

Predictiv AI Reports Q4 2021 & Fiscal 2021 Financial Results

TORONTO, June 3, 2021 /CNW/ - **Predictiv AI Inc. (TSX-V: PAI) (OTC: INOTF) (FSE: 71TA) ("Predictiv AI" or the "Company")**, www.predictiv.ai, a software and solutions provider in the artificial intelligence markets, announces its financial results for the fourth quarter and year ended January 31, 2021. All figures are reported in Canadian Dollars and are in accordance with International Financial Reporting Standards unless otherwise noted.

Corporate and Business Highlights – FY2021

- Established AI Labs Inc. ("AI Labs") as a wholly owned subsidiary, to design and develop new products and established SMRT Labs Inc. ("SMRT Labs") as a joint venture company to commercialize ThermalPass. SMRT Labs is owned 51% by AI Labs and 49% by Commersive Solutions Corp., a developer of integrated, point-of-sale technologies that creates unique retail experiences.
- The Company secured Health Canada approval to deploy breakthrough fever detection system, ThermalPass.
- Weather Telematics Inc. launched *Alert Fleet*, a cost-saving software/sensor system that will provide fleet owners with the tools they need to run significantly safer and more efficient fleets.
- Secured a multi-year agreement with Synoptic Data PBC for data provision services. This licensing contract will generate seven-figure revenue over the term for Weather Telematics and will launch its next generation of weather and road temperature sensors, which turns vehicles into their own mobile weather stations.
- Created a joint force with *Get Ready™* and *Protect Your Office* to create *Safe Site Global Association*.
- Formed partnership with Sigfox Canada to enter into global sales channel and technology integration for ThermalPass™.
- Added TFG Concepts Inc. as a channel reseller to drive sales across Canada.
- Enhanced ThermalPass sales channel by adding MCL Sustainable Cleaning Solutions as a channel reseller and distributor to drive sales in the K12 education, health care, hospitality, food service, commercial real estate, long-term care, and government sectors across Canada.
- Formed a new strategic channel partnership with inField Solutions Inc. to commercialize *Alert Fleet*.
- Formed partnership with Security Identification Systems Corp. ("SISCO"), to pairing ThermalPass with SISCO Fast-Pass@Vistor Management System to assist with track-and-trace efforts and to provide enhanced peace of mind to building occupants and visitors.
- Created partnership with the Waterloo Artificial Intelligence Institute at the University of Waterloo. This partnership will allow PAI Inc's subsidiary, AI Lab Inc. to pursue its various innovations through leveraging Waterloo.AI as an extension of the Predictiv AI team.
- WTX Inc. has formalized a strategic product integration partnership with Propel IT Inc. ("Propel"). The new partnership will significantly enhance available real-time data to which drivers and dispatchers can access. WTX's hyperlocal, advanced road weather hazard alert system warns drivers of impending dangerous conditions such as black ice, poor visibility, and hydroplaning.

Financial Highlights for the Year Ended January 31, 2021

Year Ended January 31 st	2021	2020
Revenue	\$ 78,324	\$ 329,699
Operating and development expenses	1,842,597	1,424,693
Loss before amortization, share-based payments, depreciation, finance charges and taxes	(1,764,273)	(1,094,994)
Share-based payments, depreciation, and impairment loss in goodwill	(1,636,821)	(864,037)
Change in fair value of contingent consideration and revaluation of derivative liability warrants	(3,280,875)	66,338
Share of loss of joint venture	(498,469)	-
Finance charges, Loss on investment, taxes and foreign exchange	(62,979)	277,622
Net loss and Total comprehensive loss	(7,243,417)	(2,051,725)
Loss per share (basic and diluted)	\$ (0.12)	\$ (0.05)

- Revenue for the year ended January 31, 2021 totalled \$78,324 as compared to \$329,699 in FY2020 in addition the SMRT Labs joint venture recorded revenues of \$140,531.
- Operating and development expenses for the year ended January 31, 2021 totalled \$1,842,597 compared to \$1,424,693 in 2020.
- Net loss for the year ended January 31, 2021 totalled \$(7,243,417) or \$(0.05) loss per share (basic) based on 35.5 million shares and \$0.03 earnings per share (fully diluted) based on 39.5 million shares as compared to a net profit of 162,566 for 2019 or \$0.00 earnings per share (basic and diluted) based on 61.8 million shares.
- Loss before amortization, impairment loss, share-based payments, depreciation, finance charges and taxes was \$(1,764,273) compared to \$(1,094,994) in 2020.

Listed below is the impact of non-cash items recorded during FY2021:

	2021	2020
Net loss and comprehensive loss for the year	\$ (7,243,417)	\$ (2,051,725)
Add Non-cash items:		
Revaluation of derivative liability	3,271,295	-
Change in fair value of contingent consideration	9,580	(66,338)
Impairment of intangible assets and goodwill	296,359	661,596
Share-based payments	1,213,640	78,430
Amortization – intangibles	125,657	122,559
Depreciation – property and equipment	1,165	1,452
	<u>4,917,696</u>	<u>797,699</u>
Adjusted Comprehensive loss:	<u>\$ (2,325,721)</u>	<u>\$ (1,254,026)</u>

Adjusted comprehensive loss increased from \$(1,254,026) in 2020 to \$(2,325,721) in 2021 primarily due to the Company's share of loss of joint venture of \$(498,469) and increase in professional fees.

Fourth Quarter Ended January 31, 2021

Financial Highlights

Fourth Quarter Ended January 31 st	2021	2020
Revenue	\$ 4,971	\$ 89,596
Operating and development expenses	370,412	194,171
Loss before amortization, share-based payments, depreciation, finance charges and taxes	(365,441)	(104,575)
Share-based payments, depreciation, finance charges, taxes and foreign exchange depreciation	(891,801)	(817,434)
Change in fair value of contingent consideration and revaluation of derivative liability warrants	(3,280,875)	66,338
Share of loss of joint venture	(498,469)	-
Finance charges, Loss on investment, taxes and foreign exchange	(3,987)	(26,857)
Net profit	(5,040,572)	(882,582)
Total comprehensive income	(5,040,572)	(882,582)
Earnings per share (basic and diluted)	\$ (0.12)	\$ (0.01)

- Revenue for the fourth quarter ended January 31, 2021 totalled \$4,971 compared to \$89,596 for the same period in FY2020 in addition the SMRT Labs joint venture recorded revenues of \$140,531.
- Operating and development expenses for the quarter ended January 31, 2021 totalled \$370,412 as compared to \$194,171 in 2020.
- Net loss for the quarter was \$(5,040,572) or \$0.15 loss per share (basic and diluted) based on 61.85 million shares
- Loss before revaluation of derivative liability, impairment of intangible assets, amortization, share-based payments, depreciation, finance charges and taxes was \$(365,441) compared to \$(104,575) in 2020.

The increase of loss is primarily due to the increase of non-cash items totaling \$4,172,676 comparing \$679,285 in 2020. The non-cash items are listed below:

	2021	2020
Revaluation of derivative liability	\$ 3,271,295	\$ -
Change in fair value of contingent consideration	9,580	(66,338)
Impairment of intangible assets and goodwill	296,359	661,596
Share-based payments	563,742	53,021
Amortization – intangibles	31,414	30,640
Depreciation – property and equipment	286	366
Total of non-cash items	<u>\$ 4,172,676</u>	<u>\$ 679,285</u>

Adding back non-cash items, the net loss and net comprehensive loss for the fourth quarter was \$(867,896) comparing to the loss of \$(203,243) in 2020.

"Our team successfully repurposed our sensor based artificial intelligence to create ThermalPass, a state-of-the-art unique temperature scanning system in a short time frame, to mitigate the spread of contagions during these difficult times and beyond. We also turned our proprietary datasets into a life and money saving Alert Fleet product with a go to market

strategy which is poised to provide thousands of fleets with cost savings and a safer driving environment." said Michael Lende, President & CEO of Predictiv AI. He continues, "This has been a year of challenges, but the company has set up viable business initiatives with products designed to solve real-world problems which impact our health, safety and economy. We are proud to have established a business development model and infrastructure with a foundation for creating future shareholder value. PAI continues to take necessary steps to build out our reseller network and sales channels. While ThermalPass sales have been behind, we are targeting the verticals where significant government and corporate funding has been allocated towards health and safety for school systems and hospitals in the United States. These are areas where we have received early validation and customer base. We continue to be committed to delivering on our business initiatives."

Predictiv AI is not making any express or implied claims that its product has the ability to eliminate, cure, or contain the COVID-19 (or SARS-2 coronavirus) at this time.

The audited financial statements for the year ended January 31, 2021 and Management Discussion & Analysis are available at www.sedar.com.

For more information on Predictiv AI or ThermalPass, visit: www.predictiv.ai and follow Predictive AI on:

Facebook: <https://www.facebook.com/PredictivAI/>

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About Predictiv AI Inc.


Predictiv AI Inc. www.predictiv.ai is a technology company which helps businesses and organizations make smarter decisions using advanced artificial intelligence, deep machine learning and data science techniques. Its Weather Telematics Inc. subsidiary uses patented air quality monitoring sensors to provide predictive weather risk information to the insurance, logistics, fleet management and public safety sectors. The Company's R&D division, AI Labs Inc., develops new products that solve real-world business problems. The joint venture with Commersive Solutions Corp. is developing innovative technologies for use in various public spaces, starting with the ThermalPass™ temperature scanning system.

Cautionary and Forward-Looking Statements

Statements contained in this news release, which are not historical facts, are forward-looking statements that involve risk, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. All forward-looking statements included in this news release are based on information available to the Company on the date hereof.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results of the Company to differ materially from the conclusion, forecast or projection stated in such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, ThermalPass achieving the commercial results anticipated by the Company, market demand for ThermalPass and other factors referenced in the Company's other continuous disclosure filings, which are available at [sedar.com](http://www.sedar.com). Readers should not place undue reliance on these forward-looking statements. The Company assumes no obligation to update any forward-looking statements, except as required by applicable securities laws.

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