Initiating Coverage

NextTrip, Inc.

(Nasdaq: NTRP)

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Disclosure: Portions of this report are excerpted from NextTrip's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

Company Overview

NextTrip combines travel expertise with cutting-edge technology, offering custom vacations and efficient booking tools for consumers and distributors. As both a travel brand and a technology innovator, NextTrip provides global travel solutions spanning leisure, business, and group travel, as well as media and tech services. With a proprietary booking platform, NXT2.0, NextTrip offers expansive travel options to distributors and consumers alike, utilizing its extensive inventory, digital engagement, and in-depth planning knowledge.

NextTrip envisions transforming the travel industry through advanced digital solutions and personalized services. Targeting underserved sectors, NextTrip's fully integrated booking platform captures emerging market opportunities. Growth is driven by interactive technology, immersive media, and comprehensive travel expertise, positioning NextTrip as a media and travel hybrid, creating unique experiences for a global audience.

Founded as Monaker Group, the company initially focused on alternative lodging rentals (ALRs) through its proprietary booking platform and TravelMagazine.com, a digital travel magazine. In 2020, Monaker merged with in-game advertiser HotPlay, briefly pivoting from travel. Early in 2023, Monaker's original travel assets were spun off to its founders, who formed NextTrip. NextTrip became a public entity in 2024 following a transaction with Sigma Additive Solutions and now trades under the symbol "NTRP."

The COVID-19 pandemic reshaped the travel landscape, presenting new challenges and opportunities. NextTrip adapted by expanding its digital offerings, such as TravelMagazine.com, which helps users explore future travel destinations, and enhancing its booking engine to offer wellness and business travel solutions. The 2022 acquisition of the Bookit.com platform reinforced this pivot, providing both a proven tech framework and a valuable consumer database enabling NextTrip to engage 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.

NextTrip's trajectory is underscored by strategic acquisitions and integration, creating a foundation for current and future projects. As NextTrip transitions into a more media-oriented company leveraging its travel expertise, it expects to benefit from the pandemic-driven shift toward innovative travel solutions and new digital platforms. With an evolving business model focused on unique travel content, immersive experiences, and advanced booking technology, NextTrip is positioned to influence and lead within the modern travel industry.

Clearly, the pandemic had a profoundly negative impact on many industries, and we think it is fair to say travel and leisure were amongst the hardest hit. Recognize, part of our thesis here is that the while that "storm" came and eventually went, it "reshuffled the deck" with respect to at least part of the travel and leisure industry. On the face, as described above, the event led to the outright failure of some enterprises (Bookit.com for instance), and the picking up of those pieces has provided new opportunities for others (NextTrip for instance). We will cover some of the nuances of that in our narrative to follow. Further, we also think the pandemic may have provided openings for new approaches, technologies, platforms etc., that may challenge some legacy portions of the industry, which we will cover below as well.

For historical context, the genesis of NextTrip was a public company called Monaker Group. Monaker's principal business was the "*sale of vacation rentals, and in particular, alternative lodging rentals ("ALRs"), to consumers through its proprietary booking engine*". In conjunction with those efforts, the Company developed **TravelMagazine.com**, which is an online magazine/website *"featuring travel and lifestyle content to appeal to travelers researching destinations and planning future vacations".* We will speak to that portion of the business throughout this report, but is essence, we think it is fair to say that much of the Company's current efforts are focused on developing and delivering unique travel information and by extension experiences to the industry and its customers, which was also the basis for the creation of the magazine. That noted, in June 2020, in part because of the carnage the pandemic was causing across the travel industry, Monaker entered into a share exchange with a company called HotPlay, which was an in-game advertising company aimed at gamers. That transaction effectively took Monaker out of the travel business and in early 2023, they spun the travel assets out to some of Monaker's founders, who today, along with other industry veterans they have added, are the executives of NextTrip. After the spin-off of the travel assets from Monaker, in January 2024, NextTrip completed a transaction with a public company called Sigma Additive Solutions, effectively taking NextTrip "public". On March 13, 2024, the Company began trading as NextTrip under the symbol "NTRP".

On April 8, 2024, Next Trip filed an S-1 Registration statement with the U.S. Securities and Exchange Commission ("SEC") in conjunction with the intention of raising equity capital via that avenue. On October 1, 2024, the Company filed an S-1/A amended registration statement addressing the Commission's questions regarding the original filing, and additional amended S-1 was filed on December 16, 2024, which we assume is awaiting additional comments or clearance from the Commission, the latter of which would deem the registration statement "effective" allowing the Company to raise public funds within the scope of the registration statement. As we understand it, the Company is looking to raise something in the neighborhood of $5 million via the registration statement and associated raise. They may or may not be able to complete that.

In short, our thesis for NextTrip is built on what we see as the convergence of a handful of constructive pieces the Company has assembled including the two pandemic related issues we noted above, but some others we will address as well. However, perhaps more topically, we believe that the endgame here for NextTrip may ultimately look more like a media company leveraging its expertise in travel as opposed to a travel company leveraging its media platforms.

Industry Overview

According to McKinsey, (The trends shaping tourism in 2024 | McKinsey) *"After falling by 75 percent in 2020, travel is on its way to a full recovery by the end of 2024. Domestic travel is expected to grow 3 percent annually and reach 19 billion lodging nights per year by 2030.1 Over the same time frame, international travel should likewise ramp up to its historical average of nine billion nights. Spending on travel is expected to follow a similar trajectory, with an estimated $8.6 trillion in traveler outlays in 2024, representing roughly 9 percent of this year's global GDP"*.

McKinsey notes further, "*The United States is the world's largest domestic travel market at $1 trillion in annual spending. Sixty-eight percent of all trips that start in the United States remain within its borders. Domestic demand has softened slightly, as American travelers return abroad. But tourism players with the right offerings are still thriving: five national parks broke attendance records in 2023 (including Joshua Tree National Park, which capitalized on growing interest from stargazers indulging in "dark sky" tourism)*.

Illustration 1. below provides some additional data regarding the size and impact of the U.S travel industry:

Illustration 1.

2023 Priorities Status Update | U.S. Travel Association

To be clear, we do not generally spend a great deal of time in our research coverage addressing industry projections. There are a handful of reasons for that. For instance, most of the names we cover tend to occupy niches of large industries (or small industries for that matter), and as such the success of those industries may or may not lead to success in those names. That said, while we submit that a rising tide does not always raise all boats, given the choice we would almost always rather be in the middle of a rising industry than a receding one. Further, as we have noted many times throughout our coverage, we tend to take industry growth estimates or even estimates of some industries' current size with a grain of salt. To edify, our skepticism around the notion has little to do with the credibility and/or capabilities of the purveyors of that type of information, and much to do with the idea that it is a very difficult endeavor. To that end, these estimates often vary widely from one to the next and even defining the parameters of what constitutes "the industry", is often not standardized. However, with respect to the Travel & Leisure Industry ("T&L"), both domestic and international, while it certainly is subject to some volatility around the prevailing economic backdrop, and we do not know *exactly* how large it is, it is among the largest industries in the world and it includes a variety of constituents, from small one person travel agencies and Airbnb owners, to the world's largest airlines, resorts and cruise cmpanies.

The above noted, the pandemic provided *"volatility around the prevailing economic backdrop"* like we have never seen. Moreover, we believe the travel/leisure industry was among the most negatively impacted by the pandemic. The bullet points below provide some objective depth to the notion.

- *The International Air Transport Association (IATA) reported that global (air travel) passenger traffic in 2020 fell by 66% compared to 2019, the sharpest decline in aviation history.*
- *The World Travel & Tourism Council (WTTC) estimated that the sector lost around $4.5 trillion in 2020, nearly half of its value from 2019.*
- *The WTTC estimated that 62 million jobs were lost in 2020 alone.*
- *Bankruptcies and Restructuring: Several airlines, hotels, and travel companies either filed for bankruptcy or underwent significant restructuring to survive the downturn.*
- ***The industry saw accelerated adoption of digital tools and technologies, from contactless check-ins to virtual tours, as companies adapted to the new reality. The travel and leisure industry is expected to continue evolving as it adapts to new realities and consumer preferences in the post-pandemic world.***

We will not belabor this with more statistics, as we think most people intuitively recognize that the industry was decimated by the pandemic and NextTrip's predecessor was no exception. On the other hand, we think the same is clearly true about the Company's acquisition of Bookit.com, which absent the pandemic, would likely not have failed, and their booking technology would not have subsequently been sold to NextTrip. Regardless, the industry has largely recovered from the impact of pandemic, but in our view, like many post-pandemic industries, the landscape has changed. From another perspective, we think the last (bolded) bullet point above may be the more telling result of the pandemic as it pertains to NextTrip's strategy and opportunities, which brings us to the Digital Media industry.

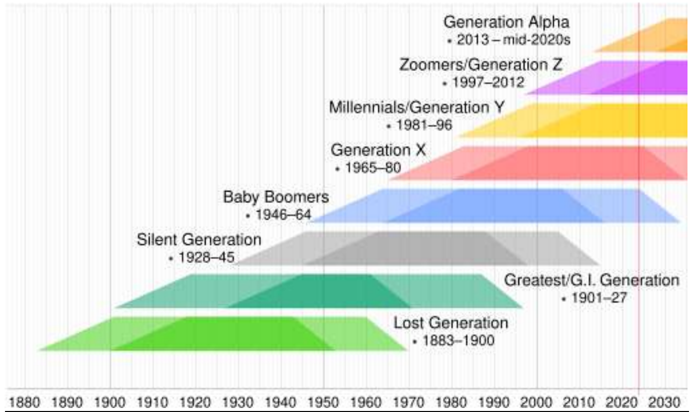
While the Digital Media industry pales in comparison to the Leisure and Travel industry, it is substantial. According to Statista (Digital Media Market Size, Share And Growth Report, 2030): *"The global digital media market size was estimated at USD 832.99 billion in 2023 and is expected to grow at a CAGR of 12.8% from 2024 to 2030. The increasing demand for digital media content across different sectors such as business, medical, education, financial, and others is driving the market growth. This rising demand is fueled by advancements in digital media technology, leading to a more diverse range of communication methods and content, which is further fueling the market expansion"*.

Here again, we will not dwell on the numbers other than to say that technology advances over the past three decades (the internet, smart phones, social media etc.) have fundamentally changed the ways we do a whole host of things, as well as where we do them, and the Digital Media Industry is the backdrop for many of those endeavors so it is not hard to imagine that it is large and growing.

As we alluded to above, we think the NextTrip strategy is to develop a platform that works across both of these major industries, leveraging management's collective expertise in each. To that end, here are some additional macro observations that we think are topical to that strategy.

Over the past several years, one of the recurring themes we have addressed in our research, especially with respect to companies with consumer facing businesses, is the influence that advancing generations are having on everything. Revisiting a notion everyone is likely tired of hearing by now, the Baby Boomers are aging and from some perspectives ceding some of their economic clout to following generations. To that end, we have provided **Illustration 2.** below for reference, to who is who in the generational breakdown, which may be helpful with respect to the following discussion.

illustration 2.



File:Generation timeline.svg - Wikipedia

To edify, one of our major themes around NextTrip is that as we see it, the Travel and Leisure industry is due for some technological upgrade. We do not think that is a particularly provocative statement, because it is true, or has been true, for nearly every industry on earth over the past two decades+, but some have adopted technology faster than others, and even those are continuing to do so. In short, we think that reality provides openings for new players that can use technology to enter legacy markets that may otherwise have had meaningful barriers to entry. Moreover, some of those opportunities also stem from the reluctance/resistance of entrenched players to adopt new technologies for a variety of reasons. Further, along with the technological transition(s) of the past 2-3 decades, there have also been catalysts that have accelerated the need for adoption of some of these technologies (among other things), which has in effect likely increased the opportunities of new players with new ideas. We think the pandemic certainly represents one of those catalysts for the T&L industry, as well as for others, but there are many other examples of those catalysts. We submit, some of those catalysts have involved long tail risks that were not easy to see coming, but the fact remains those types of catalyst have the potential to disrupt impacted industries and again create opportunity for new adapters in those disrupted markets.

In addition, to technology and systemic catalysts, the generational evolution we noted in **Illustration 2** above has also changed the landscape of the T&L industry. For instance, as we will demonstrate below, each successive generation has its own characteristics in terms of personal and economic priorities, the way they access their news and information, and the ways they process it once they get it. As these generations have emerged into more significant economic players, those characteristics impact the companies providing them with goods and services. As one might expect, those differences are quite recognizable in the T&L and Digital Media industries.

Recognize, our goal in terms of analyzing these preferences and trends, is to demonstrate how we believe NextTrip's ecosystems/platform is addressing them. For example, surveys of some of these emerging generations reflect that they are more interested in individualized experiences than "things", and they are comfortable using social media to help them research and discover the experiences that best suite them. As we will delineate further in the **Products/Services Overview** below, we believe NextTrip has built its ecosystem to address these preferences. Below are some bullet points and associated examples, including some of our own color.

- From Market Place Fairness: (Millennial Spending Statistics [UPDATED 2024] - Marketplace Fairness) *"Millennials are the largest adult population in America as of 2023, and millennial spending habits in particular, have the attention of marketers everywhere. Their buying power is undeniable: The collective annual* *income of the roughly 1.8 billion millennials worldwide is roughly 2.5 trillion dollars and is expected to exceed 4 trillion dollars by 2030. While Gen Z's spending habits and power continue to expand, millennials will hold the title of the most powerful spending generation for a while yet…. On average, accounting for a $600 billion annual spending power in the U.S.,* ***Millennials prefer spending on food, travel, and streaming services*** *while spending less on housing, cars, and clothes. They prefer online shopping, with 54% of them shopping online and 47% shopping on Amazon at least once a week".* In terms of generations, Millennials are emerging as the new economic power, which on the face commands attention (see Illustration **3.** below). Further, their preferences around how/where they spend their money differ from those of their older counterparts.

Illustration 3.

How millennials became the world's most powerful consumers

- From McKinsey & Co.: (Generation Z characteristics and its implications for companies | McKinsey) *"Companies should be attuned to three implications for this generation:* ***consumption as access rather than possession, consumption as an expression of individual identity****, and consumption as a matter of ethical concern".* We think this notion touches on both the idea that millennials are more likely to seek travel related information and experiences that they can tailor to their individual preferences as opposed perhaps to more typical packaged travel products.

- Further to the prior point, from Vox Media: (Thrillist and Vox Media Release Survey on Gen Z and Millennials' Attitudes Towards Travel - Vox Media). "*Highlights from the survey reveal younger travelers lean on their passions to explore the world. Gen Zers and Millennials choose travel experiences based on their passion points instead of the destination (77%), and believe traveling is core to their identity and part of how they express themselves (72%). Whether it's food-focused journeys, music festival trips, wellness retreats, educational vacations, or eco-tourism experiences, travelers are seeking out experiences that speak to their personal backgrounds or heritage, or ones that help to strengthen their bonds with cultures and communities around the world".*

- **From Deloitte:** (*Deloitte's Digital Trends Survey*) *"70% of US survey respondents from say 'they follow an influencer' on social media, with one-third stating that these online personalities influence their buying decisions — a figure that increases to more than half for US millennials".* Recognize, one of the pillars of NextTrip's strategy is to collaborate with travel centric social media influencers, to drive and retain individuals to their media properties and ultimately to book travel.

- As an extension to the above, from Mintel: (Why travelers are prioritizing memories over money | Mintel). *"Travelers are less inclined toward waiting until they're at their destination to find something to do,* ***so providing travel bookers with suggestions, even somewhat tailored, can be helpful****. For instance, a hotel that sees a family making a reservation that includes a child in their traveling party can suggest family-friendly attractions".* Clearly, this is a value NextTrip is looking to add.

- Also from Vox Media: (Meeting the Expectations of Gen Z and Millennial Travelers: A Digital-First Approach | Hospitality Technology) "*Millennials and Zoomers are, in short, the present and future of travel. For travel and hospitality companies to tap the vast market potential, these two globetrotting generations represent, they'll need to understand and find ways to satisfy their uniquely discriminating travel appetites. For example, a 2024 survey by Vox Media and Thrillist found that 84% of Zoomers and Millennials prefer destinations off the beaten path. And* ***when it comes to booking, they expect a simple, intuitive, seamless and mobile-first digital journey across channels…*** *For hospitality and travel companies, digital capabilities and data intelligence are critical to fulfilling these expectations"*.

- From Hospitality Technology: (Survey Finds 38% of Gen Z, Millennials Prefer Travel Agents to OTAs | Hospitality Technology). *"In a recent survey commissioned by IBS Software, a provider of SaaS solutions to the travel industry, a record 47% of respondents are utilizing in-person or online travel agents (OTAs) to book their holiday trips due to convenience. Perhaps surprisingly is the younger generation's preference for traditional travel agents (38% of Millennials and Gen Z) given the group's well-documented preference for digital behaviors over analog. This is in stark contrast to Gen X and Boomers, only 12% and 2% of whom use the services of a traditional travel agent".* We recognize this statement may run a bit contrary to some of the prior narrative, but, it actually fits with another nuance to NextTrip's strategy. Along with social media influencers, NextTrip is also forging relationships and collaborations with legacy travel industry players like travel agents and other associated groups. The Company believes its platform will provide a robust alternative to the opportunities afforded to some of these legacy players. While some of the Company's digital endeavors may create some disintermediation for legacy operators, they also believe other portions will provide those same enterprises with incentives and opportunities they currently do not have. Put another way, inasmuch as new generations' collective preferences may speak to new approaches, there will likely continue to be opportunities serving some (even younger) customers through more customary approaches and products.

Setting aside the impact of changing generational preferences, there is another emerging trend in the Digital Media industry that is topical to NextTrip and as such is worth covering.

FAST is an acronym for **F**ree, **A**d-**S**upported **T**elevision. From Forbes: (The Rise Of FAST Channels And Their Impact On Entertainment). *"For those unfamiliar, FAST stands for free, ad-supported television played in a linear format with a guide, similar to cable's or satellite's layout and guide. FAST channels combine the comfort of traditional broadcast within the streaming landscape. Content is presented in channels where the viewer has no control over programming, versus traditional subscription streaming, which requires a viewer to actively find and select a program from a streaming platform. There is growing interest in existing content libraries from 24/7 Friends or Top Gear programming to a channel entirely of TED Talks or a holiday classics channel…Not only does the viewer get to passively enjoy without paying a monthly subscription fee often associated with streaming, but they also don't have to pay a monthly cable TV bill. FAST content is free, so viewers willing to sit through ads can save money*".

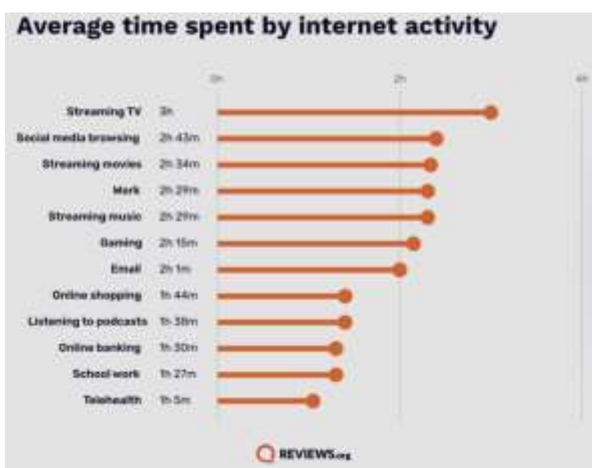
While some consumers may not be familiar with the term "FAST channel", we think many have probably accessed a FAST channel. Those who stream most of their television via devices like Roku or FireTV have likely watched a FAST channel. For reference, FAST channels include services like Tubi, Freevee, Pluto and a host of others. It should come as no shock that some of the most popular of these channels are owned by large media companies. For instance, Tubi is owned by Fox Corporation (NASDAQ:FOXA), Freevee is owned by Amazon.com, Inc. (NASDAQ:AMZN) and Pluto the FAST channel pioneer (circa 2014), is owned by Paramount Global (NASDAQ:PARA). Basically, anyone with a streaming device can access these channels typically by downloading a free application. Thereafter, they can open the application and watch the available programming on the channel, albeit while also having to endure or enjoy (depending on their perspective) advertisements throughout. (Believe it or not, there are consumer surveys that suggest some consumers enjoy ads, or at least do not mind them, and as further support, there are people who apparently do not care for watching football but tune into the Superbowl each year to watch the ads. So, there's that).

That differs from many of the other streaming services some may also be familiar with such as Hulu, SlingTV, DirectTV Stream, YouTube TV or others. These services include some things that many FAST channels do not. Most notably, these services charge users a subscription fee, but they also tend to deliver robust live broadcasts, proprietary content and video on demand ("VOD") including advertisement free options. In contrast, for those old enough to remember such things, unlike these VOD services, FAST channels are more reminiscent of the traditional (free) broadcast channels we grew up with in that they are largely supported by advertising.

Recognize, aside from the more notable FAST channels, TV Technology (U.S. FAST Channels Hit Record Numbers | TV Tech) notes that *"..the total number of unique FAST Channels available in May 2024 in the U.S. is 1,943. That marks a 13.1% increase from May 2023, with 225 added channels, and a 47.3% increase since May 2022, with 624 channels added"*. We suspect that some of that growth has come from companies like NextTrip developing their own FAST channels, as part of a comprehensive media platform to enhance an underlying business. Further, there are companies out there, for instance NextTrip's partner Dooya Media Group, that will help companies design, develop, launch and manage their own FAST channels, which has likely facilitated the growth.

To pull all of this together, aside from the fact that NextTrip has established its own FAST channel, here is our "big picture" point around why FAST channels matter and it starts with **Illustration 4** below.

Illustration 4.



Screen Time and Internet Usage Statistics 2024 | Reviews.org

Inasmuch as we have argued that social media has carved out a meaningful portion of consumers' hours in a day, and has such, has a commensurate impact on their preferences, attitudes, buying decisions etc., the fact is, "television", in one form or another still commands more of the aggregate time than other competing mediums. Clearly "television", and more specifically ad supported television remains highly relevant, and as such continues to play a large role in the marketing efforts of advertisers.

To summarize, the Travel and Leisure industry is one of the largest industries in the world, and the Digital Media industry is considerable and growing. On the other hand, the Travel and Leisure Industry came to a grinding halt during the pandemic, and while the industry appears to have largely recovered, we think the pandemic may have created a catalyst for change in the industry. As we noted above, we do not view that as a particularly provocative statement because we think it is also the case with several industries across the globe. That said, we think there are other catalysts reshaping the industry and that includes the proliferation and influence of Digital Media. In addition, as we suggested above, changing consumer preferences, driven largely by generational shifts, are reshaping the industry as well. Succinctly, we believe the changes in the Travel and Leisure Industry landscape may provide opportunities for new entrants that can provide offerings that cater to some of those changes.

Products/Services Overview

As we alluded to above, the vision of NextTrip management includes the combination of several pieces that they believe will create a comprehensive travel platform for its customers. The Company has spent the past two+ years accumulating, developing and integrating the pieces of that platform, and they believe they are now at the front end of commercializing/monetizing it. The following is our overview of those pieces as we understand them, as well as some of our own color regarding how/why they fit together, as well as how we believe they might create marked synergies across the business. Where applicable, we have provided some of the *Company's narrative* regarding these pieces, some of which include press releases regarding the same.

To reiterate, NextTrip evolved out the Monaker travel business, but *that* business does not resemble much of NextTrip's current focus. (The exception to that is perhaps TravelMagazine.com, which again, we believe was initially created to enhance Monaker's existing travel platform at the time). Today, the Company's strategy is to develop and deploy multichannel content that can drive customers to the Company's proprietary booking platform. They also intend to use that end-to-end solution to attract legacy sales channels such as travel agents and other enterprises that can participate in and benefit from the platform.

TRAVEL MAGAZINE

Again, we view TravelMagazine.com as perhaps the Company's initial entree into their content to commerce strategy. TravelMagazine.com is a website that features travel related articles as well as other similar content mediums. The goal is to provide visitors with access to a broad variety of travel centric content that can ultimately help them identify, plan and customize a future trip. As the screenshots below reflect, the hierarchical nature of the site allows users to start their search with a broad-brush, Luxury Travel vs. Budget Travel for instance, and then funnel the experience into more specific aspects of those interests. For instance, the luxury travel section, includes articles about luxury trains trips and "next level" luxury South African safaris, while budget travel content may include experts' advice on how to save money on travel (or even travel for free) and the best places to take a road trip.

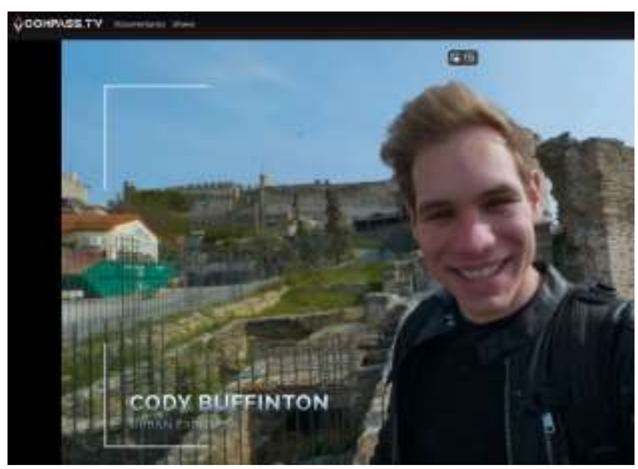
The site also provides access to geographic searches, which in turn provide content specific to those various destinations. For example, looking through a search of Europe will return eclectic content like the most charming town in France and/or how to drink beer in the Czech Republic. We would add, geographic searches also include articles about cultural festivals and events specific to particular destinations, which may help travelers customize/plan their trips around those type of unique experiences that they may not otherwise realize exist.

By adding applicable high-quality content to the site, the Company's vision for TravelMagazine.com is to make it a valued resource for travelers looking to research, identify and ultimately book their travel experiences.

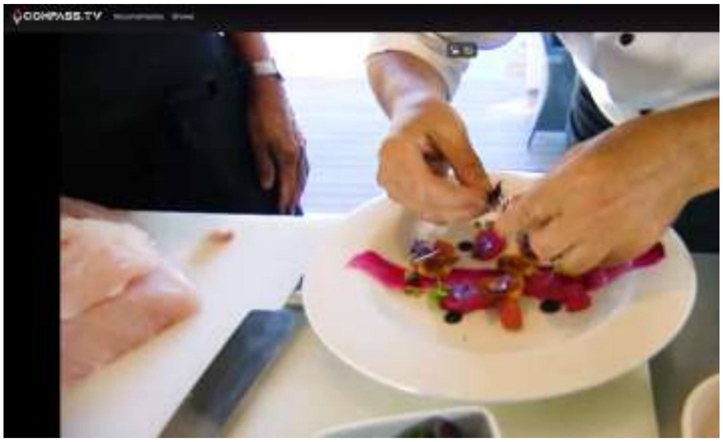
The revenue model around the site is twofold. First, the Company intends to generate ad revenue from the site, as well as tethering the site to their booking engine, where they can receive fees and commissions negotiated with travel-related enterprises (airlines, hotels, resorts etc.).

NextTrip is deploying a multi-pronged strategy to drive engagement on the site. That approach will include traditional SEO approaches, but the Company has also been developing additional conduits and relationships to drive engagement. For instance, the Company has recently established agreements with a handful of travel influencers, as well as other travel content purveyors. We will expand on that further as well, but suffice it to say, TravelMagazine.com represents one of the pillars of the Company's travel/media strategy. Here is a link to the site: www.TravelMagazine.com .

COMPASS.TV



On October 1, 2024, NextTrip provided an announcement regarding the soft launch of their Compass.TV initiative. Like TravelMagazine.com, Compass.TV represents another leg of the Company's media/travel strategy. As we alluded to in the Industry Overview above, people in the emerging adult generations ("Millennials" and "Gen Z") have largely been reared through the internet and social media age(s), and as such they collectively obtain and consume their information differently than the generations before them. Further, as we also noted, the ways they spend/prioritize their time and money are different as well, which ostensibly is related to and/or influenced by the places they consume their information. More specifically, many in these generations focus their consumption differently than prior generations. To reiterate McKinsey and Co. (Generation Z characteristics and its implications for companies | McKinsey), notes that *"Companies should be attuned to three implications for this generation: consumption as access rather than possession, consumption as an expression of individual identity, and consumption as a matter of ethical concern".* If we understand that correctly, it suggests that GenZ would rather travel than buy a new car, and in the process of choosing that travel, would prefer to customize their trip around personal preferences as opposed to a package designed by someone else. At its basic level, Compass.TV, and really the NextTrip platform in general, is designed to enable those consumption preferences.



To the noted end, Compass.TV offers *"free, immersive video entertainment for travel and outdoor enthusiasts. 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, we believe 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".* Further, "*Compass.TV provides viewers the opportunity to virtually explore places they've always wanted to visit through the eyes of experienced globetrotters and storytelling of local insiders. We want to inspire people to dream big and make lasting memories with their family and friends. Our content partnerships allow for travel documentaries, virtual tours of the hottest destinations, and deep dives into regional culture, all easily accessible and free for viewers, seamlessly translating content into commerce opportunities using the NextTrip Booking Engine."*

The backbone of the Compass.TV strategy is to curate and collaborate with individuals ("influencers") and enterprises (studios) that are creating attractive travel related content and preferably have managed to develop a meaningful number of followers of that content. By partnering with these providers, Compass.TV can aggregate that content into the Compass.TV fast channel and create a robust travel entertainment and research platform that leverages the existing followers and audiences of its collaborative partners, while also engaging in organic outreach efforts that add more visitors to the channel. That approach provides synergies for all the related constituents in the Compass.TV ecosystem. That is, NextTrip gains valuable content that enhances the utility of the site creating a basis for increasing ad revenue, while also gaining access to potential travel customers they can funnel to their booking engine. In turn, their content partners gain additional revenue streams that include a portion of ad revenue as well as a portion of travel commissions from those visitors who book travel through the booking engine.

Compass.TV is available on numerous digital platforms, including iOS and Android applications and web browsers. In the months ahead, NextTrip plans to extend Compass.TV's availability to key partners such as Roku, Apple TV, and Amazon Fire TV. Here is a link to the Compass.TV fast channel: *www.Compass.TV*

Group Booking Platform

In July (2024) the Company launched their new "Group Booking Platform". As the description suggests, the proprietary platform is aimed at helping individual travelers within a group to customize their travel choices from within the parameters of the group. For instance, individuals in the same company could book their flights and hotel rooms for a particular convention and personalize those choices accordingly. From the opposite perspective, conference organizers could allow conference attendees to utilize the platform allowing attendees to book their own rooms from a particular block or particular price as well as indicate particular conference events they plan to attend or not attend. Obviously, (and we will suggest this from personal experience) that could significantly reduce the complexities that event organizers or company travel personnel would otherwise experience trying to get various travelers where they need to be. Below is some of the Company's narrative that we found topical in terms of the value proposition of their Group Booking Platform:

> *"Historically, the process for booking groups has been very manual and cumbersome.* ***We believe the space is ripe for technology disruption*** *and are excited to launch a platform that makes it easier than ever to book group travel. Our initial focus will be B2C, but we will be bringing a travel agent solution to life in the future as well. For social travel, multigenerational travel has become a major growth market, with family members traveling together to destinations around the world for weddings, birthdays, family reunions and getaways. MMGY's Portrait of American Travelers® reports that 40% of all active leisure travelers have taken at least one multigenerational trip over the last year.* ***Corporate team events, conferences, conventions, and annual meetings have taken on a new importance for businesses****, providing an opportunity for work from home and hybrid employees and teams to meet in person and network".*

There are a few things about the platform as well as management's narrative around it that are worth addressing. First, as we have tried to illuminate in the **Industry Overview** above and as the Company's narrative above alludes to as well, the travel industry may be "ripe for technology disruption". In that regard, our view is that the pandemic may end up representing a catalyst for some of that disruption. Frankly, in our view that scenario could lead to some disintermediation of legacy pieces of the business, which may also impact some of NextTrip's strategy, but in general, we expect technology to play an increasing role in people's travel process, and as such, those with viable technology offerings will likely benefit. Again, we do not think that is a particularly provocative or even prescient view, as we have seen that reality play out across myriads of industries over the years, and we will continue to see that happen as technologies like AI reshape the landscape. The travel industry will not be exempt, or for some legacy players immune, to that reality and as such, we view NextTrip's approach as "moving in the right direction".

Second, and more specifically, much like most of what NextTrip has developed here, the Group Booking Platform is designed to work seamlessly and synergistically with the other pieces of the ecosystem. For instance, the goal here is to attract largely business but certainly other group travel constituents by offering a platform that makes the booking experience simpler, more individual centric and more efficient (for the ultimately planner of the event). However, the additional goal of the platform is to introduce each of the constituents in the group(s) to the NextTrip platform with the idea that Group Booking Platform users will be attracted to the ecosystem and will utilize it to book their own future group events (a future wedding for instance) and/or their own leisure travel. The Company believes the Group Booking Platform will create considerable cross-selling opportunities among platform users.

In addition to the above, as we understand it, the Company is embedding its technology across various applications in the ecosystem in as many places as possible. For instance, the Group Booking Platform includes some internal communication functions that users will likely recognize in NextTrip's MyBucketList application as well (see below). By utilizing IP across the ecosystem, the Company gains the leverage from added utilization of the technology, but it also creates a recognized and more "user friendly" experience for customers who may be accessing the ecosystem from different entry points. That is, if a business traveler uses the NextTrip platform to book travel for a company event (essentially because his/her company sent them there), and the traveler finds the experience positive, that may influence them to visit NextTrip for their personal travel. In that case, they should find the experience(s) similar as they access applications like MyBuckList because each application is built at least in part utilizing the same IP. More specifically, as they book their personal travel, they will recognize the internal communication functions they used in their business travel experience, so they can in turn apply the same functionality to their leisure endeavors.

FlexPay

NextTrip launched its FlexPay feature in July, 2024. 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. The FlexPay technology is designed to be seamlessly integrated into the booking experience and enables marketing opportunities throughout the path to purchase. FlexPay will also be utilized in social media market travel package campaigns and direct-to-consumer marketing channels. The Company believes that by expanding affordability and flexibility for customers, FlexPay will drive sales and conversion rates".*

"Buy now pay later" is a concept that has been around for a while and has ostensibly grown in popularity over time. As we understand it, in many cases booking travel, especially travel packages, often requires all or a substantial portion of the price to be paid at the time of booking. FlexPay allows the customer to pay over time (although still prior to departure), which provides flexibility for the buyer. Recall, during the pandemic, some travelers found themselves trying to retrieve payments made in advance for vacations that vendors could not fulfill because of pandemic restrictions et al. (Frankly, that dilemma added to the demise of Bookit.com, which lead to NextTrip's fortuitous purchase of their booking engine). We would add, this functionality is indicative of the robust nature of the booking platform and the enhancements the Company has made to it, which we think supports out notion that the Company's underlying technology infrastructure provides marked synergies to the media components they are building around it.

MY BUCKET LIST

To be clear, MyBucketList is still under development, but again, it will represent another piece of NextTrip that will enable users to plan and personalize their travel experiences. MyBucketList will include "*an AI Travel Assistant to help users build and share their own bucket list with personalized suggestions, booking support, and local insights".* In that regard, like the rest of the ecosystem, MyBucketList will be tied to the booking engine as well. As we understand it, the application will also include an internal chat function so users can directly communicate with family members, business associates, friends etc. on the platform. For instance, that might be quite helpful for users planning a destination wedding, or a business conference that requires flights, hotel rooms, local transportation and other leisure activities. The application can assist in the coordination, communication and customization of the various elements of the event, for example who is arriving when, who would like to play golf or, who would like to upgrade their room. The Company is looking to launch MyBucketList as available capital dictates.

NextTrip

NextTrip.com is the Company's transactional website. That is, the Company's marketing ecosystem we described above, is designed in part to funnel travelers to www.nexttrip.com to ultimately book their travel. In that regard, we tend to view the site as the bottom of the funnel, or perhaps the ultimate destination for travelers engaging the ecosystems. Further, given that NextTrip.com is the transactional piece of the platform it also represents the gateway into the Company's proprietary booking engine, which they refer to as "NXT2.0". That said, there is some history to the booking engine that we think is topical.

From the Company's filings:

> *NextTrip's NXT2.0 booking technology was built upon a platform acquired in June 2022, which previously powered the Bookit.com business. Bookit.com was a well-established online leisure tour operator 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 database with millions of past travelers and opt-in consumers.*

As the filing notes, Bookit.com was a once successful leisure tour operator, which ended up (like many others in the space) a casualty of the pandemic. That said, Bookit's proprietary booking engine was a robust platform that supported its associated online travel booking business. As the announcement also notes, the acquisition included an extensive database of travelers and/or potential travelers that NextTrip can introduce to their new media platform. For added perspective, NextTrip management notes that it has spent $4 million improving the interface and functionality of the platform ("NXT2.0"), on top of what they believe was approximately $30 million spent by the prior developers and owners of the original Bookit.com engine. Suffice it to say, we think the booking engine is the centerpiece of the Company's travel business, and it will be integrated into all the media properties so visitors can seamlessly book the travel experiences they are seeking. Further, the booking engine will also facilitate the transactions of the Company's travel partners including travel agent groups, tour operators, airlines, hotels, resorts and others. From our perspective, NXT2.0 is the foundation of the business, and it would be difficult for us to rationalize the value of the ecosystem without this piece in place. Moreover, as we noted, the cost of building this piece from scratch would likely be prohibitive. We view the booking engine as an undervalued piece of the story at current valuations.

To recap, from our perspective, the acquisition of the Bookit.com assets in 2022 represented a beachhead from which the Company could execute a transactional travel business. At the same time, they started and have continued, to build a travel media "wrapper" that can drive customers to the travel business, while at the same time become its own profit center. Further, they are developing the media piece around an approach that encourages collaboration from various participants in/across the travel and travel media industries, by providing those constituents with economic incentives to engage those collaborations. These include established online influencers, travel related studios and content providers, as well as legacy travel industry players such as travel agents, travel packagers and others. In addition, the Bookit.com acquisition also included a substantial customer database the Company believes it can actively reengage. They believe this holistic approach ("the ecosystem") will provide multiple revenue streams and substantial synergies. Moreover, the Company also believes that as the platform grows, it will increase their access to, and frankly their leverage among the various travel industry providers such as hotels, resorts, airlines, cruise suppliers, etc. **Illustration 5.** below is the Company's visual rendering of the ecosystem and how they see the pieces coming together to generate those synergies.

Illustration 5.

Operating Overview

We submit, generating operating projections at this point in the Company's launch is difficult. However, their recent presentations have provided some guidance that we have largely relied upon to frame our estimates for the coming 12 - 24 months. Obviously, providing that guidance is challenging at this point, but there is some tangible basis for those numbers, which we will address below. However, before we get to the minutia, recognize, much of our thesis here is centered on a "sum-of-the-parts" and what we see as the added synergies therein *in the context of the current market valuation reflected by the share price.* Simply put, we think even modest operating success could provide the basis for marked valuation expansion. Again, some of our logic therein follows.

As we have attempted to express throughout this document and as **Illustration 5.** above reflects, the Company's plan is to operate two primary profit centers in media and travel that they believe will complement one another. To reiterate, in our view the cornerstone of that strategy is the Company's booking platform, which they acquired as Bookit.com, spent time and money improving and today refer to as "NXT2.0". NXT2.0 will drive the Company's travel business. Along with the booking engine, the Company also brought with it, Travel Magazine, which represents the genesis of the media side of the story. To date, neither of these units has generated meaningful revenue, but we believe that each is poised to begin doing so in the current and the coming quarters, and we think the momentum thereafter could be robust.

Again, looking back to our prior narrative, the Company's media efforts rest on two primary assets, Travel Magazine and CompassTV. These properties are just preparing or have just recently (respectively) begun selling advertising and as such monetizing the platforms.

As the Company noted in a 12/3/24 press release, CompassTV launched their advertising partnership with Leap Media Group, *"a respected leader with over 35 years in TV advertising, media planning and buying"*. Recall from our prior narrative, a major part of Compass TV's initial strategy is to populate the channel with content from established travel influencers. In that regard, the Company indicates that the channel currently features approximately 1,200 hours of video content, and their plan is to increase that number by 3x to 4x through calendar 2025. As another topical metric, we think the travel influencers currently engaged with CompassTV collectively include over 14 million followers across their media platforms. The following link to the channel reflects the breadth of the existing content as well as the influencers they are currently collaborating with: Compass.TV - Your Next Destination Awaits.

Clearly, the Company's approach to seed the initial launch of the channel with existing content from bona fide travel influencers is designed to 'jump start" the channel. That approach includes the sharing of related channel generated ad revenue with the influencers, but also a share of *travel* related revenues that may be generated through NextTrip from those advertisements. The Company's view is that travel influencers will provide valuable and topical content for the channel, as well as influencer followers that may lead to travel booking conversions. On the other hand, as they move forward the Company will also add organic and other non-influencer content to the site, and in turn attempt to drive organic travel booking conversions as well. That said, as we noted, projecting revenues is very difficult at this time because we do not have much past performance information, or other causal quantitative variables to base our forward assessments around. However, we think metrics like the amount of content available on the channel and the number of followers around influencer collaborating on the channel may provide a reasonable place to start, as we think both will ultimately generate a good basis to project ad revenues, but also to ultimately project conversions and travel booking conversions.

Specifically, our initiating model is based on media revenues being driven by what we believe are identifiable metrics around available content hours on the channel, and identifiable engaged influencer followers. We have also attempted to use some available industry metrics we have identified around variables like revenue per concurrent viewer and viewers per available hours of content. In addition, we have used other available industry metrics to then assume the conversion of some portion of channel viewers/visitors to travel bookings. For instance, industry estimates from Promodo.com (Travel Industry Benchmarks Report by Promodo | Promodo.com) suggest that on average travel sites convert ".2% to 4%" of viewers to book travel. Given the nascent nature of NextTrip's business, we are assuming conversion rates below this range, and longer-term conversion rates at the lower end of this range over the entirety of our model horizon.

To summarize the assumptions around our revenue model, we see the Company launching and initially growing the content, traffic and revenue on CompassTV through collaboration with travel influencers. In that regard, we have made assumptions that a fraction of those followers will visit/frequent CompassTV and create levels of engagement that will attract advertisers. We have also modeled that over time, and as the channel expands, CompassTV will generate growing amounts of organic (non-influencer) traffic as well, which should improve margins. Further, we have extended that logic to TravelMagazine as well. That is, we are pegging TravelMagazine traffic as a fraction of the CompassTV traffic with the notion that the collaboration between the two will drive traffic back and forth. That said, we suspect TravelMagazine traffic will ultimately be driven through more traditional SEO and other social media efforts. We believe the Company will utilize third party organizations to facilitate that traffic. We would add, as we noted above, the acquisition of Bookit.com also included an extensive database of travel related inquirers. As we understand it, the Company intends to approach that database to among other things visit TravelMagazine.com, and again, as we understand it, small test efforts to do so have been constructive. Here again, we have made assumptions around the success of those efforts to drive media revenues, which may or may not prove accurate in magnitude and or in terms of timing.

To reiterate, on the travel booking side, our approach is to peg a portion of travel bookings as a function of traffic on the media sites and to assume the conversion of a small portion of those visitors into bookings. In that case, we have applied appropriate COGS associated with the sharing of booking revenues attributable to influencers on the media side. However, over the past few months, the Company has made some announcements around additional collaborations and acquisitions of travel related assets, that should also drive travel bookings/revenues. For instance, they are in the process of completing the acquisition of luxury travel company Five Star Alliance. We have made model assumptions around what we have been able to gather about what the respective levels of business of these acquisitions and/or collaborations might be able to add.

Again, projecting the revenues for NextTrip over the next several quarters, both on the media and the travel side, will be challenging, and we expect to have to modify our assumptions in one direction or another until enough time has elapsed (and results filed) to get a sense of the trajectory of their efforts. Further, as we will address below, the Company is in the process of trying to access additional capital, and we suggest that the pace of their success in terms of growing the business will be at least in part predicated on their success in attracting capital. Access to that capital remains an impediment to operating visibility.

Beyond revenues and margins, the lack of historic operating data also provides challenges on the expense side of the ledger. To that end, we have attempted to reflect what we think are reasonable levels of operating expenses to support the levels of business we are projecting. Conceptually, we are of the view that the business *should have* measurable operating leverage given the nature of both the media and the travel sides of the enterprise. That is, our assessment is that they can add revenues at a much faster pace than operating overhead, which we think will ultimately lead to expanding net margins.

We would add, our model assumes travel revenues generated as traditional agency commissions. However, as we understand it, in some instances, the Company may ultimately recognize entire travel booking amounts as revenues. That scenario would result in much higher revenue recognition, but similar (or perhaps slightly higher) net proceeds per transaction. As we move forward and gather better visibility around those types of transactions, we will adjust our model accordingly, although again at this point, we believe the net transactional profit will be roughly equal.

Setting aside the Operating Statement, the balance sheet has some visibility issues as well. The Company is in the process of trying to raise capital, so their lack of capital is a clear risk in the story. Obviously, the ability to fund the operations through profitability is paramount to their success. In that regard, the Company has an S-1 Registration statement at the SEC that to this point they have not been able to get effective. That is not surprising because that process typically involves multiple iterations and time. In the meantime, filings indicate that the Company has been able to raise some capital from existing shareholders and others close to the Company. Further, they are likely to have other options for raising capital outside of the S-1 if they deem a path of that nature more expeditious. Regardless of the path, recognize, access to capital will be paramount to their success and the timing of that capital will likely also drive the timing of their launch and advance of the media and travel initiatives they have developed. Lack of visibility around capital is a major risk to the Company.

Along with the need to access capital to support working capital deficits and the growth of the business at least to positive cash flow, the resulting dilution of that requirement, along with some additional issues, has impaired visibility around share counts. Recall, the Company went public via a reverse merger with a public company. That transaction involved a handful of milestone shares to be issued to the Company as they achieved those determined milestones. Those milestone additions are the major basis for the jump in shares counts for the reported 3QF25 period (ended 11/28/24). We believe that the outstanding share count (5,811,765) includes all the available milestone shares. That noted, there are currently some readily identifiable issues that will likely cause share counts to expand in the near term. First, as we noted, we believe existing shareholders and/or other affiliates have been providing capital along the way as management prepared for a public capital raise (the pending S-1 for instance). We do not know the precise impact that those contributions will have on share counts, but we have attempted to model those as we see them at this point. In addition, as we noted, while we do not know the exact dilution impact that a potential public offering of shares via an S-1 or through some other alternative registration exemption, we have assumed some dilution (and associated capital) around that. Further, the Company has disclosed its intent to acquire luxury travel group 5 Star Alliance, which the intend to finance "*with a combination of cash and shares, based on a NextTrip valuation of $3.10 per share with a 9.99% beneficial ownership limitation"*. While here again, we do not know the precise number of shares this will require, we have do have some guidance around the beneficial ownership limitation.

To summarize, we fully submit that NextTrip is at the front end of their commercial launch, and as such the operating visibility, as well as the capital visibility, is poor. To that end, recognize that our *general* research approach is to find early-stage enterprises that we believe have established the basis to potentially generate extraordinary results and returns over the next few years if they execute their business plan, and more times than not, companies in this stage lack visibility. From that perspective, NextTrip is not atypical in terms of our coverage universe. On the other hand, in our view, the Company has made marked progress advancing the major pieces of the ecosystem, and we believe they are in the process of accelerating revenues because of that progress. Again, the breadth and the pace of that progress will likely be dictated in part by the breadth and the pace of their access to capital. We will be monitoring each/all going forward and adjusting our model in accordance with new visibility.

Management Overview

William Kerby - Chief Executive Officer

William Kerby is the Chief Executive Officer of NextTrip. Mr. Kerby has over two decades of experience in the travel and media industries, and approximately a decade of experience in the financial industry. He acted as the architect of the NextTrip model, overseeing the development and operations of the Travel, Real Estate and Television Media divisions of the company. Mr. Kerby founded and served as Chief Executive Officer Monaker Group (formerly Next 1 Interactive) from 2009 through 2020 at which point it was acquired by NextPlay Technologies Inc. where he remained as Co-CEO until January 2022 when NextTrip separated from NextPlay. From April 2002 to July 2008, Mr. Kerby served as the Chief Executive Officer of various media and travel entities that ultimately became part of Extraordinary Vacations Group. Operations included Cruise & Vacation Shoppes, Maupintour Extraordinary Vacations, Attaché Travel and the Travel Magazine - a TV series of 160 travel shows. From February 1999 to April 2002, Mr. Kerby founded and managed Travelbyus, a publicly- traded company on the TSX and Nasdaq Small Cap Market. The launch included an intellectually patented travel model that utilized technology-based marketing to promote its travel services and products. Mr. Kerby negotiated the acquisition and financing of 21 companies encompassing multiple tour operators, 2,100 travel agencies, media that included print, television, outdoor billboard and wireless applications and leading-edge technology in order to build and complete the Travelbyus model. The company had over 500 employees, gross revenues exceeding $3 billion and a market cap of over $900 million. From June 1989 to January 1999, Mr. Kerby founded and grew Leisure Canada – a company that included the Master Franchise for Thrifty Car Rental British Columbia, TravelPlus (a nationwide Travel Agency), Bluebird Holidays (an international tour company with operations in the U.S., Canada, Great Britain, France, South Africa and the South Pacific) and Canadian Traveler (a travel magazine). Leisure Canada was acquired in May 1998 by Wilton Properties, a Canadian company developing hotel and resort properties in Cuba. From October 1980 through June 1989, Mr. Kerby worked in the financial industry as an investment advisor. Mr. Kerby graduated from York University with a Specialized Honors Economics degree.

Frank Orzechowski - Chief Financial Officer, Treasurer, principal accounting officer, principal financial officer, and Corporate Secretary

Frank Orzechowski has served as our Chief Financial Officer, Treasurer, principal accounting officer, principal financial officer, and Corporate Secretary since July 1, 2019. Prior to joining the Company, Mr. Orzechowski served as the Chief Financial Officer of StormHarbour Partners LP, an independent global markets and financial advisory firm since September 2013. From May 2013 to August 2013, Mr. Orzechowski served as a contract Chief Financial Officer for Etouches Inc., a cloud-based event management software company, to assist with financial matters in connection with that company's planned equity financing. Prior to that, he served as President and Owner/Operator of Four-O Technologies Inc. from August 2009 to December 2012, where he successfully launched and guided operations for two Cartridge World franchise units in Connecticut. From February 2006 to July 2009, Mr. Orzechowski served as President and Chief Financial Officer of Nikko Americas Holding Company Inc., where he was responsible for managing all of the support and infrastructure for that company's U.S. business, as well as investment manager selection and due diligence functions for its World Series Platform. Mr. Orzechowski began his career at Coopers & Lybrand in 1982, received his CPA certification in 1984 and received his Bachelor of Science in Business Administration with a major in Accounting from Georgetown University in 1982.

Loic Argelies -Chief Product Officer

Loic brings over 20 years of management and technical expertise in media, streaming, and gaming products. Previously, he served as Chief Product Officer and Co-Founder of Promethean TV, as well as Vice President of Products and Partnerships at AZUBU, an eSports and streaming company. Earlier in his career, Loic held key roles at Electronic Arts, including Senior Engineer, Technical Director, and EA Sports Producer.

Gregory P. Miller, CPA, Exexcutive Vice President

Gregory Miller has served as both a CFO and CEO across several verticals, including multiple companies in the travel industry. With more than 30 years of experience in both the public and private sectors, Greg has led multiple acquisitions and gas a proven record of exceeding growth targets.

Amy Proost,Chief Sales & Ops. Officer

Amy Proost is a seasoned travel executive with more than 25 years of experience across the OTA and wholesale space. Amy brings strong operational knowledge, deep industry relationships and a relationship-focused approach to growing the business.

Richard Marshall, Director of Corporate Development

Richard Marshall has 30 years of senior executive experience generating growth and developing relationships for global corporations. Previously, he was Director of Corporate Development at Monaker Group & NextPlay. He was also VP of IR and VP corporate development at NYSE-traded natural resources company, securing $600 million in financings during his 18-year tenure. Part of company's team that won WorldBank ICSID $1.4 Billion Award.

NEXTTRIP BOARD OF DIRECTORS

Donald P. Monaco *has been the Chairman of the Board of Directors since December 29, 2023. Mr. Monaco has approximately three decades of experience as an international information technology and business management consultant. Mr. Monaco is the founder and owner of Monaco Air Duluth, LLC, a full service, fixed-base operator aviation services business at Duluth International Airport in Duluth, Minnesota, serving airline, military, and general aviation customers since November 2005. Since January 2009, he has been appointed and reappointed by Minnesota Governors to serve as a Commissioner of the Metropolitan Airports Commission in Minneapolis-St. Paul, Minnesota, and currently serves as Chairman of the Operations, Finance and Administration Committee. Mr. Monaco is also the President and Chairman of the Monaco Air Foundation, Treasurer of Honor Flight Northland, Treasurer of the Duluth Aviation Institute, and a member of the Duluth Chamber of Commerce Military Affairs Committee. Mr. Monaco previously worked as an international information technology and business management consultant with Accenture in Chicago, Illinois for 28 years, and as a partner and senior executive for 18 of such years. From August 2011 to January 2023, Mr. Monaco served as a member of the board of directors of NextPlay (known as Monaker prior to June 2020), where he served as chairman of the board of directors from August 2018 to June 2021 and as co-chairman of the board from June 2021 to December 2021. He previously served as a director at Republic Bank in Duluth, Minnesota from May 2015 until October 2019. He also served on the Verus International, Inc., formerly RealBiz Media Group, Inc., board of directors from October 2012 until April 2016, serving as chairman of the board from August 2015 to April 2016. Mr. Monaco holds Bachelor's and Master's degrees in Computer Science Engineering from Northwestern University.*

Dennis Duitch *was appointed to our Board of Directors on August 8, 2017. Mr. Duitch has served as Managing Director of Duitch Consulting Group, a private consulting company, since 2003. Prior to that time, he practiced public accounting, business management, mediation and consultancy nationally, with expertise in strategic and operations management, finance, accounting, strategic planning and business operations for a wide spectrum of companies, including technology, manufacturing and distribution, marketing, real estate, entertainment, and professional practices. He has served in executive officer roles and as a director of public and private companies, not-for-profit organizations, including as Vice-Chairman for Accountants Global Network, and as a top-level advisor for public companies, closely held businesses, families and high-wealth individuals for over thirty years. Mr. Duitch began his career with the international CPA firm Grant Thornton in its Chicago, San Francisco and Beverly Hills offices before founding Duitch & Franklin LLP, which evolved to become one of Southern California's largest independent CPA/Business Management/Consultancy practices, and which was acquired by a public company in 1998. He subsequently served as President for a consumer products company with direct responsibility for marketing, retail, and fulfillment operations, until forming Duitch Consulting Group in 2003 to serve clients in advisory, C-level, and board of director roles. Mr. Duitch is a Certified Family Business and Estate Advisor, and mediator for matters including partner/stockholder agreements and disputes, business and marital property dissolution, and dysfunctional executive teams and boards of directors. He has lectured extensively in management, financial and accounting areas for the California CPA Foundation, business and professional groups, has instructed at several colleges and universities, and has authored technical articles in management and taxation for regional and national publications. Mr. Duitch earned a B.B.A degree in Accounting from the University of Iowa and a Master of Business Administration in Finance from Northwestern University. Our Board of Directors believes that Mr. Duitch is qualified to serve as a member of the board because of his extensive public accounting experience, which will assist the Board and the Audit Committee in addressing the numerous accounting-related issues, regulations and SEC reporting requirements to which we are subject, as well as his expertise in business management, finance and strategic planning.*

Kent Summers *was appointed to our Board of Directors on January 18, 2018. Mr. Summers was also appointed to serve as a member of the Company's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Mr. Summers currently divides his time among a number* *of independent activities which focus on early-stage technology company formation and development strategies, and sales planning and execution needs for emerging- and mid-market technology companies located primarily in the Boston metropolitan area, including: management consultant to private and family-owned businesses; volunteer Mentor and Instructor with the Massachusetts Institute of Technology Venture Mentoring Services program; regular lectures on enterprise, business-to-business sales to company founders and students enrolled at the Massachusetts Institute of Technology Sloan School of Management, the Harvard MBA Program, the Wharton School at the University of Pennsylvania, and a number of domestic and international entrepreneurship support organizations; and consultant to Fellows enrolled in the Harvard Advanced Leadership Initiative. Mr. Summers has served in those roles at various times from 2003 to the present. From 2009 to the present, Mr. Summers has served as the non-executive Chairman of CADNexus, Inc., and from 2017 to the present, as a director and Chairman of the Compensation Committee with iQ3 Connect, Inc. Mr. Summers also currently serves as Chairman, Board of Managers, Massachusetts Materials Technologies LLC. From 2005 to 2017, Mr. Summers served as Managing Partner at Practical Computer Applications, Inc., a Boston-based database consulting and engineering services firm, where he was responsible for sales planning and execution activities. Prior to Practical Computer Applications, from 2001 to 2005, Mr. Summers provided independent merger & acquisition advisory services to support the sale of privately-owned companies. Over a prior 14-year period, Mr. Summers served in leadership roles at several software and internet start-ups, including: Chairman and CEO of Collego Corporation (acquired by MRO Software), founder and CEO of MyHelpDesk, Inc. (acquired by Support.com), founder of PCMovingVan.com (acquired by a PE firm), and Vice President of Marketing at Electronic Book Technologies, Inc. (acquired by INSO Corporation, formerly listed on Nasdaq). Prior to the software industry, Mr. Summers served as Technology Analyst at Electronic Joint Venture Partners LLC and Associate Program Trader on the Options Trading Desk at Bear Stearns & Co. In 1986, Mr. Summers received a BA in English from the University of Houston. Our Board of Directors believes that Mr. Summers is qualified to serve as a member of our Board on the basis of his deep understanding of early-stage business growth strategies, enterprise sales, business acquisitions, as well as his background and extensive company management and leadership experience.*

***Jacob Brunsberg** was appointed to our Board of Directors on April 1, 2022. He was appointed Senior Vice President of Product Management and Strategic Relationships on September 20, 2021, on February 16, 2022, he was named President and Chief Operating Officer, and on April 1, 2022, he was named President and Chief Executive Officer, of the Company. He resigned from his executive roles with the Company on December 29, 2023. Prior to joining the Company, Mr. Brunsberg was a P&L leader for General Electric's Binder Jet Technology unit, with management responsibility for strategy, development, commercialization, and overall business performance. Mr. Brunsberg holds a Bachelor of Science degree in Material Science and Engineering from the University of Wisconsin-Madison. Our Board of Directors believes that Mr. Brunsberg is qualified to serve as a member of the board because of his extensive executive experience.*

***Salvatore Battinelli** was appointed to our Board of Directors on August 16, 2017. Mr. Battinelli is currently the President and Chief Executive Officer of Bello e Preciso Co., a manufacturer and wholesaler of Italian-made fashion watches and has served in those roles since early 2017. Prior to joining Bello e Preciso Co., from 2011 to 2013, Mr. Battinelli served as Vice President of Development and Long-Term Strategy of North American Management Corporation, a wealth management firm based in Boston, Massachusetts with over $2 billion in assets under management. From 1987 to 2011, Mr. Battinelli served as Executive Vice President and acting Chief Executive Officer and Chief Operating Officer of Faneuil Hall Associates, Inc., a concierge boutique family office devoted to five interrelated ultra-high net-worth families. Mr. Battinelli's primary responsibilities while at Faneuil Hall Associates included providing planning and investment advice, the management of approximately 30 asset portfolios and more than 65 individual business entities; and assisting the families in their various business ventures worldwide while working closely with law, accounting and banking functions. During his tenure at Faneuil Hall Associates, Mr. Battinelli served as an executive officer or director for certain of the family-owned entities and successfully managed several portfolio company IPOs, as well as serving as CEO and COO for Designhouse International, a Scandinavian furniture company* *operating out of Atlanta, Georgia, which was previously listed on NASDAQ in 1983. From 1970 to 1974, Mr. Battinelli served as Audit Manager for Deloitte & Touche (formally Touche Ross), where he specialized in management information systems. From 2002 to 2011, Mr. Battinelli also served as the Chairman of the Board of Directors of HealthLink Europe, BV, a logistics and services company that serves the healthcare industry. Mr. Battinelli is a Certified Public Accountant and received a BS in accounting and an MBA with an emphasis in international economics and accounting, both from Babson College. Our Board of Directors believes that Mr. Battinelli is qualified to serve as a member of the board on the basis of his deep understanding of business acquisitions and sales, as well as his background and extensive company management and integration experience.*

NEXTTRIP FOUNDING INVESTORS

(We would add that Company collateral suggests the following group has "*collectively invested over $12 million into NextTrip"*).

***Donald P. Monaco** has nearly five decades of experience in international information technology and business management. With deep roots in the technology innovation, he served as a Partner and Senior Executive at Accenture during his 28 years with the organization. He is also the founder and owner of Monaco Air Duluth and has been appointed by Minnesota Governors since 2009 to serve as a Commissioner of the Metropolitan Airports Commission in Minneapolis-St. Paul, Minnesota.*

***Jeff Olyniec** is a General Partner at early-stage Venture Capital firm Moneta Ventures located in Sacramento and Austin. Since 1996, Jeff has assumed various management roles within the sports and hospitality industries in China. Jeff has founded several companies served in many leadership positions at the executive and board levels, including as the co-founder and CEO of a global electronics manufacturing company, New Vision Display.*

***David Jiang** is an experienced entrepreneur and investment executive currently focused on disruptive and socially impactful projects in AI, GreenTech, FinTech, and BioTech. He brings deep international perspectives, having held senior executive positions in Tokyo, London, Hong Kong, Shanghai, San Francisco and New York. He was CEO of AIG's $75 Billion PineBridge Investments, operating in over 20 countries. Prior to PineBridge, he was CEO of BNY Mellon asset management for Asia-Pacific.*

***William La Macchia Jr.** has more than 30 years of experience in travel, hotel, airlines and hospitality management, Bill brings deep industry experience and an extensive background in strategic development, operations, business acquisition and integration. Bill was Chief Engagement Officer of The Mark Travel Corporation (TMTC) and Trisept Solutions, leading the company to more than $4 billion in annual sales.*

***Stephen Kircher** has extensive international experience in operations and mergers and acquisitions of both public and private companies along with a deep knowledge of both the capital and private markets. He has managed companies and operations in the US, China, and Europe. The Kircher Family Office holdings include ownership of the Frangipani Beach Resort, a boutique hotel on Anguilla, British West Indies and Global Unlimited Processing, an ISO with direct relationships to First Data and other merchant processors.*

Risks and Caveats

We believe that NextTrip has developed an innovative ecosystem to enable them to compete in the large and in our view evolving travel/leisure space. Despite that posture, the Company still faces several risks that could keep it from succeeding and/or make that path significantly more difficult and lengthier than some might anticipate or hope.

NextTrip is unprofitable and as a result, the Company is currently attempting to raise capital. If they are unsuccessful, it could create marked liquidity/working capital challenges that could impair the business and associated opportunities. On the flip side, additional capital will come with added dilution, and we do not know what the impact of that will be.

The Company has provided some revenue guidance which we have relied on in part to in turn estimate their future cash flow, future associated financing requirements and their resulting valuation. That guidance could prove inaccurate, which will likely render our model and target assessments aggressive.

For small emerging companies, revenue and earnings visibility is often poor and NextTrip is no exception at this stage. In short, financial markets place measurable premiums on visibility so in contrast, a lack of visibility generally leads to associated valuation headwinds/discounts until visibility improves.

As we noted above, NextTrip's plan involves operating in two primary businesses, media and travel. Both industries are dominated by large well-established enterprises. For instance, aside from thousands of small independent participants, the travel business includes players such as Booking Holdings Inc. (Nasdaq: BKNG), which operates Booking.Com, Priceline, Kayak, OpenTable and others, Expedia Group, Inc. (Nasdaq: EXPE), which operates Expedia, Hotels.com, Vrbo, Travelocity, Hotwire.com, Orbitz, Trivago and others, and Tripadvisor, Inc. (Nasdaq: TRIP) among others. The media space is also dominated by large well established and financially robust competitors. As we noted above, the FAST Channel space alone includes Fox Corporation (NASDAQ: FOXA), Amazon.com, Inc. (NASDAQ: AMZN) and Paramount Global (NASDAQ:PARA). While our thesis here is that we believe NextTrip's ecosystem could represent a unique and fresh turnkey travel experience that could potentially carve out a very small portion of the industry(s) dominated by these large players. To that end, several of these large enterprises, especially on the travel side, have added growth by acquiring smaller innovators that were able to carve out niches within the industry. We believe *that* opportunity exists for NextTrip, but we submit, this is a formidable competitive landscape and NextTrip's path to success will be challenging on multiple fronts.

The travel and leisure industry has historically been positively correlated with economic growth. We suspect that will be the case going forward as well. As a result, slowing economic activity will likely negatively impact the industry and in turn NextTrip. That could be particularly problematic for NextTrip as it is trying to launch the business. Ostensibly, trying to chip away small pieces of market share from a contracting industry will likely be much more difficult than doing so from an expanding one.

Currently, the Company relies on a small number of people to operate the business. That posture carries obvious risks with respect to the performance and continued participation of those individuals.

Like many microcap names, NextTrip's shares are thinly traded and generally illiquid and that may be the case for the foreseeable future. Those characteristics may involve additional risks beyond those associated with equities in general.

These are just a few of the more visible risks associated with NextTrip. There are likely others we have missed and/or are others that may not be apparent at this time.

Valuation and Conclusion

We were first introduced to Next Trip's predecessor Monaker Group several years ago, so when we heard the NextTrip story for the first time, we had some point(s) of reference. Our initial reaction after first hearing the story was that the Bookit.com assets provided some underlying value, and a cornerstone they could build the business around. As we noted above, our understanding is that the Bookit.com founders spent $30 million developing the platform and the Company has spent and additional $4 million improving the interface and functionality of the platform now called “NXT2.0”. In short, we are not sure this plan would be viable if NextTrip had not been able to acquire the booking engine for “pennies on the dollar” as a result of a long tail pandemic event.

Further, we think the media path they started down at Moniker (Creating TravelMagazine.com), and the eventual shelving of the travel business via Monaker’s acquirer HotPlay, has also added to the “perfect storm” that has effectively laid the groundwork for the NextTrip opportunity.

While that is some of the micro/minutia of the story, we think the changing macro environment has also aligned to enhance the business plan. For instance, on the media side, the emergence of faster and more robust streaming networks has enabled the development and proliferation of FAST channels. Further, the advent of video based social media platforms like Instagram (Meta Platforms Inc.- Nasdaq:META), YouTube (Alphabet, Inc.- Nasdaq:GOOG), TikTok and others, have facilitated the creation of hours of content, as well as creating influencers (many of whom are responsible for some of the content) who have for one reason or another managed to attract thousands (and in some instances *millions*) of followers. Those dynamics, countless hours of content and millions of potential consumers following influencers generating and providing that content on specific topics, have reshuffled the deck for several obvious industries like entertainment, media and advertising, but also for other less obvious industries. NextTrip is betting that the travel industry may be one of those and our high-level view is that they may be right.

To summarize, we fully submit that NextTrip is at the front end of their commercial launch, and as such the operating visibility, as well as the capital visibility, is poor. That may beg the question, “is it too early to be providing operating projections or even research coverage at all?”. To that we would remind readers that our research is often focused on early-stage enterprises and sometimes “unproven” and “undercapitalized” go with the territory. To reiterate a point we noted above, we are not anticipating that NextTrip will be putting much pressure on large online travel companies like Booking Holdings or Travelocity, in fact, our expectation is that those companies may very well be customers of theirs on the media /advertising side, and most certainly affiliates/partners of theirs on the travel side. That said, management, the board, and some of their founding investors have deep roots in the travel industry, so we think they have a good sense of where some of the industry’s underserved opportunities might be. Further, we think the media properties, aside from being profit centers on their own, can provide them with the attention of enough potential travel customers to exploit those opportunities. Given the current modest valuation of the shares, we do not think they have to disrupt the travel industry to generate extraordinary returns.

As a result of the above, we are initiating coverage of NextTrip, Inc. with an allocation of 3 and an initial 12-24 month price target of $8.50. Recognize, more times than not we start our initiations with allocations of 4. However, given the open-ended nature of their capital requirements/efforts, we will revisit the allocation as well as the price target when we get some added clarity around that issue as well as when/if additional topical data points become available.

Projected Operating Model

NextTrip, Inc.
Projected Operating Model
Prepared By: Dave Lavigne - Trickle Research

	(Actual) 05/31/24	(Actual) 08/31/24	(Actual) 11/30/24	(Estimate) 02/28/25	(Estimate) Fiscal 2025	(Estimate) 05/31/25	(Estimate) 08/31/25	(Estimate) 11/30/25	(Estimate) 02/28/26	(Estimate) Fiscal 2026
Revenue	188,793	154,498	74,635	597,907	1,015,833	2,239,070	4,442,119	5,375,892	6,489,117	18,546,198
Cost of revenue (exclusive of depreciation and amortization, shown separately below)	(173,581)	155,455	76,751	81,729	140,354	722,155	1,741,656	2,155,143	2,645,370	7,264,324
Gross profit	**15,212**	**(957)**	**(2,116)**	**516,178**	**528,317**	**1,516,916**	**2,700,463**	**3,220,749**	**3,843,747**	**11,281,874**
Operating Expenses			-	-	-	-	-	-	-	-
Salaries and benefits	626,752	628,759	690,524	729,895	2,675,930	794,901	894,908	938,518	991,298	3,619,626
Stock based compensation	16,394	13,841	6,227	-	36,462	-	-	-	-	-
General and administrative	27,555	21,677	31,533	37,937	118,702	87,172	153,264	181,277	214,674	636,386
Sales and marketing	156,188	51,347	30,529	109,791	347,855	273,907	494,212	587,589	698,912	2,054,620
Professional Service Fees	523,873	372,027	517,760	411,958	1,825,618	444,781	488,842	507,518	529,782	1,970,924
Technology	184,669	141,022	227,845	279,895	833,431	361,954	472,106	518,795	574,456	1,927,310
Organization Costs	28,737	80,452	40,030	50,000	199,219	50,000	50,000	50,000	50,000	200,000
Depreciation and amortization	287,586	95,414	148,803	150,000	681,803	150,001	150,002	150,003	150,004	600,010
Other expenses	115,859	83,796	78,160	75,000	332,815	75,000	75,000	75,000	75,000	300,000
Total Operating Expenses	1,967,613	1,468,335	1,771,411	1,844,477	7,051,836	2,237,716	2,778,334	3,008,700	3,284,126	11,308,875
Operating loss	(1,952,401)	(1,469,292)	(1,773,527)	(1,328,298)	(6,523,518)	(720,801)	(77,871)	212,049	559,622	(27,001)
Other Income/(Expenses)			-	-	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-
Gain on extinguishment of liability	-	-	-	-	-	-	-	-	-	-
Loss on promissory note receivable	-	-	-	-	-	-	-	-	-	-
Interest income (expense), net	(35,225)	(64,227)	(236,302)	59,400	(276,354)	59,400	59,400	59,400	59,400	237,600
Other Income (expense)	-	(64,227)	-	-	(64,227)	-	-	-	-	-
Total other income (expense)	(35,225)	(1,533,519)	(236,302)	59,400	(1,745,646)	59,400	59,400	59,400	59,400	237,600
Net loss from continuing operations before taxes	(1,987,626)		(2,009,829)	(1,268,898)	(5,266,353)	(661,401)	(18,471)	271,449	619,022	210,599
Provision for income taxes		(1,533,519)	-	-	(1,533,519)	-	-	-	-	-
Net loss from continuing operations	(1,987,626)	(1,131)	-	(1,268,898)	(3,257,655)	(661,401)	(18,471)	271,449	619,022	210,599
Net loss from discontinued operations, net of taxes	8,909	(1,534,650)	566	-	(1,525,175)	-	-	-	-	-
Net Income/Loss	(1,978,717)	-	-	(1,268,898)	(3,247,615)	(661,401)	(18,471)	271,449	619,022	210,599
Preferred Dividends	(10,688)	(10,688)	(10,688)	-	(32,064)	-	-	-	-	-
Net Loss Applicable to Common Stockholders	(1,989,405)	(1,545,338)	(2,019,951)	(1,268,898)	(6,823,592)	(661,401)	(18,471)	271,449	619,022	210,599
Basic loss per common share from continuing operations	(1.56)	(1.13)	-	(0.22)		(0.08)	(0.00)	0.03	0.07	
Diluted loss per common share from continuing operations	(1.56)	(1.13)	-	(0.18)		(0.07)	(0.00)	0.03	0.07	
Basic loss per common share from discontinued operations	0.01	(0.01)	-	-		-	-	-	-	
Diluted loss per common share from discontinued operations	0.01	(0.01)	-	-		-	-	-	-	
Loss per common share basic	(1.55)	(1.14)	(0.35)	(0.22)	(1.91)	(0.08)	(0.00)	0.03	0.07	0.03
Loss per common share diluted	(1.55)	(1.14)	(0.35)	(0.18)	(1.78)	(0.07)	(0.00)	0.03	0.07	0.02
Weighted average number of shares outstanding basic	1,279,165	1,359,126	5,811,765	5,840,046	3,572,526	7,930,869	7,930,869	7,930,869	9,001,999	8,198,652
Weighted Average Number of Shares Outstanding diluted	1,279,165	1,359,126	5,811,765	6,911,176	3,840,308	9,001,999	9,066,345	9,123,170	9,172,582	9,091,024

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Trickle Research holds two microcap conferences each year. Trickle Research encourages its coverage companies to present at those conferences and Trickle charges them a fee to do so. Companies are under no obligation to present at these conferences. NextTrip, Inc. has paid fees to present at past Trickle conferences and Trickle will encourage them to do so in the future.

Portions of this publication excerpted from company filings or other sources are noted in italics and referenced throughout the report.

Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals $250) and 10 representing 10 investment units or $2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit $25,000 to buying micro-cap stocks, that would assume an investment of $1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at $1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same $250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting $1000 into the position ($250 * 4). If we later raise the allocation to 6, you might consider adding two additional units or $500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

- A Trickle rating of 1 thru 3 would best correspond to a "Speculative Buy" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.
- A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.
- A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.