

Nerds on Site Inc.

Condensed interim consolidated financial statements

For the three months ended August 31, 2025 and 2024

(Unaudited - expressed in Canadian Dollars)

NERDS ON SITE INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED AUGUST 31, 2025 AND 2024
(Unaudited - Amounts expressed in Canadian Dollars)

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NOTICE TO READER

The accompanying condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Nerds on Site Inc.

Condensed Interim Consolidated Statements of financial position as of August 31, 2025 and May 31, 2025
(Unaudited – expressed in Canadian dollars)

	August 31, 2025	May 31, 2025
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 196,311	\$ 160,879
Accounts receivable (net of expected credit losses) (Note 4)	582,311	428,219
Inventory (Note 15)	80,448	54,203
Prepaid expenses and other current assets	116,194	69,392
Due from related parties (Note 9)	91,204	216,870
	<u>1,066,468</u>	<u>929,563</u>
NON-CURRENT		
Right-of-use assets (Note 12)	87,782	92,686
Property and equipment (Note 5)	40,225	41,235
	<u>128,007</u>	<u>133,921</u>
TOTAL ASSETS	<u>\$ 1,194,475</u>	<u>\$ 1,063,484</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 11)	\$ 1,560,570	\$ 1,314,929
Contract liabilities	228,852	174,555
Bank debt (Note 6)	40,632	131,923
Preferred shares (Note 8)	100	100
Dividend payable (Note 8)	69,479	69,479
Current portion of due to related parties (Note 9)	77,043	75,933
Current portion of lease liabilities (Note 13)	16,190	16,690
Loans payable (Note 7)	111,839	71,292
	<u>2,104,705</u>	<u>1,854,901</u>
NON-CURRENT		
Non- current portion of due to related parties (Note 9)	1,255,886	1,171,226
Non-current portion of lease liabilities (Note 13)	97,720	101,918
	<u>1,353,606</u>	<u>1,273,144</u>
TOTAL LIABILITIES	<u>3,458,311</u>	<u>3,128,045</u>
SHAREHOLDERS' DEFICIENCY		
Common stock (Note 8)	6,293,608	6,293,608
Reserve for options	422,008	422,008
Contributed surplus	2,575,889	2,575,889
Accumulated other comprehensive loss	(105,613)	(114,603)
Accumulated deficit	(11,322,744)	(11,131,006)
Total Nerds On Site Shareholders' Deficiency	<u>(2,136,852)</u>	<u>(1,954,104)</u>
Non-controlling interest	<u>(126,984)</u>	<u>(110,457)</u>
TOTAL SHAREHOLDERS' DEFICIENCY	<u>(2,263,836)</u>	<u>(2,064,561)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	<u>\$ 1,194,475</u>	<u>\$ 1,063,484</u>

Basis of presentation and going concern (Note 2)
Subsequent events (Note 18)

Approved on behalf of the Board

<Charles Regan>
Signed: Director

<David Redekop>
Signed: Director

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of loss and comprehensive loss
For the three months ended August 31, 2025 and 2024
(Unaudited – expressed in Canadian dollars)

	For the three months ended August 31,	
	2025	2024
Revenue (Note 14)	\$ 3,197,828	\$ 2,666,279
Cost of revenue	(2,436,512)	(1,996,974)
Gross Profit	761,316	669,305
Expenses		
Selling, general and administrative (Note 10)	(907,753)	(907,856)
Depreciation of property and equipment (Note 5)	(1,010)	(2,416)
Amortization of right-of-use assets (Note 12)	(4,904)	(4,904)
Total operating expenses	(913,667)	(915,176)
Operating loss	(152,351)	(245,871)
Interest expense	(60,820)	(20,157)
Interest and other income	2,899	5,851
Accretion on lease liabilities (Note 13)	(3,105)	(3,365)
Loss before income taxes	(213,377)	(263,542)
Provision for income taxes	-	-
Net loss	(213,377)	(263,542)
Less: net loss attributable to non-controlling interest	(21,639)	-
Net loss attributable to common shareholders	(191,738)	(263,542)
Loss per share attributable to common shareholders - Basic and Diluted	\$ (0.0021)	\$ (0.0029)
Weighted average number of common shares outstanding - Basic and Diluted	89,411,115	89,411,115
Net loss		
	(213,377)	(263,542)
Foreign currency translation adjustment	14,102	32,679
Total Comprehensive loss	(199,275)	(230,863)
Comprehensive loss attributable to non-controlling interest	(16,527)	-
Comprehensive loss attributable to common shareholders	(182,748)	(230,863)

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of changes in shareholders' deficiency

For the three months ended August 31, 2025 and 2024

(in Canadian dollars)

	Shares #	Amount \$	Option reserve \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Accumulated deficit \$	Non- controlling Interest \$	Total \$
Balance as at May 31, 2024	89,411,115	6,293,608	422,008	2,575,889	(61,848)	(10,667,534)	-	(1,437,877)
Currency translation adjustment	-	-	-	-	32,679	-	-	32,679
Net loss	-	-	-	-	-	(263,542)	-	(263,542)
Balance as at August 31, 2024	89,411,115	6,293,608	422,008	2,575,889	29,169	(10,931,076)	-	(1,668,740)
Balance as at May 31, 2025	89,411,115	6,293,608	422,008	2,575,889	(114,603)	(11,131,006)	(110,457)	(2,064,561)
Currency translation adjustment	-	-	-	-	8,990	-	5,112	14,102
Net loss	-	-	-	-	-	(191,738)	(21,639)	(213,377)
Balance as at August 31, 2024	89,411,115	6,293,608	422,008	2,575,889	(105,613)	(11,322,744)	(126,984)	(2,263,836)

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

Nerds on Site Inc.

Condensed Interim Consolidated Statements of cash flows
For the three months ended August 31, 2025 and 2024
(Unaudited – expressed in Canadian dollars)

	For the three months ended August 31,	
	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss	\$ (213,377)	\$ (263,542)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation of property and equipment (Note 5)	1,010	2,416
Amortization on right-of-use asset (Note 12)	4,904	4,904
Accretion on lease liabilities (Note 13)	3,105	3,365
Changes in working capital:		
Accounts receivable	(154,092)	(29,777)
Inventory	(26,245)	(16,797)
Prepaid expenses and other current assets	(46,802)	(72,028)
Accounts payable and accrued liabilities	245,641	42,415
Contract liabilities	54,297	31,457
Net cash used in operating activities	(131,559)	(297,587)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payments for acquisition of property and equipment (Note 5)	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
(Repayments made on) advances from loans	40,547	(1,243)
(Advances) repayments made on bank debt	(91,291)	86,178
Repayment of lease liabilities (Note 13)	(7,803)	(7,803)
Payments from (to) related parties (Note 9)	211,436	146,282
Net cash from financing activities	152,889	223,414
Effects of foreign currency exchange rate changes	14,102	32,679
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,432	(41,494)
Cash and cash equivalents, beginning of period	160,879	267,336
Cash and cash equivalents, end of period	\$ 196,311	\$ 225,842

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

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

1. Nature of operations

Nerds on Site Inc. (the "Company") was incorporated on June 26, 1996 pursuant to the Ontario Business Corporations Act and is engaged in the business of providing information technology services, hardware, software and related support agreements. On December 7, 2018, the Company incorporated a subsidiary in the United States of America as Nerds on Site USA Inc. The Company's head office is located at 4026 Meadowbrook Drive Unit 120-121, London, ON, N6L 1C7. In addition, through Nerds On Site USA Inc., the Company has a 50.1% ownership in NOS Technical Services, Inc ("NOS Tech"), a US company incorporated on August 14, 2024.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Reporting*. They do not contain all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended May 31, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last audited financial statements for the year ended May 31, 2025.

The Company's condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the accounting policies. The Company has prepared the financial statements using the same accounting policies and methods as the financial statements for the year ended May 31, 2025.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2025.

New accounting standards adopted

There were no new accounting standards adopted during the period that would have a significant effect on the Company's unaudited condensed consolidated interim financial statements.

Functional and presentation currencies

The Company's functional currency is Canadian dollars and the Company's presentation currency is also Canadian dollars. The functional currency of the U.S. based entities (Nerds On Site USA Inc. and NOS Tech) is U.S. dollars.

Assets and liabilities of its subsidiaries having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting period date. Revenues and expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the accumulated other comprehensive income (loss) included in shareholders' equity (deficiency). Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in the consolidated statement of loss and comprehensive loss.

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

2. Basis of presentation (Cont'd)

Basis of consolidation

The consolidated statements incorporate the financial statements of Nerds On Site Inc., and its wholly owned subsidiary, Nerds on Site USA Inc. and a 50.1% interest in NOS Technical Services, Inc., in which the Company's CEO and director holds an indirect ownership interest of 29.335%. The Company has consolidated NOS Tech and recorded a non-controlling interest in its consolidated financial statements.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Company the current ability to direct the relevant activities and that the Company has the practical ability to exercise is considered. All intercompany transactions, balance, income and expenses are eliminated on consolidation.

3. Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profit levels of operations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Changes in future conditions could require material write downs of the carrying values.

The Company has not yet realized profitable operations and has incurred a net loss of \$191,738 attributable to common shareholders during the three months ended August 31, 2025, with a cumulative deficit of \$11,322,744 as at August 31, 2025 (May 31, 2025 - \$11,131,006). The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities. As at August 31, 2025, the Company had current assets of \$1,066,468 (May 31, 2025 - \$929,563) to cover current liabilities of \$2,104,705 (May 31, 2025 - \$1,854,901).

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements

For the three months ended August 31, 2025 and 2024

(in Canadian dollars)

(Unaudited)

4. Accounts receivable

The Company assumes that the credit risk on a financial asset has increased if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Accounts receivables are stated net of allowance for expected credit losses of \$86,439 and \$83,628 for August 31, 2025 and May 31, 2025, respectively. Accounts receivable consists of amounts due from customers receiving IT consulting services and equipment. Total net accounts receivable amounted to \$582,311 and \$428,219 at August 31, 2025 and May 31, 2025 respectively.

5. Property and equipment

The following is a continuity of property and equipment as at August 31, 2025 and May 31, 2025:

	Computer Hardware	Computer Software	Furniture and Fixtures	Vehicles	Websites	Leasehold Improvement	Total
Cost							
Balance as at May 31, 2024	\$ 128,707	15,684	15,000	434,311	1,250	47,721	642,673
Additions	-	-	-	-	-	-	-
Disposals				(70,230)			(70,230)
Adjustments	-	-	-	(347,213)	-		(347,213)
Balance as at May 31, 2025	128,707	15,684	15,000	16,868	1,250	47,721	225,230
Additions	-	-	-	-	-	-	-
Disposals							
Adjustments	-	-	-	-	-	-	-
Balance as at August 31, 2025	128,707	15,684	15,000	16,868	1,250	47,721	225,230
Accumulated Depreciation							
Balance as at May 31, 2024	\$ 113,843	15,684	15,000	432,236	1,250	21,432	599,445
Disposals	-	-	-	(70,230)	-	-	(70,230)
Adjustments				(347,213)			(347,213)
Depreciation	4,040	-	-	2,075	-	(4,122)	1,993
Balance as at May 31, 2025	117,883	15,684	15,000	16,868	1,250	17,310	183,995
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Depreciation	1,010	-	-	-	-	-	1,010
Balance as August 31, 2025	118,893	15,684	15,000	16,868	1,250	17,310	185,005
Net Carrying Amounts							
As at May 31, 2025	\$ 10,824	\$ -	\$ -	\$ -	\$ -	\$ 30,411	\$ 41,235
As at August 31, 2025	\$ 9,814	\$ -	\$ -	\$ -	\$ -	\$ 30,411	\$ 40,225

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

6. Bank debt

The Company has a revolving line of credit from Toronto-Dominion Bank ("TD Bank") available for up to \$175,000 in order to fund working capital. Interest is charged at TD Bank Prime rate (4.95% at August 31, 2025) plus 2.25% and repayment is due on demand. During the three months ended August 31, 2025, total interest expense recorded was \$2,020 (2024: \$3,983). The operating line is secured by a general security agreement, assignment of insurance, unlimited guarantee advances executed by the Company and postponement of assignments of creditors' claims.

Any amounts overdrawn over \$175,000 are considered temporary as such overdrawn amounts are repaid subsequently. The balance outstanding was \$40,632 and \$131,923 at August 31, 2025 and May 31, 2025, respectively, and is presented as a current liability in the consolidated statements of financial position.

7. Loans payable

The carrying values of loans payable were as follows:

	<u>August 31, 2025</u>		<u>May 31, 2025</u>
Vehicle loans	\$ 462	\$	1,784
Other loans	2,037		48,704
Factoring loan	<u>109,340</u>		<u>20,804</u>
	<u>\$ 111,839</u>	\$	<u>71,292</u>

Vehicle loans are due and payable within one year and carry a lien on the vehicles.

In February 2025 the Company availed two loans of \$50,000 and \$55,000 which are repayable weekly including interest at \$2,574 and 2,831 respectively, over a period of 27 weeks.

The Company's subsidiary NOS Tech has obtained a factoring loan for its accounts receivables. The balance payable as of August 31, 2025 was \$109,340 (May 31, 2025: \$20,804)

Interest expenses incurred related to the loans for the three months ended August 31, 2025 was \$18,199 (August 31, 2024: \$80).

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
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(in Canadian dollars)
(Unaudited)

8. Preferred shares liability and Common stock

The Company has authorized an unlimited number of Class A preferred shares, non-voting, redeemable, with cumulative dividends and unlimited Class B preferred shares, voting, redeemable, with non-cumulative dividends and Common shares.

On January 27, 2015, the Company issued 1,000,000 Class B Preferred shares to the three founding shareholders. Each Class B Preferred share is entitled to 10 votes per share. Proceeds to the Company were \$nil. Class B Shares were issued to provide the founders with 10 votes per share, do not entitle the holders to interest, dividends, and do not provide assets rights in the event of a liquidation of the Company.

On January 27, 2015, the Company issued 1,000,000 Class A Preferred shares and 1,000,000 Common shares to one investor in exchange for \$1,000,000. Effective with the stock split on October 3, 2017, these 1,000,000 Common shares outstanding were adjusted to 5,000,000 Common shares outstanding. The Class A Preferred shares are non-voting and entitle the holder to cumulative dividends at a rate of 7.25% per year, paid quarterly, beginning June 30, 2016 and are redeemable upon given notice at any time, the whole or from time to time any part of the outstanding shares, by the Company from the date of issuance in cash for \$1 per share together with an amount equal to all dividends accrued and remaining unpaid. During the year ended May 30, 2017, the Company redeemed \$500,000 of the Class A Preferred shares and during the year ended May 31, 2018, the Company redeemed an additional \$30,000 of the Class A Preferred shares. During the year ended May 31, 2019, the Company redeemed the balance of \$470,000 of Class A Preferred Shares. As at August 31, 2025, \$69,479 of dividends remain unpaid (May 31, 2025: \$69,479).

As at August 31, 2025 and May 31, 2025 the Company had the following number of shares outstanding with a nominal par value:

Description	August 31, 2025	May 31, 2025
Common Shares	89,411,115	89,411,115
Class B Preferred Shares	1,000,000	1,000,000

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

9. Related party balances and transactions

Amounts due from related parties as at August 31, 2025 and May 31, 2025 included the following. The origin of these related party receivables was to provide start-up costs and cash flow for start-up operations. The Company has executed agreements with these related parties to repay the principal outstanding in monthly installments over a period of five years at rates of interest of 10%pa. As at May 31, 2025, related party loans have been fully repaid. The carrying values of due from related party balances were as follows:

	August 31, 2025	May 31, 2025
Ready Aim Fire Enterprising Inc. (a) and (b)	\$ -	46,917
Nerds On-Site South Africa (b)	97,256	147,080
Other related parties (b)	(6,052)	22,873
	<u>\$ 91,204</u>	<u>216,870</u>

- (a) via same key management personnel
(b) by virtue of common control

The Company recorded revenue from the following related parties during the three months ended August 31, 2025 and 2024:

	Ready Aim Fire Enterprising Inc. (\$)	Nerds On Site South Africa (\$)	Total (\$)
Three months ended August 31, 2025	15,363 (a)	1,950 (b)	17,313
Three months ended August 31, 2024	15,481 (a)	1,950 (b)	17,431

- (a) includes interest on receivables for \$nil (August 31, 2024: \$2,650)

As of August 31, 2025, the Company has a payable for \$1,332,929 to related parties comprising of the CEO and his related companies (May 31, 2025: \$1,247,159). This amount bears interest at 10%-15% pa. This total amount consists of a long-term amount of \$1,255,886 (May 31, 2025: \$1,171,226) and a short-term amount of \$77,043 (May 31, 2025: \$75,933). During the three months ended August 31, 2025, \$38,200 (August 31, 2024: \$16,174) of interest was paid by the Company to the CEO and his related companies.

See Note 18 Subsequent events for debt settlement agreement with the CEO and Director.

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

9. Related party balances and transactions (Continued)

Key management personnel are comprised of the Company's directors and executive officers. Key management personnel compensation is as follows:

	For the three month period ended August 31, 2025	For the three month period ended August 31, 2024
Salaries and benefits, including bonuses	\$ 63,060	\$ 60,060
Directors fees	\$ 21,000	\$ 25,161
Total	\$ 84,060	\$ 85,221

The Company has a 50.1% ownership of NOS Technical Services, Inc., a US company incorporated in July 2024. The Company's CEO and director indirectly owns 29.335% of NOS Technical Services, Inc. There were no transactions between NOS Technology Services, Inc., and the Company owned by the CEO and director.

As of August 31, 2025, included in accounts payable and accrued liabilities is \$nil (May 31, 2025: \$29,993) payable to Adam Networks Inc., a related party.

10. Selling, general and administrative expenses

The Company has the following breakdown of selling, general and administrative expenses for the three-months ended August 31, 2025 and 2024:

	2025	2024
	\$	\$
Programming and related costs	265,936	234,813
Management remuneration	84,060	85,221
Office and administrative expenses	139,774	153,847
Payroll and related costs	163,767	88,904
Legal and professional	43,631	85,589
Advertising and promotion	10,886	11,008
Bank and interest charges	62,526	62,377
Business development	58,377	108,086
Communication	78,234	72,483
Automobile expenses	562	5,528
	907,753	907,856

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities as of August 31, 2025 and May 31, 2025 constitute the following:

	August 31, 2025	May 31, 2025
	\$	\$
Accounts payable	754,332	694,259
Accrued liabilities	701,761	481,819
Wages payable	11,167	12,420
Subcontractor payable	30,914	64,610
Credit cards payable	62,320	61,747
Others	76	74
	1,560,570	1,314,929

12. Right-of-use Asset

The following shows the movement of the Company's right-of-use asset.

Balance, May 31, 2024	\$ 112,302
Amortization during the year	(19,616)
Balance, May 31, 2025	\$ 92,686
Amortization during the period	(4,904)
Balance, August 31, 2025	\$ 87,782

Right-of-use assets include leases for office space amortized over their period of lease.

13. Lease Liability

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10% which is the Company's incremental borrowing rate.

Balance May 31, 2024	\$ 135,097
Accretion on lease obligation	14,723
Lease payments made during the year	(31,212)
Balance May 31, 2025	\$ 118,608
Accretion on lease obligation	3,105
Lease payments made during the period	(7,803)
Balance August 31, 2025	\$ 113,910
Less than one year	16,190
Greater than one year	97,720
Total lease obligation	\$ 113,910

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

14. Revenue

Details of revenue for the three months ended August 31, 2025 and 2024:

	2025	2024
	\$	\$
Service fees	1,311,284	1,098,715
Product sales (Sale of software, hardware and related)	1,879,992	1,561,793
Miscellaneous fee	6,552	5,771
	<u>3,197,828</u>	<u>2,666,279</u>

15. Inventory

The Company had \$80,448 and \$54,203 of finished goods inventory purchased for resale as at August 31, 2025 and May 31, 2025, respectively. The value of the inventory is equivalent to lower of cost or net realizable value as of the reporting dates above.

16. Segment information

The Company has a single reportable segment for managed IT consulting services.

The Company provides managed IT support for various businesses including PC set up, network installation and support & tailored software services. The Company uses a specially trained network of technically proficient IT consultants to help clients on site by providing effective, consistent, and customized IT solutions.

For the three months ended August 31, 2025, the Company's revenue comprises 88% sales in Canada and 12% sales within USA. (August 31, 2024: 90% sales in Canada and 10% sales within USA.).

As of August 31, 2025, all assets of the business are located in Canada except for cash of \$58,051 (May 31, 2025: \$22,884), accounts receivable of \$255,317 (May 31, 2025: \$91,124), inventory of \$4,813 (May 31, 2025: \$314) and prepaid expenses of \$124 (May 31, 2025: \$13,757) which are located in USA. In addition, the Company has a receivable of \$97,256 (May 31, 2025: \$147,080) from a related party in South Africa.

Nerds on Site Inc.

Notes to the condensed interim consolidated financial statements
For the three months ended August 31, 2025 and 2024
(in Canadian dollars)
(Unaudited)

17. Share-based compensation

During the year ended May 31, 2019, the Company adopted a stock option plan.

The Company did not issue any stock options during the period ended August 31, 2025 and year ended May 31, 2025.

During the year ended May 31, 2021, the Company issued 4,000,000 stock options, vested immediately. Each option entitles the holder to purchase one common stock of the Company. None of the options issued have been exercised.

The continuity of stock options are as follows:

	Number of Options	Weighted Avg Exercise Price (CDN\$)
Outstanding Balance at May 31, 2019 and May 31, 2020	2,450,000	0.42
Stock options issued during the year	4,000,000	0.15
Stock options exercised during the year	-	-
Stock options expired during the year	(2,450,000)	0.42
Outstanding Balance at May 31, 2021, May 31, 2022, May 31, 2023, May 31, 2024, May 31, 2025 and August 31, 2025	4,000,000	0.15

As at August 31, 2024, details of the issued and outstanding stock options are as follows:

Grant date	Exercise price (CDN\$)	Number of options issued and outstanding	Number of vested options outstanding	Weighted Avg Remaining Life (years)
May 20, 2021	\$ 0.15	4,000,000	4,000,000	0.70

These options expire on May 20, 2026.

18. Subsequent events

Subsequent to the quarter, the Company did a debt settlement agreement with the CEO and Director to issue 2,222,222 common shares at a price of \$0.045 per share for a total of \$100,000.

Subsequent to the quarter, the Company issued a total of 4,000,000 stock options pursuant to its incentive stock option plan ("Plan") to directors and officers of the Company. Each option entitles the holder to subscribe for one common share of the Company at an exercise price of \$0.05 per common share for a period of 5 years.