globally beginning in January 2020 severely impacted our business. Beginning in March 2020, many U.S. states and foreign countries began issuing "stay-at-home" orders and closed their borders to interstate and international travel. Such restrictions on travel, together with other measures implemented by governments around the world, severely restricted the level of economic activity around the world and had an unprecedented effect on the global travel industry. The public's ability to travel was severely curtailed through border closures, mandated travel restrictions and limited operations of hotels, airlines, and additional voluntary or mandated closures of travel-related businesses from December 2019 through the beginning of 2022 (and beyond in some jurisdictions). Measures implemented during the COVID-19 pandemic led to unprecedented levels of temporary and permanent business closures, cancellations and limited new travel bookings, having a severe negative impact on our business, financial condition and results of operations.

Due to the significant decrease in demand for the travel related services provided by us during the peak of the COVID-19 pandemic, we shifted our focus to developing and enhancing our program offerings. For example, we began to develop our online media platform -TravelMagazine.com allowing consumers to research future travel options as well as enhancing the functionality of our booking engines, including developing a booking engine platform that allows customers to book packaged vacations and wellness programs along with the development of a platform to arrange and manage business travel.

Acquisition of Bookit.com Asset

Following NextTrip's separation from NextPlay, our team focused on the continued technological development of its booking platform. As part of this development, we acquired a travel platform in June 2022 to help power our proprietary NXT 2.0 booking technology. Previously, this technology powered the Bookit.com business, a well-established online leisure travel agent generating over \$400 million in annual sales as recently as 2019 (pre-pandemic). As part of the acquisition of the assets of Bookit.com, we were not only able to acquire a proven technology platform that could be integrated with our core travel sectors, but we were also able to secure the Bookit.com database with millions of past travelers and opt-in consumers.

Since 2022, and the acquisition of the Bookit.com business, we have been focused on the holistic development and integration of the NXT 2.0 technology platform, which serves as a base for current and future technology projects as well as proprietary system enhancements. This integration includes re-engaging with and re-negotiating more than 250 contracts with hotel, airline, and cruise suppliers, and securing unique product inventory of more than 3 million lodging, air and tour product suppliers at exceptional rates to over 2,100 destinations in 200+ countries worldwide.

Through this strategic offering, we will focus on key areas of opportunity in the travel sector and drive enhanced booking conversion rates. Our proprietary technology, when combined with media, product offerings and customer service, provides a unique lane to serve mid- to luxury travelers.

Recent Developments

Launch of Compass.tv

On October 1, 2024, we announced the launch of our owned and operated Compass.tv travel discovery channel and app. The platform initially features over a thousand hours of travel video content designed to seamlessly convert into commerce opportunities, allowing viewers to book vacations directly through the channel using the NextTrip Booking Engine. In partnership with Dooya Media Group, the Company intends to expand Compass.tv's offerings by collaborating with influencers who have millions of travel-focused followers, creating a unique and comprehensive travel hub.

The platform showcases authentic experiences through popular social media influencers, appealing to viewers who prefer real, relatable content over polished productions. With influencer-promoted, destination-focused content, the Company believes that Compass.tv will serve as a premier travel discovery tool, inspiring viewers to plan their next adventure. Its Content Creator Program incentivizes influencers with a competitive revenue-sharing model, while integrating content-to-commerce funnels with targeted ads and affiliate travel offers. As part of the NextTrip ecosystem, Compass.tv works in tandem with NextTrip's website, tools, and exclusive deals to drive bookings and set a new standard for advertiser engagement with a dynamic, travel-driven audience.

Launch of Group Booking Technology Platform

On July 30, 2024, we announced the launch of a new Group Booking Platform ("Platform"), a proprietary technology for its direct-to-consumer travel booking website offering travelers and facilitators a flexible and versatile solution for group travel.

NextTrip's Platform streamlines front-end booking flow for customers, empowering each traveler to book their own travel while still remaining part of a group. This versatility allows travelers to book travel when it is most convenient for them. For group leaders, our Platform reduces the workload by eliminating the need to follow up with travelers for details such as travel dates, flight information and room category. Guests can also easily include pre- and post-stays and book activities. Access to the Platform can be sent in email invitations and implemented on a variety of sites, such as conference and other customized websites. Future versions will include additional destination flexibility, customization, and white label capabilities.

Launch of FlexPay Travel Payment Options

On July 11, 2024, we announced the launch of FlexPay, a proprietary technology for our direct-to-consumer travel booking website giving customers new flexible payment options and exclusive deals.

FlexPay is a flexible form of short-term financing that allows customers to pay for accommodations over time through interest-free installments. FlexPay

differentiates itself from other travel booking sites with flexible payment and deposit options, exclusive deals, and does not run credit checks or charge interest. Offered as a payment option at checkout, travelers can now book their vacation for as little as \$1.00 down at eligible properties.

Acquisition by Sigma; Name Change

In December 2023, we completed the Acquisition, which resulted in NextTrip becoming a wholly-owned subsidiary of a public company and the principal business of the Company moving forward. To align the new business with NextTrip's travel-focused business model, the Company recently changed its name to "NextTrip, Inc."

Our Fully Integrated Travel Booking Platform

We have established a direct-to-consumer presence through a number of websites, powered by the NXT 2.0 booking platform. Today, the primary leisure platform is hosted on nexttrip.com and the media platform is hosted on travelmagazine.com.

NextTrip sells travel services to leisure and corporate customers across these websites. Our primary focus is our current offerings of scheduling, pricing and availability information for booking reservations for airlines, hotels, rental cars, as well as other travel products such as transfers, sightseeing tours, shows and event tickets. NextTrip sells these travel services both individually and as components of dynamically assembled packaged travel vacations and trips. In addition, we provide content that presents travelers with information about travel destinations, maps and other travel details.

Our online travel publication, travelmagazine.com, provides travelers around the world with inspiration for future vacation destinations and trips. The publication offers written articles, videos, and podcasts. The website is expected to be supported by advertising and allow for research and booking of vacation products.

Travel Products and Services

We are building an ecosystem with technology and product offerings that will include leisure travel, wellness travel, business travel, alternative lodging, technology and media solutions. We engage with consumers and distributors throughout the travel planning journey from planning through post-travel. Through direct relationships, we have established robust product offerings and preferred rates across the top destinations world-wide. Our primary product offerings are as follows:

- NextTrip Leisure brings travel solutions and a proprietary booking engine that allows customers to book customized travel, including vacation packages, airline tickets, hotel reservations, tours and activities, curated journeys, cruises, wellness and group travel.
- NextTrip Solutions offers technology solutions for product and inventory management as well as white label offerings including NextTrip products under their brand, and technology solutions. We are also developing a travel agent portal to drive bookings and travel agent brand loyalty.
- NextTrip Media includes Travel Magazine and the Compass.tv experience, which is currently in development. These digital solutions engage consumers at the initial phases of travel planning, offering relevant content, destination information and immersive online experiences as well as solutions for travel suppliers. This ecosystem, once fully developed, is expected to allow users to create their own fully customized FAST channel featuring vacation journey opportunities that customers can explore prior to booking the actual vacation.

Products and Services for Travelers

Search Tools and Ability to Compare. Our online marketplace nexttrip.com provides travelers with the tools to search for and filter several travel products including air, car, accommodations, and activities based on various criteria, such as destination, travel dates, type of property, number of bedrooms, amenities, price, or keywords.

Traveler Login. Travelers are able to create accounts on our website(s) that give them access to their booking activity through the website. Members will also have access to special rates and discounts on the NextTrip product.

Travel Blog. Travel guides, videos and pictures as well as travel articles can be accessed through travelmagazine.com.

Security. We use a combination of technology and human review to evaluate the content of listings and to screen for inaccuracies or fraud with the goal of providing only accurate and trustworthy information to travelers. NextTrip is Payment Card Industry compliant to ensure the safety and security of its customer credit card data.

Communication. Travelers who create an account on our websites will receive regular communications, including notices about places of interest, special offers, new listings, and an email newsletter. The newsletter will be available to any traveler who agrees to receive it and offers introductions to new destinations and properties, as well as tips and useful information when traveling.

Since the COVID-19 pandemic arose, we have primarily focused on developing our booking engine and establishing relationships with suppliers to increase the size of our instantly bookable inventory. The booking engine has produced little revenue to date because of, among other reasons, the efforts that have been taken to integrate the NextTrip travel platforms with the Bookit.com technology since its acquisition in the summer of 2022. The new platform was launched in beta in May 2023 with a limited number of hotel properties in Mexico and the Caribbean. We have expanded our distribution since launch to include over one million hotel properties worldwide and completed a full launch of the leisure travel website in August 2024.

Key Revenue Drivers

NextTrip's fully integrated travel booking platform serves as the foundation of our revenue-generating business. The platform contains a robust booking engine with merchandising capabilities that drive increased conversions and higher per revenue transactions. We plan to leverage the bookit.com foundational travel database consisting of several million customers to further drive revenues. Those revenues consist primarily of commissions and bookings but are expanding to include affiliate commerce, advertising and sponsored content (via Compass.tv and Travel Magazine).

In addition, as the booking platform expands, it establishes an opportunity for product expansion and revenue from technology licensing, including white-labeling key technology. A monthly software-as-a-service ("SaaS") model is being established around key technology developments and innovative platforms, including turn-key booking solutions, product management and targeted audience offerings.

Advancing Travel: Future Research & Development Driving Growth

As we expand the reach of our booking platforms, including to different underserved areas of the travel industry, we plan to focus on future technologies to drive growth by investing in research and development.

Compass.tv

As FAST gains momentum globally, we are in the process of developing Compass.tv, which was soft launched on October 1, 2024. Our innovative travel channel is being developed in conjunction with our perpetual license with Promethean discussed above. With over 1,000 hours of relevant travel content secured, Compass.tv intends to utilize artificial intelligence ("AI") to personalize content, convert blogs and articles to video, and empower users to create custom travel channels. Integration with the NextTrip Concierge desk will enable seamless booking and assistance.

NextTrip recognizes the pivotal role of video in promoting travel sales and engagement, hence our focus on incorporating video across platforms. To maximize effectiveness, NextTrip has entered into the license with Promethean enabling targeted advertising and transactional capabilities without interrupting content.

Travel Magazine

We are transforming our Travel Magazine website into a social media platform catering to all things travel. The site was re-launched mid-2024, and features enhanced media capabilities and targeted advertising using the Promethean solution. A private consumer section called "My Bucket List," is targeted for release in early 2025 and will feature connectivity to booking engines, AI travel planner assist and AI-driven content creation.

My Bucket List

With My Bucket List, NextTrip is building a technology solution catered to travelers to build and share their own travel bucket list with personalized suggestions, booking support and local insights.

Results of Operations

Three Months Ended August 31, 2024 and August 31, 2023

During the three months ended August 31, 2024, we recognized revenue of \$154,498, as compared to \$27,663 in the same period in 2023, an increase of \$126,835, or 459%. The increase was primarily due to the implementation of the BookIt asset as well as the integration of Expedia into our booking engine, NXT 2.0. Expedia significantly increased our product offering from 12-15 hotel chains to over 250,000 properties worldwide, including hotels, resorts, and alternative accommodations.

Our cost of revenue for the three months ended August 31, 2024 was \$155,455, as compared to \$23,734 for the same period in 2023, an increase of \$131,721, or 555%. The increase was primarily attributable to a rise in sales from the launch of NXT 2.0 in the second quarter of 2024 as compared to the second quarter of 2023.

Our total operating expenses for the three months ended August 31, 2024 were \$1,468,335, as compared to \$1,090,930 for the same period in 2023, an increase of \$377,405, or 35%. The increase was primarily attributable to the relaunch of the NXT 2.0 booking engine in March of 2024, as well as the integration of Sigma Additive Solutions, and the transition to public company status.

Salary and benefits costs were \$628,759 for the three months ended August 31, 2024, as compared to \$360,947 for the same period in 2023, an increase of \$267,812, or 74%. The increase was comprised of an increase in salaries and benefits of \$234,255 due to the conversion of booking engine contractors to employees and the addition of new accounting staff, an increase in taxes and benefits of \$30,672, and an increase in stock appreciation rights of \$2,885.

Stock-based compensation was \$13,841 for the three months ended August 31, 2024, as compared to \$0 for the same period in 2023, an increase of \$13,841. This increase was a result of the assumption of employee stock options in connection with the reverse acquisition of Sigma Additive Solutions in December 2023.

We incurred general and administrative costs of \$21,677 during the three months ended August 31, 2024, as compared to \$128,955 in the same period in 2023, a decrease of \$107,278, or 83%. The decrease was primarily the result of a decrease in rent expense in 2023 of \$34,587, a decrease in broker fees of \$36,746, a decrease in administrative services fees of \$27,784, a decrease in travel expense of \$3,469 and a decrease in telephone expense of \$5,150.

We incurred marketing costs of \$51,347 during the three months ended August 31, 2024, as compared to \$49,758 during the same period in 2023. The increase of \$1,589, or 3%, was primarily due to an increase of \$25,475 in third party contractor expenses associated with the relaunch of the NXT 2.0 booking engine in March of 2024. Partially offsetting the increase was a decrease in marketing and advertising expenses of \$9,656, and expenses associated with Travel Magazine of \$14,230 as resources were shifted towards NXT 2.0.

We incurred technology costs of \$141,022 during the three months ended August 31, 2024, as compared to \$83,786 during the same period in 2023. The increase of \$57,236, or 68%, was primarily attributable to an increase in dues and subscription services for external travel services used in connection with our booking engine, and cloud database and software expenses to host the booking engine.

Professional service fees incurred during the three months ended August 31, 2024 were \$372,027, as compared to \$125,934 incurred during the same period in 2023, an increase of \$246,093, or 195%. This increase was a result of: (a) an increase in investor relations expenses of \$88,458; (b) an increase in accounting fees of \$85,448 for audit and related financial services; (c) an increase in consultants contracted for services of \$82,602 for management and administrative services related to the company's media initiatives, special projects including establishing travel related partnerships, and maintenance and bug fixes with the booking engine. Partially offsetting the increases was a decrease in legal expenses of \$10,415.

Organizational costs for the three months ended August 31, 2024 were \$80,452, as compared to \$0 for the same period in 2023, an increase of \$80,452. The increase resulted primarily from directors' compensation, and shareholder services expenses including transfer agent fees, and filing services.

Depreciation and amortization expense for the three months ended August 31, 2024 was \$95,414, as compared to \$331,549 for the same period in 2023, a decrease of \$236,135, or 71%. The decrease was primarily due to no new equipment purchases and an increase in fully amortized intangible assets as compared to the same period in 2023.

Other operating expenses were \$63,796 for the three months ended August 31, 2024, as compared to \$ 10,001 for the same period in 2023. The \$53,795 increase was primarily due to an increase in insurance expense of \$35,921, and an increase in bank and merchant processing fees of \$17,873.

In the three months ended August 31, 2024, we realized net other expense of \$64,227, as compared to net other expense of \$73,762 in the same period in 2023. The decrease in net other income of \$9,535 was primarily due to a decrease in interest expense associated with convertible loans as a result of

their conversion in December 2023.

Preferred dividends for the three months ended August 31, 2024 were \$10,688, as compared to \$0 for the same period in 2023. The increase was due to dividends associated with outstanding shares of Series E convertible preferred stock assumed in the reverse acquisition of Sigma.

In the three months ended August 31, 2024, the net loss from continuing operations totaled \$1,533,519 as compared to a net loss from continuing operations of \$1,160,763 for the same period in 2023. The operating loss component increased by \$382,291 in 2024, partially offset by a decrease in the other loss component of \$9,535.

The net loss from discontinued operations of \$1,131 for the three months ended August 31, 2024 was attributable to the termination of an annual contract of \$4,131 from a legacy Sigma subscription. Partially offsetting the loss was a gain of \$3,000 from the final payment due from a legacy Sigma customer.

Our net loss applicable to common stockholders for the three months ended August 31, 2024, was \$1,545,338, as compared to \$1,160,763 for the same period in 2023, an increase of \$384,575, or 33%. The increase was primarily attributable to an increase in operating loss from continued operations of \$382,291, an increase in preferred dividends of \$10,688, and a loss from discontinued operations of \$1,131, partially offset by a decrease in other expense of \$9,535.

Six Months Ended August 31, 2024 and August 31, 2023

During the six months ended August 31, 2024, we recognized revenue of \$343,291, as compared to \$47,225 in the same period in 2023, an increase of \$296,066, or 627%. The increase was primarily due to the implementation of the BookIt asset as well as the integration of Expedia into our booking engine, NXT 2.0. Expedia significantly increased our product offering from 12-15 hotel chains to over 250,000 properties worldwide, including hotels, resorts, and alternative accommodations.

Our cost of revenue for the six months ended August 31, 2024 was \$329,036, as compared to \$41,452 for the same period in 2023, an increase of \$287,584, or 694%. The increase was primarily attributable to the increase in sales from the launch of NXT 2.0 in the second quarter of 2024 as compared to the second quarter of 2023.

Our total operating expenses for the six months ended August 31, 2024 were \$3,435,948, as compared to \$2,122,756 for the same period in 2023, an increase of \$1,313,192, or 62%. The increase was primarily attributable to the relaunch of the NXT 2.0 booking engine in March of 2024, as well as the integration of Sigma, and the transition to public company status.

Salary and benefits costs were \$1,255,511 for the six months ended August 31, 2024, as compared to \$768,555 for the same period in 2023, an increase of \$486,956, or 63%. The increase was comprised of an increase in salaries and benefits of \$446,629 due to the conversion of contractors to employees and new accounting staff, and an increase in taxes and benefits of \$59,824. Partially offsetting the increase was a decrease in SAR expense of \$19,497 due to the revaluation in March of 2024.

Stock-based compensation was \$30,235 for the six months ended August 31, 2024, as compared to \$0 for the same period in 2023, an increase of \$30,235. This increase was a result of the assumption of employee stock options in connection with the reverse acquisition of Sigma in December 2023.

We incurred general and administrative costs of \$49,231 during the six months ended August 31, 2024, as compared to \$198,058 in the same period in 2023, a decrease of \$148,827, or 75%. The decrease was primarily the result of a decrease in rent expense of \$68,027, broker fees of \$36,746, administrative fees of \$34,860, telephone expenses of \$8,772 and travel expenses of \$4,859. Partially offsetting the decrease was an increase in licenses and filing fees of \$4,437.

We incurred marketing costs of \$207,536 during the six months ended August 31, 2024, as compared to \$90,539 during the same period in 2023. The increase of \$116,997, or 129%, was primarily due to the relaunch of our NXT 2.0 booking engine in March of 2024 and ongoing maintenance with Travel Magazine. Marketing and advertising expenses increased by \$40,870, third party contracted marketing services increased by \$74,590, and Travel Magazine costs increased by \$1,537.

We incurred technology costs of \$325,691 during the six months ended August 31, 2024, as compared to \$119,680 during the same period in 2023. The increase of \$206,011, or 172%, was primarily attributable to an increase in dues and subscription services of \$157,621 for external travel services used in connection with our booking engine, and an increase cloud database and software expenses of \$48,790 to host the booking engine.

Professional service fees incurred in the six months ended August 31, 2024 were \$895,900, as compared to \$260,304 incurred during the same period in 2023, an increase of \$635,596, or 244%. This increase was a result of: (a) an increase in investor relations expenses of \$209,946; (b) an increase in legal expense of \$163,495 due to the reverse acquisition and associated transactions; (c) an increase in accounting fees of \$110,510 for audit and related financial services; and (d) an increase in consultants contracted for services of \$151,645 for management and administrative services related to the company's media initiatives, special projects including establishing travel related partnerships.

Organizational costs for the six months ended August 31, 2024, were \$109,189, as compared to \$0 for the same period in 2023, an increase of \$109,189. The increase resulted primarily from directors compensation, and shareholder services expenses including transfer agent fees, and filing services.

Depreciation and amortization expense for the six months ended August 31, 2024 was \$383,000, as compared to \$667,889 for the same period in 2023, a decrease of \$284,889, or 43%. The decrease was primarily due to no new equipment purchases and an increase in fully amortized intangible assets as compared to the same period in 2023.

Other operating expenses were \$179,655 for the six months ended August 31, 2024, as compared to \$17,731 for the same period in 2023. The \$161,924 increase was primarily due to the additional cost for insurance of \$124,079, an increase in merchant processing fees of \$33,765, and an increase in filing and other fees of \$4,080.

In the six months ended August 31, 2024, we realized net other expense of \$99,452, as compared to net other expense of \$139,151 in the same period in 2023. The decrease in net other income of \$39,699 was primarily due to a decrease in interest expense associated with convertible loans due to their conversion in December 2023.

Preferred dividends for the six months ended August 31, 2024 were \$21,376, as compared to \$0 for the same period in 2023. The increase was due to dividends associated with outstanding shares of Series E Preferred Stock assumed in the reverse acquisition of Sigma.

In the six months ended August 31, 2024, the net loss from continuing operations totaled \$3,521,145, as compared to a net loss from continuing operations of \$2,256,134 for the same period in 2023. The operating loss component increased by \$1,304,710 in 2024, partially offset by a decrease in the other loss component of \$39,699.

The net gain from discontinued operations of \$7,778 for the six months ended August 31, 2024 consisted primarily of revenue of \$14,731 from legacy Sigma customers, and a gain of \$6,011 from the settlement of a trade accounts payable at a discount, partially offset by expenses of \$12,964 consisting of legal expenses, termination of a subscription contract, and Sigma's legacy investor relations website.

Our net loss applicable to common stockholders for the six months ended August 31, 2024 was \$3,534,743, as compared to \$2,256,134 for the same period in 2023, an increase of \$1,278,609, or 57%. The increase was primarily attributable to an increase in operating loss from continued operations of \$1,304,710 and an increase in preferred dividends of \$21,376, partially offset by a gain from discontinued operations of \$7,778, and a decrease in other expense of \$39,699.

Liquidity and Capital Resources

Due to uncertainties regarding our ability to meet our current and future operating and capital expenses, there is substantial doubt about our ability to continue as a going concern for 12 months from the date of the filing of this Quarterly Report.

As of August 31, 2024, we had \$102,006 in cash and a working capital deficit of \$3,664,705, as compared with \$323,805 in cash and a working capital deficit of \$262,005 as of February 29, 2024. Additionally, at August 31, 2024, the amount due under our notes payable to related parties totaled \$2,718,594.

Between September 1, 2024 and October 11, 2024, additional net related party advances totaled \$80,060, and the aggregate outstanding principal balance of related party advances as of October 11, 2024 was \$2,802,654.

On September 13, 2024, the Company's board of directors approved the conversion of up to 100% of the outstanding principal balance of the promissory notes held by Messrs. Kerby and Monaco into shares of a series of non-redeemable convertible preferred stock preferred stock yet to be designated. Messrs. Kerby and Monaco have agreed to initially convert \$1,500,000, or 56.3% of their total outstanding principal balance of \$2,666,790 into the new series of convertible preferred stock, and, at their discretion, may convert up to the remaining principal balance, or any portion thereof, into additional shares of such convertible preferred stock at a future date. The conversion remains subject to completion of final documentation for the transaction, including the filing of the certificate of designation for the new series of convertible preferred stock with the Nevada Secretary of State.

On September 19, 2024 the Company entered into a securities purchase agreement (the "Note & Warrant SPA") with Alumni Capital LP ("Alumni Capital") for the sale of a short-term promissory note (the "Alumni Note") and warrants ("Warrants") to Alumni Capital for total consideration of \$250,000. After deducting commissions, net proceeds to the Company were \$230,000.

The Alumni Note is in the principal amount of \$300,000 with an original issue discount of \$50,000 and guaranteed interest on the principal amount of ten percent (10%) per annum which shall be due and payable on December 19, 2024. In the event of a failure to re-pay the Alumni Note on or before December 19, 2024, the interest rate will increase to the lesser of twenty-two percent (22%) per annum or the maximum amount permitted under law from the due date thereof until the same is paid. The Alumni Note is convertible into common stock of the Company only upon an event of default.

On September 19, 2024, the Company also entered into a Common Stock Securities Purchase Agreement (the "Common Stock SPA") with Alumni Capital. Pursuant to the Common Stock SPA, the Company has the right, but not the obligation to cause Alumni Capital to purchase up to \$10 million shares of common stock (the "Commitment Amount") at the Purchase Price (defined below) during the period beginning on the execution date of the Common Stock SPA and ending on the earlier of (i) the date on which Alumni Capital has purchased \$10 million shares of common stock pursuant to the Common Stock SPA or (ii) December 31, 2025. Pursuant to the Common Stock SPA, the "Purchase Price" means the lowest traded price of Company common stock during the five (5) business days prior a closing date multiplied by eighty nine percent (89%). No Purchase Notice will be made without an effective registration statement and no Purchase Notice will be in an amount greater than \$500,000.

On October 1, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 66,225 shares of Series I Convertible Preferred Stock at \$3.02 per share, for total consideration of \$200,000.

Our major sources of funding have been proceeds from private offerings of our securities, advances from related parties, and issuance of convertible and non-convertible debt. We will need to raise additional amounts to fund our operations, maintain compliance with the Nasdaq continued listing requirements and implement our business plan. We currently have no arrangement to obtain any additional financing, and there is no assurance as to the amount and availability of any required future financing or the terms thereof. Any such financing, if in the form of equity, may be highly dilutive to our existing stockholders and may otherwise include onerous terms. If in the form of debt, such financing may include covenants and repayment obligations which may be difficult to meet and that could adversely affect our business and operations. To the extent that funds are not available to us, we may be required to delay, limit, or terminate our business and operations and/or lose our Nasdaq listing.

Our existing cash on hand and anticipated revenues are not sufficient to fund our anticipated operating costs. We estimate that we will need to raise a minimum of \$5.5 million in net proceeds to continue operation for the next twelve months. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our capital resources sooner than we expect, or extend such resources longer than we expect.

Because of the numerous risks and uncertainties associated with the research, development, and commercialization of our products, however, we are unable to estimate the exact amount of our working capital requirements. Our future capital requirements will depend on many factors, including without limitation:

- The cost of developing and maintaining our proprietary software and NXT 2.0 booking engine;
- The effect of competing technological and market developments;
- The revenue from the sales of our existing and future products; and
- The cost of operating as a public company.

The effects of a U.S. or global recession, while difficult to predict, could result in some customers delaying or cancelling planned travel.

Net Cash Used in Operating Activities

Net cash used in operating activities from continuing operations for the six months ended August 31, 2024 totaled \$1,960,326, as compared to \$1,393,118 during the same period in 2023, an increase of \$567,208, or 41%.

During the six months ended August 31, 2024, the net cash used in operating activities was the result of a net loss of \$3,521,145 before preferred dividends, partially offset by changes in working capital of \$1,147,584, and non-cash expenses of \$413,235 related to depreciation and amortization of \$383,000 and stock-based compensation of \$30,235. Changes in working capital were driven by a decrease in accounts receivable of \$22,881, a decrease in prepaid expenses of \$96,051, and an increase in accounts payable and accrued expenses of \$1,033,506, partially offset by an increase in security deposits of \$3,000 and a decrease in deferred revenue of \$1,854.

During the six months ended August 31, 2023, the net cash used in operating activities was the result of a net loss of \$2,256,134, partially offset by changes in working capital of \$120,279, and non-cash expenses of \$742,737 related to depreciation and amortization. Changes in working capital were driven by an increase in accounts payable and accrued expenses of \$110,959 and an increase in deferred revenue of \$57,156, partially offset by an increase in accounts receivable of \$5,000, an increase of \$34,114 in prepaid expenses, and a decrease in notes receivable of \$8,722.

Net Cash Used in Investing Activities

Net cash used in investing activities during the six months ended August 31, 2024 was \$389,568, which compares to \$345,807 of cash used in investing activities during the same period of 2023, an increase of \$43,761, or 13%. The increase resulted from an increase in capitalized software development costs during the period.

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Net Cash Provided by Financing Activities

Net cash provided by financing activities for the six months ended August 31, 2024 was \$2,120,317, as compared to \$1,562,352 for the same period in 2023. The increase of \$557,965, or 36%, was due to an increase in advances from related parties of \$1,597,817, the issuance of promissory notes for \$140,000 to investors, and the issuance of preferred shares to investors for \$90,000, partially offset by a decrease in the issuance of convertible notes of \$1,269,852.

Our ability to continue to fund our working capital needs will be dependent upon the success of our efforts to generate revenues from our operations, and by obtaining additional capital from the sale of securities or by borrowing funds from lenders to fulfill our business plans. If we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. There is no assurance that we will be successful in obtaining additional funding. The Company is unable to predict the effect a global recession or geopolitical events, including the on-going conflicts in Ukraine and Israel/Palestine, may have on its access to the financing markets. If we fail to obtain sufficient funding when needed, we may be forced to delay, scale back or eliminate all or a portion of our commercialization efforts and operations.

Other than the related party promissory notes as described in Notes 5, 6 and 9 to the financial statements included elsewhere in this Quarterly Report, we have no lines of credit or other financing arrangements.

Inflation, changing prices and rising interest rates have had no material effect on our continuing operations over our two most recent fiscal years. However, continued unfavorable trends may affect the prices we pay for materials and other goods and services necessary to our business, thus increasing our use of cash.

We have no off-balance sheet arrangements as defined in Item 303(a) of Regulation S-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of disclosure controls and procedures and changes in internal controls over financial reporting.

Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), defines the term "disclosure controls and procedures" as those controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based upon an evaluation of the effectiveness of our disclosure controls and procedures performed by our management, with the participation of our President and Chief Executive Officer, and our Chief Financial Officer and Treasurer, as of the end of the period covered by this quarterly report, management identified a material weakness in disclosure controls and procedures related to a lack of personnel with sufficient expertise in generally accepted accounting principles ("GAAP"). Specifically, the Company did not have individuals with extensive GAAP experience to adequately assess and apply GAAP requirements in the preparation and review of financial disclosures. As a result of this material weakness, management has concluded that, as of August 31, 2024 the Company's disclosure controls and procedures were not effective.

During the six months ended August 31, 2024, management took steps to remediate the material weakness discussed above by hiring additional personnel with GAAP expertise, in particular the Company's Controller, and engaging external consultants with subject matter expertise as necessary. Management also began implementing several enhancements to its control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act), including, but not limited to, establishing a monthly financial closing process, implementing account reconciliations, ensuring proper segregation of duties, and implementing new financial control software. These remediation efforts were completed by August 31, 2024.

As a result of these enhancements, management believes that the consolidated financial statements included in this Quarterly Report fairly present, in all material respects, the financial condition, results of operations, and cash flows of the Company as of and for the periods presented.

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PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Not applicable.

ITEM 1A. RISK FACTORS.

You should consider the "Risk Factors" included under Item 1A of our Annual Report on Form 10-K for the year ended February 29, 2024 filed with the SEC on September 4, 2024, as well as the following updated Risk Factor:

As of August 31, 2024, we had \$102,006 in cash and a working capital deficit of \$3,664,705. Our existing cash on hand and anticipated revenues are not sufficient to fund our anticipated operating costs. We will need to raise additional financing to fund our operations, maintain compliance with the Nasdaq continued listing requirements and implement our business plan. There is no assurance as to the amount and availability of any required future financing or the terms thereof. Such financing, if in the form of equity, may be highly dilutive to our existing stockholders and may otherwise include onerous terms. If in the form of debt, such financing may include covenants and repayment obligations which may be difficult to meet and that could adversely affect our business operations. We have no current understanding or arrangement to obtain any additional financing. To the extent that funds are not available to us, we may be required to delay, limit, or terminate our business operations and may lose our Nasdaq listing.

In light of the foregoing, there is substantial doubt about our ability to continue as a going concern for 12 months from the date of the filing of this Quarterly Report,

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On August 15, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 4,967 shares of Series I Convertible Preferred Stock, at \$3.02 per share, resulting in gross proceeds to the Company of \$15,000.

On August 31, 2024, the Company entered into a securities purchase agreement with an investor for the sale of 24,834 shares of Series I Convertible Preferred Stock, at \$3.02 per share, resulting in gross proceeds to the Company of \$75,000.

In the second quarter of 2024, the Company issued 42,709 shares of common stock to a service provider as partial compensation for development work related to Compass.tv, the Company's FAST channel.

The aforementioned securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and were issued to the respective recipients in transactions exempt from registration under the Securities Act in reliance upon the exemption from registration provided by Section 4(a)(2) under the Securities Act and/or Regulation D promulgated thereunder. Accordingly, the securities constitute "restricted securities" within the meaning of Rule 144 under the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the three months ended August 31, 2024, none of our directors or officers entered into, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," that were intended to satisfy the affirmative defense conditions of Rule 10b5-1, in each case as defined in Item 408 of Regulation S-K.

ITEM 6. EXHIBITS.

2.1 [Share Exchange Agreement dated as of October 12, 2023 among Sigma Additive Solutions, Inc., NextTrip Holdings, Inc., NextTrip Group, LLC and the NextTrip Representative \(filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on October 13, 2023 and incorporated by reference herein\).](#)

3.1 [Amended and Restated Articles of Incorporation of the Company, as amended \(previously filed by the Company as Exhibit 3.1 to the Company's Form 10-K filed on March 24, 2022 and incorporated herein by reference\).](#)

3.2 [Certificate of Amendment to Amended and Restated Articles of Incorporation, as amended \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed August 12, 2022, and incorporated herein by reference\).](#)

3.3 [Amended and Restated Bylaws of the Company, as amended. \(filed by the Company as Exhibit 3.12 to the Company's Form 10-K, filed on March 24, 2021, and incorporated herein by reference\).](#)

3.4 [Amendment No. 3 to Amended and Restated By-Laws of Sigma Additive Solutions, Inc. \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed December 16, 2022, and incorporated herein by reference\).](#)

3.5 [Certificate of Change Pursuant to NRS 78.209 \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 22, 2023 and incorporated herein by reference\).](#)

3.6 [Certificate of Designation of Series F Convertible Preferred Stock \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 9, 2024 and incorporated herein by reference\).](#)

3.7 [Certificate of Designation of Series G Convertible Preferred Stock \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 30, 2024 and incorporated herein by reference\).](#)

3.8 [Certificate of Designation of Series H Convertible Preferred Stock \(filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed January 30, 2024 and incorporated herein by reference\).](#)

3.9 [Certificate of Designation of Series I Convertible Preferred Stock \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed February 22, 2024 and incorporated herein by reference\).](#)

3.10 [Certificate of Amendment, effective March 13, 2024 \(filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed March 12, 2024 and incorporated herein by reference\).](#)

4.1 [Form of Common Stock Purchase Warrant \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 6, 2018, and incorporated herein by reference\).](#)

4.2 [Form of Placement Agent Warrants \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed April 6, 2018, and incorporated herein by reference\).](#)

4.3 [Form of Common Stock Purchase Warrant \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 26, 2018, and incorporated herein by reference\).](#)

4.4 [Form of Common Stock Purchase Warrant \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 14, 2019, and incorporated herein by reference\).](#)

4.5 [Form of Unit Purchase Option \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed March 14, 2019, and incorporated herein by reference\).](#)

4.6 [Form of Common Stock Purchase Warrant.\(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 8, 2019, and incorporated herein by reference\).](#)

4.7 [Form of Placement Agent Warrant \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed May 8, 2019, and incorporated herein by reference\).](#)

4.8 [Form of Institutional Common Warrant \(filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed January 30, 2020, and incorporated herein by reference\).](#)

4.9 [Form of Class A Warrant\(filed as Exhibit 10.8 to the Company's Current Report on Form 8-K, filed January 30, 2020, and incorporated herein by reference\).](#)

4.10 [Form of Common Stock Purchase Warrants \(filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed April 3, 2020, and incorporated herein by reference\).](#)

4.11 [Form of Underwriter Common Stock Purchase Warrant \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 12, 2021, and incorporated herein by reference\).](#)

4.12 [Form of Warrant to Purchase Common Stock \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed January 12, 2021, and incorporated herein by reference\).](#)

4.13 [Form of Warrant to Purchase Common Stock \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 30, 2021, and incorporated herein by reference\).](#)

4.14 [Form of Placement Agent Warrant \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed March 30, 2021, and incorporated herein by reference\).](#)

4.15 [Warrant to Purchase Common Stock issued January 26, 2023 \(filed as Exhibit 4.15 to the Company's Annual Report on Form 10-K filed on September 4, 2024, and incorporated by reference herein\).](#)

4.16 [Form of Warrant \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 22, 2024 and incorporated by reference herein\).](#)

4.17 [Warrant by and between the Company and Alumni Capital LP, dated September 19, 2024 \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 25, 2024, and incorporated by reference herein\).](#)

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10.1 [Unsecured Promissory Note by and between NextTrip Holdings, Inc. and William Kerby, dated as of February 29, 2024 \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 1, 2024 and incorporated by reference herein\).](#)

10.2 [Unsecured Line of Credit Promissory Note by and between NextTrip Holdings, Inc. and William Kerby and Donald Monaco, dated as of March 18, 2024 \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 22, 2024 and incorporated by reference herein\).](#)

10.3 [Securities Purchase Agreement by and between the Company and Alumni Capital LP, dated September 19, 2024 \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 25, 2024, and incorporated herein by reference\).](#)

10.4 [Promissory Note by and between the Company and Alumni Capital LP, dated September 19, 2024 \(filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 25, 2024, and incorporated herein by reference\).](#)

10.5 [Securities Purchase Agreement by and between the Company and Alumni Capital LP, dated September 19, 2024 \(filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 25, 2024, and incorporated herein by reference\).](#)

31.1 [Rule 13a-14\(a\) Certification of Principal Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*](#)

31.2 [Rule 13a-14\(a\) Certification of Principal Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*](#)

32.1 [Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**](#)

101.INS [Inline XBRL Instance Document with Embedded Linkbase Documents.](#)

101.SCH [Inline XBRL Schema Document.](#)

104 [Cover Page Interactive Data File \(embedded within the Inline XBRL document\)](#)

* Filed herewith.

** Furnished herewith and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEXTTRIP, INC.

October 15, 2024

By: /s/ William Kerby

William Kerby
Chief Executive Officer
(Principal Executive Officer)

October 15, 2024

By: /s/ Frank Orzechowski

Frank Orzechowski
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

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Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, William Kerby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NextTrip, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2024

By: /s/ William Kerby
Name: William Kerby
Title: Chief Executive Officer
(Principal Executive Officer)

Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank Orzechowski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NextTrip, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 15, 2024

By: /s/ Frank Orzechowski

Name: Frank Orzechowski

Title: Chief Financial Officer, Treasurer
(Principal Financial and Accounting Officer)

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, William Kerby, the Chief Executive Officer, and Frank Orzechowski, the Chief Financial Officer, of NextTrip, Inc. (the "Company"), hereby certify, that, to their knowledge:

1. The Quarterly Report on Form 10-Q for the quarter ended August 31, 2024 (the "Report") of the Company fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William Kerby

William Kerby
Chief Executive Officer
(Principal Executive Officer)

October 15, 2024

/s/ Frank Orzechowski

Frank Orzechowski
Chief Financial Officer, Treasurer
(Principal Financial and Accounting Officer)

October 15, 2024