

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

NEXT DYNAMICS INC.

226 N. Front St, Suite 143
Wilmington, NC 28401

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www.nextdynamicscorp.com
info@nextdynamicscorp.com
SIC CODE: 3482

Quarterly Report For the Fiscal Quarter Ending: June 30, 2022 (the "Reporting Period")

As of August 11, 2022, the number of shares outstanding of our Common Stock was: 23,147,535

As of March 31, 2022, the number of shares outstanding of our Common Stock was: 23,059,535

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 18,951,000

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 17,503,940

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

The exact name of the Issuer is Next Dynamics, Inc. Until September 2020, the issuer was named SW Innovative Holdings Inc. Until July 2014 the issuer was named Everybody's Phone Company.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The issuer is a Texas corporation, incorporated on September 3, 2003. The current standing is active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

There was a reverse stock split of 2,500 for 1 which was effective along with a name change on September 29, 2020, as per the share exchange agreement entered into on November 27, 2019. There are no additional pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization actions to be taken by the Company at this time.

The address(es) of the issuer's principal executive office:

226 N. Front St
Suite 143
Wilmington, NC 28401

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol:	<u>NEXD</u>
Exact title and class of securities outstanding:	<u>Common Stock</u>
CUSIP:	<u>65343X106</u>
Par or stated value:	<u>\$0.001</u>

Total shares authorized:	<u>1,000,000,000</u>	as of date: <u>August 11, 2022</u>
Total shares outstanding:	<u>23,147,535</u>	as of date: <u>August 11, 2022</u>

Number of shares in the Public Float²: 134,222 as of date: August 11, 2022
Total number of shareholders of record: 120 as of date: August 11, 2022

Transfer Agent

Name: Olde Monmouth Stock Transfer Co., Inc.
Phone: (732) 872-2727
Email: matt@oldemonmouth.com
Address: 20 Memorial Parkway, Atlantic Highlands, NJ 07716

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2020</u> Common: <u>17,503,940</u> Preferred: <u>60,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance ? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/19/2021	New Issuance	25,000	Common	\$1.000	N	2795627 Ontario Ltd (Julia Reed)	Subscription	Restricted	N/A
1/19/2021	New Issuance	20,000	Common	\$1.000	N	Eric Abdoo	Subscription	Restricted	N/A
1/19/2021	New Issuance	150,000	Common	\$1.000	N	Francois Angers	Subscription	Restricted	N/A

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

1/19/2021	New Issuance	15,000	Common	\$1.000	N	Sunnyside Consulting & Holding Inc (Taras Kulyk)	Subscription	Restricted	N/A
1/19/2021	New Issuance	400,000	Common	\$1.000	N	Martin Verronneau	Subscription	Restricted	N/A
1/19/2021	New Issuance	50,000	Common	\$1.000	N	Marie-Josée Chasse	Subscription	Restricted	N/A
1/19/2021	New Issuance	10,000	Common	\$1.000	N	Martin Dupuis	Subscription	Restricted	N/A
1/19/2021	New Issuance	20,000	Common	\$1.000	N	Santiago Garcia-Ramon	Subscription	Restricted	N/A
1/19/2021	New Issuance	10,000	Common	\$1.000	N	Yecheskel Hoffman	Subscription	Restricted	N/A
1/19/2021	New Issuance	50,000	Common	\$1.000	N	73233883 Canada Inc. (Silvano Bressan)	Subscription	Restricted	N/A
1/19/2021	New Issuance	100,000	Common	\$1.000	N	Louis-Thomas Labbe	Subscription	Restricted	N/A
1/19/2021	New Issuance	4,000	Common	\$1.000	N	Dominico Macri	Subscription	Restricted	N/A
1/19/2021	New Issuance	25,000	Common	\$1.000	N	Vito Morriello	Subscription	Restricted	N/A
1/19/2021	New Issuance	2,000	Common	\$1.000	N	Sebastien Poucan	Subscription	Restricted	N/A
1/19/2021	New Issuance	365,000	Common	\$1.000	N	Rubin Dos Reis	Subscription	Restricted	N/A
1/19/2021	New Issuance	20,000	Common	\$1.000	N	David Salk	Subscription	Restricted	N/A
1/19/2021	New Issuance	10,000	Common	\$1.000	N	Michael Zwetkow	Subscription	Restricted	N/A
1/28/2021	New Issuance	25,000	Common	\$1.000	N	Ronald Denis	Subscription	Restricted	N/A
3/2/2021	New Issuance	50,000	Common	\$1.000	N	Jean-Guy Lambert	Subscription	Restricted	N/A
4/12/2021	New Issuance	100,000	Common	\$1.000	N	Alain Lauzon	Subscription	Restricted	N/A
4/15/2021	New Issuance	5,000	Common	\$1.000	N	Peter Melnyk	Subscription	Restricted	N/A
1/7/2022	New Issuance	1,000,000	Common	\$0.001	N	Clarity Investments (Andre Beauchesne)	Grant	Restricted	N/A
1/7/2022	New Issuance	416,346	Common	\$0.001	N	Jacob Salk	Grant	Restricted	N/A
1/7/2022	New Issuance	396,250	Common	\$0.001	N	James Menendez	Grant	Restricted	N/A

1/7/2022	New Issuance	583,333	Common	\$0.001	N	Jody Sitkoski	Grant	Restricted	N/A
1/7/2022	New Issuance	533,333	Common	\$0.001	N	Antoni Binek	Grant	Restricted	N/A
1/7/2022	New Issuance	533,333	Common	\$0.001	N	Lawrence Binek	Grant	Restricted	N/A
1/7/2022	New Issuance	250,000	Common	\$0.001	N	Jerome Cliche	Grant	Restricted	N/A
1/7/2022	New Issuance	100,000	Common	\$0.001	N	Roundtable Capital (Dennis Riordan)	Grant	Restricted	N/A
1/7/2022	New Issuance	43,000	Common	\$0.001	N	Brian Scott	Grant	Restricted	N/A
1/7/2022	New Issuance	30,000	Common	\$0.001	N	Dinesh Balani	Grant	Restricted	N/A
1/7/2022	New Issuance	12,000	Common	\$0.001	N	Chatani Ventures Inc. (Navin Chatani)	Grant	Restricted	N/A
1/7/2022	New Issuance	1,000	Common	\$0.001	N	Randolph Moultrie	Grant	Restricted	N/A
1/7/2022	New Issuance	1,000	Common	\$0.001	N	Christopher Wolfe	Grant	Restricted	N/A
4/18/2022	New Issuance	7,000	Common	\$0.001	N	Jacob Salk	Subscription	Restricted	N/A
4/18/2022	New Issuance	20,000	Common	\$0.001	N	Kevin Wallace	Subscription	Restricted	N/A
4/18/2022	New Issuance	2,000	Common	\$0.001	N	Yechezkel Hoffman	Subscription	Restricted	N/A
4/18/2022	New Issuance	5,000	Common	\$0.001	N	Eric Lerch	Subscription	Restricted	N/A
4/18/2022	New Issuance	4,000	Common	\$0.001	N	Christopher Wolfe	Subscription	Restricted	N/A
4/21/2022	New Issuance	50,000	Common	\$0.001	N	David Ohana	Grant	Restricted	N/A
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
Date <u>8/11/2022</u>	Common: <u>23,147,535</u>								
Preferred: <u>60,000</u>									

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
1/18/2021	24,009	24,009	N/A	12/31/2025	N/A	Beauchesne Capital (Andre Beauchesne)	Loan
10/2/2019	32,012	32,012	N/A	N/A	N/A	Banque Nationale de Canada (Canadian Gov't)	Loan
8/27/2020	77,732	70,885	6,362	8/1/2025	N/A	Credit Bail Global (Fabrice Carpanen)	Equipment

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Frank La Posta
Title: Owner
Relationship to Issuer: Auditor

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statements will be published separately and are incorporated by reference.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company's business since inception is research and development of small arms ammunition for its specific military market. To date, the Company's primary activities have included designing, developing and testing its small arms ammunition technologies.

The Company has completed the initial version of NEMESIS, has commenced operations and is currently looking to license its products to special forces around the world including in the United States, Canada, Italy and other NATO allied forces.

B. Please list any subsidiaries, parents, or affiliated companies.

The issuer, Next Dynamics Inc., is the holding and parent company of Next Dynamics Corp., a wholly owned Canadian corporation.

C. Describe the issuers' principal products or services.

Next Dynamics Inc., specializes in the research, development and licensing of patented and proprietary military defense technologies. The company has developed a small arms ammunition technology named A.S.A.P. (Advanced Small Arms Projectile) and a firing platform with a secondary recoil technology named the R2.

Mission Statement:

Iniquis Emolumentum: Unfair Advantage

Next Dynamics seeks to develop and license patented and proprietary military technologies that provide an unfair advantage to the United States of America's military forces and their allies.

The Technology

Next Dynamics has developed a technology named A.S.A.P. or Advanced Small Arms Projectile and a product line of small ammunition named NEMESIS.

In the last 150 years, there has not been relevant progress on the basic design of small arms bullets or projectiles other than slight changes in the geometry of the ogive of the bullets, type and composition of the propellant to extend the range and lethality of the ammunition. All present efforts from the ammunition industry are focused into either the development of a new caliber, redesigning existing calibers and/or enhancing the weight reduction/cost of the casing.

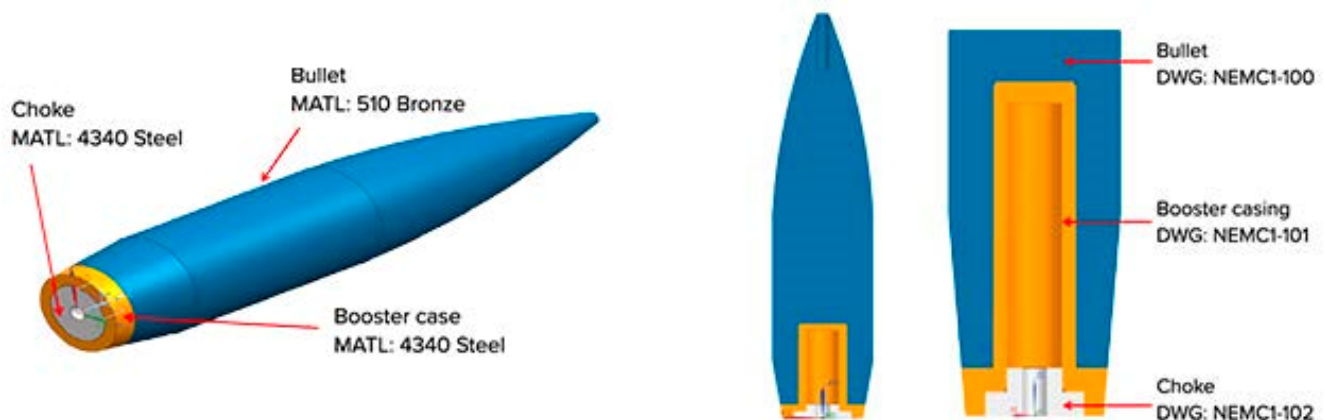
Currently, almost 70% of the gun gas generated at the moment of ignition of the propellant is wasted. Nemesis projectiles enable part of the wasted gas to be “harvested” and used to increase gyroscopic stability, range and lethality.

NEMESIS utilizes the gun gas generated when using a firearm to improve ammunition performance. Compared with traditional ammunition, NEMESIS provides outstanding performance because of its internal and external ballistic improved design. Emergent cartridge case technologies include the rise of the ‘general-purpose’ caliber, and other nascent technologies will affect the way in which firearms are designed, produced, managed in service, tactically employed, maintained, and sustained. Many of these emergent ammunition technologies are focused on reducing the logistics burden on armed forces and security agencies, and on reducing the carrying load of the individual combatant.

The advantages of the NEMESIS technology are:

a. Reduce drag, b. Improve gyroscopic stability and ballistics, c. Extend maximum effective range, d. Improve terminal ballistic and lethality, resulting in extreme precision, and outstanding armor defeating capabilities.

The initial NEMESIS calibers will be composed of 7.62x51mm (.308), 5.56x45mm, and 12.7mm (.50 caliber). All caliber projectiles shall be provided in two versions, 1. Standard round, 2. Armor piercing round.



6) Issuer's Facilities

The Company's primary office space is located at The Common Desk, located at 226 N. Front St, Suite 143, Wilmington, NC 28409 where the Company has a dedicated desk with secured lockbox. The lease is month-to-month and can be terminated with 30 days' notice.

The Company's legal offices are located at 420 Lexington Ave. Suite 2320, New York, NY, 10017. The Company uses its attorney's office for this purpose. There is no lease in-place and no lease is intended to be signed.

The Company's subsidiary in Quebec has an office which it subleases from Clarity Investments LLC. The space is approximately 1,000 square feet in addition to common areas including two conference rooms, a kitchen and photocopier room.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Notes
Antoni Binek	Co-Founder / Inventor / Director	Glastonbury, CT	2,733,333	Common	11.8%	N/A
Lawrence Binek	Co-Founder / Inventor	Glastonbury, CT	2,633,333	Common	11.4%	N/A
Hellen Lauzon & Michael Danchuk	Owner of more than 5%	Alexandria, Ontario, Canada	1,900,000	Common	8.3%	N/A
Beauchesne Capital (Andre Beauchesne)	Founding Investors & Directors Group	Montreal, Quebec, Canada	1,527,062	Common	6.6%	N/A
McKinsey Bain Trust	Owner of more than 5%	Montreal, Quebec, Canada	1,427,062	Common	6.2%	N/A
Jerome Cliché	Investor & Independent Director	Montreal, Quebec, Canada	1,075,000	Common	4.6%	N/A
Jacob Salk	President, CEO & Director	Wilmington, NC	446,346	Common	1.9%	N/A

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Paul Goodman
Firm: Cyruli Shanks & Zizmore LLP
Address 1: 420 Lexington Ave, Suite 2320
Address 2: New York, NY 10016
Phone: (212) 661-6800
Email: pgoodman@cshzlaw.com

Accountant or Auditor

Name: Frank La Posta
Firm: La Posta & Associates CPAs
Address 1: 8530 rue Champ-D'Eau
Address 2: Saint-Leonard, Quebec, H1P 1Y3
Phone: (514) 983-8499
Email: frlaposta@gmail.com

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Jacob Salk certify that:

1. I have reviewed this annual disclosure statement of Next Dynamics, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 11, 2022

/s/ JACOB SALK

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Jacob Salk certify that:

1. I have reviewed this interim disclosure statement of Next Dynamics, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 11, 2022

/s/ JACOB SALK

(Digital Signatures should appear as "/s/ [OFFICER NAME]")