PREDICTIV AI INC.

Consolidated Interim Financial Statements

For the three months ended April 30, 2025 and 2024

Predictiv AI Inc.

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For the three month ended April 30, 2025 and 2024

Notice to Reader

Management has complied the Condensed Consolidated Interim Financial Statements of Predictiv AI Inc. consisting of the Statement of Financial Position as at April 30, 2025 and the Statements of Comprehensive Loss, Changes in Equity (Deficiency) and Cash Flows for the three months then ended. All amounts are stated in Canadian Dollars. An accounting firm has not reviewed or audited these condensed consolidated interim financial statements.

Predictiv AI Inc.

Consolidated Interim Financial Statements
For the three month ended April 30, 2025 and 2024

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Predictiv AI Inc.

Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars, unless otherwise stated)
As at April 30, 2025 and January 31, 2025

	Notes	April 30, 2025	January 31, 2025
Assets			
Current assets			
Cash		**$ -**	$ 11,464
Prepaids and sundry assets	**4**	**3,339**	7,949
		3,339	19,413
Non-current assets			
Property and equipment	**5**	**1,518**	1,634
Total Assets		**$ 4,857**	$ 21,047
Liabilities			
Current liabilities			
Cash overdraft		**$ 1,781**	
Accounts payable and accrued liabilities	**6,10**	**219,736**	$ 214,648
Loan payable		**730,084**	20,000
		951,601	234,648
Non-current liabilities			
Loan payable		**-**	647,084
Total Liabilities		**951,601**	881,732
Shareholders' Deficiency			
Share capital	**8**	**18,737,992**	18,737,992
Contributed surplus	**9**	**4,244,998**	4,244,998
Warrants Reserve		**63,481**	63,481
Accumulated deficit		**(23,993,215)**	(23,907,156)
Total Shareholders' Deficiency		**(946,744)**	(860,685)
Total Liabilities and Shareholders' Deficiency		**$ 4,857**	$ 21,047

Going concern *(Note 1)*

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

Approved by the Board

Signed: **"Jim Grimes"**
Director

Signed: **"Rob Barlow"**
Director

Predictiv AI Inc.
Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars, unless otherwise stated)
For the three months ended April 30, 2025 and 2024

	Notes	2025	2024
Expenses			
Management fees		**$ 36,000**	$ 36,000
Professional and consulting fees		**33,250**	41,400
General and administrative expenses	**12**	**10,283**	15,312
Depreciation – property and equipment	**5**	**116**	181
Total Expenses		**79,648**	92,893
Loss from operations before undernoted items		**(79,648)**	(92,893)
Interest expense		**6,572**	3,666
Foreign exchange (gain) loss		**(163)**	26
Net loss and comprehensive loss for the period		**$ (86,059)**	$ (96,585)
Loss per share - basic and diluted		**$ (0.00)**	$ (0.00)
Weighted average number of common shares - basic and diluted		**128,500,616**	93,500,616

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

Predictiv AI Inc.
Consolidated Interim Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars, unless otherwise stated)
For the three months ended April 30, 2025 and 2024

	Share Capital		Shares to be issued (Note 8)	Contributed Surplus	Warrants	Deficit	Total
	Number of Shares	Amount					
Balance, February 1, 2024	**93,500,616**	**$ 18,101,723**	**$ -**	**$ 4,244,998**	**$ -**	**$ (23,566,489)**	**$ (1,219,768)**
Shares to be issued – debt conversion			477,500		-		477,500
Loss and Comprehensive Loss for the period	-	-	-	-	-	(96,585)	(96,585)
Balance, April 31, 2024	**93,500,616**	**$ 18,101,723**	**$ 477,500**	**$ 4,244,998**	**$ -**	**$ (23,663,074)**	**$ (838,853)**
Shares issued – private placement	10,000,000	136,519	-	-	-	-	136,519
Share issuance cost	-	(250)	-	-	-	-	(250)
Shares issued – debt conversion	25,000,000	500,000	(477,500)	-	-	-	22,500
Warrants issued					63,481	-	63,481
Loss and Comprehensive Loss for the period					-	(244,082)	(244,082)
Balance, January 31, 2024	**128,500,616**	**$ 18,101,723**	**-**	**$ 4,244,998**	**$ 63,481**	**$ (23,907,156)**	**$ (860,685)**
Loss and comprehensive loss for the period	-	-	-	-	-	(86,059)	(86,059)
Balance, April 30, 2025	**128,500,616**	**$ 18,101,723**	**$ 477,500**	**$ 4,244,998**	**$ 63,481**	**$ (23,993,215)**	**$ (946,744)**

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

Predictiv AI Inc.

Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars, unless otherwise stated)
For the three months ended April 30, 2025 and 2024

	Notes	2025	2024
Cash flows from operating activities			
Net loss for the period		**$ (86,059)**	$ (96,585)
Adjustments to net loss for non-cash items:			
Depreciation and amortization	**5**	**116**	181
Loan convert to shares		**-**	141,500
Loan interest convert to shares		**-**	19,394
Management fees convert to shares		**-**	175,872
Consulting fees convert to shares		**-**	103,234
Management fees convert to loans		**36,000**	-
Consulting fees convert to loans		**27,000**	-
		(22,943)	343,596
Changes in non-cash working capital:			
(Increase) decrease in accounts receivables		**-**	-
(Increase) decrease in prepaid and sundry assets		**4,610**	(867)
Increase (decrease) in accounts payable and accrued liabilities		**5,088**	(215,218)
Cash Used in Operating Activities		**(13,245)**	127,510
Cash flow from financing activities			
Proceeds from private placement		**-**	37,500
Loan repayment		**-**	(141,500)
Cash Generated from Financing Activities		**-**	(104,000)
Net Decrease in cash		**(13,245)**	23,511
Cash, beginning of period		**11,464**	9,461
Cash, end of period		**$ (1,781)**	$ 32,972

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

1. Corporate Information and Going Concern

Predictiv AI Inc. ("the Company" or "PAI Inc.") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of Ontario and its shares are listed on the TSX Venture Exchange. The consolidated interim financial statements of the Company as at and for the period ended April 30, 2025 and 2024 comprise the Company and its wholly owned subsidiaries being Weather Telematics Inc. AI Labs Inc., and IOT Labs Inc. Weather Telematics Inc. was a wholly-owned subsidiary and was consolidated until its disposition on December 16, 2024.

PAI Inc. is a software and solutions company in the artificial intelligence and industrial Internet of Things "IoT" markets. It is a technology company which has helped businesses and organizations make smarter decisions using advanced artificial intelligence, deep machine learning and data science techniques.

The head office, principal address, registered office, and records of the Company are located at 20 Bay Street, 11th Floor, Toronto, Ontario, Canada, M5J 2N8.

These consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on June 27, 2025.

Going Concern

Since inception, the Company has incurred losses amounting to $23,993,215 (2024 - $23,663,074). During the period, the Company reported a net loss of $86,059 (2024 –$92,893). As at April 30, 2025 the Company had working capital deficiency of $948,262 (2024 – deficiency $645,912). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its acquisitions or obtaining new equity and/or debt financing on commercial terms acceptable to the Company. All of these outcomes are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The accompanying consolidated interim financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The consolidated interim financial statements do not include any adjustments to reflect any events since April 30, 2025 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this material uncertainty. These adjustments could be material.

2. Statement of Compliance and Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS in effect as at April 30, 2025.

2. Statement of Compliance and Basis of Preparation (Cont'd)

Basis of presentation

The accompanying consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency, and include the accounts of Weather Telematics Inc. AI Labs Inc., and IOT Labs Inc. All significant intercompany accounts and transactions have been eliminated.

3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in these Interim Financial Statements are the same as those applied by the Company in its Financial Statements for the year ended January 31, 2025.

4. Prepaids and Sundry Assets

Prepaids and sundry assets includes the government receivables arising from HST recovery.

	April 30, 2025	January 31, 2025
Other prepaids	**$ 1,127**	$ 9,160
HST recovery	**2,212**	2,787
	$ 3,339	$ 11,947

5. Property and Equipment

	Computer and office equipment
Cost, February 1, 2024, 2025	$ 9,412
Addition	-
Cost, April 31, 2025	**$ 9,412**
Accumulated depreciation, February 1, 2024	$ 7,184
Charge for the period	181
Accumulated depreciation, April 30, 2024	7,365
Charge for the period	413
Accumulated depreciation, January 31, 2025	7,778
Charge for the period	116
Accumulated depreciation, April 30, 2025	**$ 7,894**
Net book value, April 30, 2024	$ 2,047
Net book value, January 31, 2025	$ 1,634
Net book value, April 30, 2025	**$ 1,518**

(Expressed in Canadian Dollars, unless otherwise stated)

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	April 30, 2025	January 31, 2025
Trade accounts payable	**$ 64,839**	$ 66,567
Government remittances payable	**93,708**	93,708
Other accruals	**61,189**	54,373
	$ 219,736	$ 214,648

7. Loans Payable

		April 30, 2025	January 31, 2025
(i)	Loans payable, set-up fee of 5%, bearing interest at 1% per month, interest payable monthly, principal due on demand	**$ 75,000**	$ 75,000
(ii)	Loans payable, set-up fee of 5%, bearing interest at 1.5% per month, interest and set-up fee are capitalized and due at maturity on July 21, 2025	**20,000**	20,000
(iii)	Management fee and consulting fees converted to un-secured, non-interest-bearing loans	**635,084**	572,084
		$ 730,084	$ 667,084

(i) The lender is committed not to demand repayment prior to February 1, 2026.

In March 2024, $141,500 of the prior year's loans were converted to shares at $0.02 per share.

(ii) The Company issued a $20,000 promissory note to the lender in January 2025. The note has 5% lending fee and carries 1.5% monthly interest. The lending fee and interest payable at maturity on July 21, 2025.

(iii) During the period, $63,000 of outstanding management and consulting fees were converted to unsecured, non-interest-bearing loans. The lenders have agreed not to demand repayment prior to February 1, 2026, and the loans are consequently presented as non-current.

8. Share Capital and Warrants Reserve

Authorized

Unlimited	First Preferred shares, may be issued in series with rights and restrictions as determined by the Board of Directors
Unlimited	Second Preferred shares, may be issued in series with rights and restrictions as determined by the Board of Directors
Unlimited	Common shares

(Expressed in Canadian Dollars, unless otherwise stated)

8. Share Capital and Warrants Reserve (Cont'd)

Transactions

Fiscal 2025

In March 2024, to preserve working capital to fund operations, the Company executed debt settlement agreements with management, consultants, debt holders and an external service provider to convert an aggregate of $500,000 of amounts owing into common shares of the Company. The Company issued an aggregate of 25,000,000 common shares at price of $0.02 per share in satisfaction of the above. The amounts converted comprised $154,894 of loans and accrued interest, $285,106 of internal management and consulting fees and $60,000 of unpaid legal fees.

In May 2024, Predictiv AI completed a non-brokered private placement (the "Private Placement") of 10,000,000 units of the Company ("Units") at a price of $0.02 per Unit for total gross proceeds of $200,000. Each Unit consists of one common share (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of $0.05 for a period of 24 months. If the volume weighted average price of the Common Shares is equal to or greater than $0.10 for any 10 consecutive trading days, the Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. All securities issued pursuant to the Private Placement are subject to a statutory hold period of four months from the date of issuance.

The fair value of the Warrants was determined using the Black-Scholes option pricing model using the following assumptions:

	May 21, 2024
Remaining Contractual Life	2 years
Exercise Price	0.05
Volatility	125.91%
Dividend Yield	0%
Discount Rate	4.31%

9. Share-Based Payments

In December 2018, the Stock Option Plan was approved by the Company's shareholders. The Stock Options Plan was adopted to provide the Company with a share ownership incentive to attract, retain and motivate qualified executives, directors, employees and consultants, to reward their contributions.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of Common Shares reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the number of issued Common Shares of the Company at the time the options are granted. The maximum number of Common Shares which may be reserved for issuance in any 12-month period to any one individual, upon exercise of all stock options held by that individual, may not exceed 5% of the issued and outstanding Common Shares, calculated at the date the option was granted.

(Expressed in Canadian Dollars, unless otherwise stated)

9. Share-Based Payments (Cont'd)

The following summarizes the options outstanding:

	Number of Options	Weighted Average Exercise Price
Outstanding as at February 1, 2024	**181,818**	**0.275**
Expired	(181,818)	0.275
Outstanding as at April 30, 2024	**-**	**-**
Outstanding as at April 30, 2025	**-**	**-**
Options exercisable as at February 1, 2024	181,818	$ 0.275
Options exercisable as at April 30, 2024	-	$ -
Options exercisable as at January 31, 2025	-	$ -
Options exercisable as at April 30, 2025	**-**	**$ -**

10. Related Party Balances and Transactions

As at April 30, 2025, the Company incurred management fees to related parties in the amount of $36,000 (2024 - $36,000), of which $18,000 was paid to the Chief Executive Officer (CEO) (2024 - $18,000), $18,000 was paid to the Chief Financial Officer (2024 - $18,000), and $36,000 (2024 - $36,000) management fees were unpaid and was included in loans payable. As of the end of period, $232,885 was included in loans (2024 - $160,885 was included in accrued liabilities) payable to CEO, and $204,742 was included in loans (2024 - $132,742 was included in accrued liabilities) payable to CFO as the maangement fees were converted to unsecured, non-interest-bearing loans.

11. General and Administrative Expenses

The details for general and administrative expenses are as follows:

Period ended April 30		**2025**		2024
Shareholder service	**$**	**3,472**	$	10,076
Marketing and administrative expense		**6,811**		5,236
	$	**10,283**	$	15,312

12. Financial Risk Management Objectives and Policies

Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders (Note 1).

The Company includes deficiency in assets, comprised of issued common shares, contributed surplus, warrants reserve, and deficit, in the definition of capital.

12. Financial Risk Management Objectives and Policies (Cont'd)

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its current joint ventures. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. As described in Note 1, the Company has working capital deficiency of $948,262 (2024 – working capital deficiency $645,912) and requires equity and/or debt financings on commercial terms acceptable to the Company. Accounts payable and accrued liabilities are due within the next year.

Credit Risk

Credit risk refers to the risk that one party to a financial instrument will cause a financial loss for the counterparty by failing to discharge an obligation. The Company is primarily exposed to credit risk through accounts receivable. The maximum credit risk exposure is limited to the reported amounts of these financial assets. Credit risk is managed by ongoing review of the amount and aging of accounts receivable balances.

As at April 30, 2025, the Company has outstanding receivables of $Nil (2024 - $Nil). The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally financially established organizations, which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors.

Fair value

The fair value of the Company's financial assets and financial liabilities approximate their recorded values at April 30, 2025 and 2024 for all assets.

13. Proposed Transaction

On Mach 18, 2025, the Company entered into an amended letter of intent (the "**LOI**") to acquire all issued and outstanding shares of Shift Technologies Canada Inc. ("**Shift**") and HouseStack Holdings Inc. ("**HouseStack**"). Predictiv AI will acquire all issued and outstanding shares in the capital of both Shift and HouseStack (the "**Target Shares**") in exchange for 82.5% (previously 70%) of the PAI Shares immediately prior to the closing of the Proposed Transaction (but not including the Financing described below). In connection with the closing of the Proposed Transaction, the Company expects to consolidate the PAI Shares on a ratio of 1 new share for each 12.5 old shares (the "**Consolidation**"). Based on the number of PAI Shares currently issued and outstanding of 128,500,616, it is expected that the Company will have approximately 10,280,049 post-Consolidation PAI Shares outstanding immediately prior to closing of the Proposed Transaction, resulting in the Company issuing approximately 63,000,000 PAI Shares post-Consolidation basis to the shareholders of Shift and HouseStack on closing of the Proposed Transaction.

13. Proposed Transaction (Cont'd)

As part of the Proposed Transaction, Predictiv AI plans to complete an equity financing (the "**Financing**") for gross proceeds of up to $1,750,000 through the issuance of subscription receipts (the "**Subscription Receipts**") at a price of $0.10 per Subscription Receipt. Each Subscription Receipt, will convert into one (1) post-Consolidated PAI Share and one half (1/2) of one (1) transferable share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one post-Consolidated PAI Share at an exercise price of $0.15 per share for a period of 12 months from the closing date of the Proposed Transaction.