Pioneer AI Foundry Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 28, 2026 and 2025

NOTICE TO READER

These condensed interim unaudited consolidated financial statements of Pioneer AI Foundry Inc. (the "Company") as at and for the three and nine months ended February 28, 2026 have been prepared by management and approved by the Board of Directors of the Company. These condensed interim unaudited consolidated financial statements have not been reviewed by the Company's external auditors.

Pioneer AI Foundry Inc. (formerly Pioneer Media Holdings Inc.)

Consolidated Statements of Financial Position

(Stated in Canadian Dollars)

	Notes	February 28, 2026	May 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents		$ 55,218	$ 629,009
Trade and other receivables		9,230	9,157
Prepaid expenses and other assets		40,219	56,310
Total current assets		104,667	694,476
Non-current assets			
Intangible assets	**4**	704,029	456,051
Investment in associate	**3**	48,985	51,414
Investments	**3**	4,583,539	5,671,094
TOTAL ASSETS		$ 5,441,220	$ 6,873,035
LIABILITIES AND EQUITY			
Current liability			
Trade and other payables		$ 730,773	$ 677,148
Note payable	**5**	600,650	-
Total current liability		1,331,423	677,148
Equity			
Common shares	**6**	41,775,655	41,775,655
Share-based payments reserve		1,363,092	1,217,743
Retained deficit		(39,028,950)	(36,797,511)
Total equity		4,109,797	6,195,887
TOTAL LIABILITIES AND EQUITY		$ 5,441,220	$ 6,873,035

Nature and continuance of operations and basis of presentation **1, 2**

Approved on behalf of the Board of Directors:

"Mark Rutledge"
Mark Rutledge, Director

"Darcy Taylor"
Darcy Taylor, Director

Pioneer AI Foundry Inc. (formerly Pioneer Media Holdings Inc.)

Consolidated Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

	Notes	Three months ended February 28, 2026	Three months ended February 28, 2025	Nine months ended February 28, 2026	Nine months ended February 28, 2025
Revenue	**2, 9**	$ 23,240	$ -	$ 69,720	$ 247,129
Cost of sales		-	-	-	95,916
Gross Margin		23,240	-	69,720	151,213
Expenses					
Filing and listing fees		25,863	27,118	57,177	36,065
Management fees		31,500	50,925	99,750	98,175
Marketing		(25,329)	224,217	170,504	224,218
Office and miscellaneous		64,533	25,901	81,978	368,930
Professional and consulting fees		32,146	30,401	155,196	67,889
Share-based payments		15,125	90,097	145,349	90,097
Total expenses		143,838	448,659	709,954	885,374
Loss before other items		(120,598)	(448,659)	(640,234)	(734,161)
Other items					
Interest and other income (expense)		(23,636)	125,590	(32,511)	51,394
Equity loss on investment in associate	**3**	(4,084)	(35,664)	(2,428)	(59,948)
Loss on sale of investments	**3**	(14,671)	(418,780)	(85,148)	(419,730)
Fair value changes on derivatives		-	(28,700)	500	(28,700)
Fair value changes on intangible assets	**4**	(281,713)	-	(467,702)	-
Fair value changes on investments	**3**	505,854	78,234	(1,003,916)	(596,458)
Net income (loss) and comprehensive income (loss) for the period		$ 61,152	$ (727,979)	$ (2,231,439)	$ (1,787,604)
Weighted average number of common shares outstanding					
Basic and diluted		93,873,770	87,157,810	93,873,770	87,157,810
Basic and diluted loss per common share		$ 0.00	$ (0.01)	$ (0.02)	$ (0.02)

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

Pioneer AI Foundry Inc. (formerly Pioneer Media Holdings Inc.)

Consolidated Statements of Changes in Equity

(Stated in Canadian Dollars)

	Common Shares		Share-based Payments	Retained	
	Number	Amount	Reserve	Deficit	Total
Balance at May 31, 2024	87,157,810	$ 40,749,390	$ 1,060,100	$ (34,946,840)	$ 6,862,650
Share-based payments	-	-	157,643	-	157,643
Shares issued for services	1,000,000	100,000	-	-	100,000
Shares issued for cash	5,715,960	926,265	-	-	926,265
Loss for the period	-	-	-	(1,850,671)	(1,850,671)
Balance at May 31, 2025	**93,873,770**	**$ 41,775,655**	**$ 1,217,743**	**$ (36,797,511)**	**$ 6,195,887**
Balance at May 31, 2025	93,873,770	$ 41,775,655	$ 1,217,743	$ (36,797,511)	$ 6,195,887
Share-based payments	-	-	$ 145,349	-	$ 145,349
Loss for the period	-	-	-	(2,231,439)	(2,231,439)
Balance at February 28, 2026	**93,873,770**	**$ 41,775,655**	**$ 1,363,092**	**$ (39,028,950)**	**$ 4,109,797**

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

Pioneer AI Foundry Inc. (formerly Pioneer Media Holdings Inc.)
Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)

	Nine months ended February 28, 2026	2025
Operating activities		
Net loss for the year	$ (2,231,439)	$ (1,787,604)
Items not involving cash:		
Share-based payments	145,349	90,097
Equity loss on investment	2,428	59,948
Fair value changes on derivatives	500	28,700
Fair value changes on investments	1,003,916	596,458
Fair value changes on intangible assets	467,702	-
Loss on sale of investments	85,148	419,730
Shares received for services	(92,960)	100,000
Changes in non-cash working capital items:		
Trade and other receivables	(73)	28,705
Prepaid expenses	16,091	18,020
Trade and other payables	137,333	(191,740)
Net cash used in operating activities	(466,005)	(637,685)
Investing Activities		
Purchase of intangible assets	(753,876)	(23,969)
Sale of intangibles	207,799	-
Purchase of investments	(358,066)	(188,339)
Sale of investments	356,557	935,859
Net cash from (used in) investing activities	(547,586)	723,551
Financing Activities		
Proceeds from note payable	439,800	-
Net cash provided by financing activities	439,800	-
Change in cash during the period	(573,790)	85,866
Cash, beginning of period	629,009	475,507
Cash, end of period	$ 55,219	$ 561,372
Non-cash Financing and Investing Activities		
Note payable issued for bitcoin	160,650	-
Shares received for services	92,960	-

1. Nature and Continuance of Operations

Pioneer AI Foundry Inc. (the "Company" or "Pioneer") was incorporated on November 9, 2017 pursuant to the *Business Corporations Act* of British Columbia. The Company is a reporting issuer in each of British Columbia, Alberta and Ontario. On April 6, 2021, the Company completed a listing application with the Canadian Securities Exchange ("CSE") and on April 12, 2021, the Company's common shares began trading on the CSE under the symbol 'PNER'. On June 1, 2021, the Company's common shares also began trading on the AQSE Growth Market under the symbol 'PNER'. On March 14, 2022 the Company's common shares began trading on the Cboe Canada Exchange. (Formerly "NEO ") under the symbol "JPEG" and the Company's common shares were delisted from trading on the Canadian Securities Exchange.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at February 28, 2026, the Company had not yet achieved profitable operations, has variable gains and losses depending on the valuations of its investments, and expects to incur further losses in the development of its business. These factors indicate a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its investments. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

The condensed interim unaudited consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Basis of Preparation

a) Statement of compliance

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRICs").

b) Basis of presentation and consolidation

The financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value.

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Kodoku Studios Limited ("Kodoku"), NGMI Labs Inc. ("NGMI"), Bark Ventures Ltd. ("Bark"), Kora AI PTE Ltd. ("Kora") and Crowdform Ltd. ("Crowdform"). The subsidiaries are entities over which the Company is able, directly or indirectly, to control financial operating policies, which is the authority usually connected with holding majority voting rights. Kodoku, NGMI and Bark have

(Stated in Canadian Dollars)

2. Basis of Preparation (cont'd)

been wound up and have no meaningful revenue. Crowdform is in the process of being wound up and it is not expected to generate any meaningful revenue in fiscal 2026.

The results of operations of the subsidiaries are included in the condensed interim consolidated financial statements from the respective dates of acquisition. All intercompany balances and transactions have been eliminated.

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the years ended May 31, 2025 and 2024, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's financial statements for the years ended May 31, 2025 and 2024. The disclosures which follow do not include all disclosures required for the annual financial statements.

c) Approval of the financial statements

The condensed interim consolidated financial statements of the Company for the nine months ended February 28, 2026 and 2025 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on April 14, 2026.

3. Investments and Investment in Associate

a) The Company's investments as at May 31, 2025 and February 28, 2026 consisted of the following:

	Financial Instrument	Financial Instrument Hierarchy	May 31, 2025	Purchases (Dispositions), Net	Interest	Realized Gain (loss)	Change in Fair Value	28-Feb 2026
Supernova Digital Assets	Equity	1	$ 22,088	$ -	$ -	$ -	$ (9,841)	$ 12,247
East Side Games Group Inc.	Equity	1	52,699	(63,681)	-	10,982	-	-
Satsuma Technologies (fka Tao Alpha)	Equity	1	259,046	-	-	-	(165,686)	93,360
Roundhouse Digital Ltd	Equity	1	302,336	-	-	-	1,470,308	1,772,644
Astrid Intellignce Plc (fka Cel AI)	Equity	1	-	265,108	-	4,536	(51,041)	218,603
Standard Strategies PTE Ltd.	Equity	2	-	92,958				92,958
Sundae Bar (fka Kondor AI Plc)	Equity	1	4,078,575	-	-	-	(1,684,848)	2,393,727
Defi Dev Corp UK PLC (fka Cykel AI Plc)	Equity	1	956,350	(292,876)	-	(100,666)	(562,808)	-
			$ 5,671,094	$ 1,509	$ -	$ (85,148)	$ (1,003,916)	$ 4,583,539

b) Paidia eSports Inc. ("Paidia")

The Company has acquired a total of 4,500,000 common shares for a cost of $1,605,000. For the nine months ended February 28, 2026, the Company's share of Paidia's net loss was $2,428 decreasing the Company's net investment in Paidia to $48,985.

(Stated in Canadian Dollars)

4. Intangible Assets

Intangible assets held by the Company are digital assets that are typically part of a decentralized system of recording transactions, new digital assets are issued based on reliance on cryptography to secure its transactions, to control the creation of additional digital assets, and to verify the transfer of assets.

The balance of cryptocurrencies at cost and at market value as of February 28, 2026, is as follows:

	Quantity	Cost	Market Value
Bitcoin	4.55	$ 592,980	$ 418,197
Solana	1,649.15	$ 223,103	$ 191,598
Tao	103.05	$ 45,646	$ 42,086
Other	N/A	90,798	52,148
Balance at February 28, 2026	-	$ 952,526	$ 704,029
Balance at May 31, 2025	1,924	$ 426,001	$ 456,051

The following is a reconciliation of digital currencies – as at February 28, 2026 and May 31, 2025:

	February 28, 2026	May 31, 2025
Opening Balance, beginning of year	456,051	-
Purchases	753,876	426,001
BTC received in lieu of cash for note payable	160,650	-
Sales	(207,799)	-
Staking revenue	8,953	159
Revaluation	(467,702)	29,891
Closing balance, end of period	704,029	456,051

Other digital assets include 50,000,000 AROK tokens acquired in November 2024 at aggregate cost of $291. The AROK tokens are illiquid and do not trade on an active market.

5. Note Payable

The Company completed a non-brokered note offering raising gross proceeds of $625,650. Each $1,000 Unit is comprised of a senior unsecured 7.5% note and 1,000 common share purchase warrants (the "Warrants"). Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.30 per share for a period of 60 months from issuance. The note also contains a provision whereby the holders receive upside if the Company's platform outperforms the underlying digital asset. As of February 28, 2026, the fair value of the embedded derivative was $nil, as the Kora platform's performance is at parity with the Bitcoin benchmark and has not reached the threshold required to trigger a Premium payment. The Company will continue to reassess the fair value of the embedded derivative at each financial reporting date.

The funds raised from the note payable are intended to be used for digital asset treasury purchases and to further develop the KORA AI product.

(Stated in Canadian Dollars)

6. Common Shares and Warrants

a) Authorized and issued share capital:

The Company has authorized an unlimited number of common shares without par value.

As at February 28, 2026, the Company has 93,873,770 common shares outstanding.

b) The Company did not issue any shares during the nine months ended February 28, 2026.

The Company issued the following shares during the year ended May 31, 2025:

(i) The Company issued 1,000,000 common shares to a consulting firm in exchange for services.
(ii) The Company completed a non-brokered private placement of 5,715,973 common shares at $0.18 per share for gross proceeds of $1,028,873. Legal and finders fees associated with the private placement totaled $102,609.

c) Warrants:
The changes in warrants outstanding in fiscal 2026 and fiscal 2025 are as follows:

	Period ended February 28, 2026			Year ended May 31, 2025		
	Number of warrants		Weighted-average exercise price	Number of warrants		Weighted-average exercise price
Balance, beginning of year	6,465,993	$	0.30	3,515,364	$	0.32
Issued	625,650		0.30	5,910,629		0.25
Expired	-		-	(2,960,000)		0.25
Balance, end of period	7,091,643	$	0.30	6,465,993	$	0.30

Warrants exercisable and outstanding as at February 28, 2026 are as follows:

Expiry Date	Number of Warrants		Exercise Price
May 28, 2026	555,364	£	0.45
March 7, 2027	848,000	$	0.25
March 11, 2027	5,062,629	$	0.25
August 26, 2030	625,650	$	0.30
	7,091,643		

(Stated in Canadian Dollars)

7. Share-based Payments

a) Stock options

The Company has a rolling Stock Option Plan ('Plan') for directors, officers, employees and consultants of the Company. The Company may grant non-transferable options to individuals (which are exercisable over periods of up to ten years) as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

The changes in options outstanding during fiscal 2026 and 2025 are as follows:

	Period ended February 28, 2026			Year ended May 31, 2025		
	Number of options		Weighted-average exercise price	Number of options		Weighted-average exercise price
Balance, beginning of year	7,050,000	$	0.23	3,050,000	$	0.46
Granted	750,000	$	0.11	4,000,000	$	0.045
Balance, end of year	7,800,000	$	0.22	7,050,000	$	0.23

Options outstanding and exercisable as at February 28, 2026 are as follows:

	Number of Options			Exercise
Expiry Date	Outstanding	Exercisable		Price
April 22, 2026	2,800,000	2,800,000	$	0.35
November 29, 2026	250,000	250,000	$	1.75
January 20, 2030	4,000,000	3,000,000	$	0.045
July 28, 2028	750,000	468,750	$	0.11
	7,800,000	6,518,750		

b) Warrants

On May 28, 2021, the Company issued 555,364 compensation warrants. These warrants have an exercise price of £0.45 and expire on May 28, 2026. The fair value of the 555,364 compensation warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.93%, a dividend yield of nil, an expected annual volatility of the Company's share price of 80% and an expected life of 5 years. At initial recognition, the fair value of the finder's warrants was $0.42 per warrant for a total value of $232,000. As at February 28, 2026, the fair

value of the finder's warrants was $nil (May 31, 2025 - $500). Because these warrants have an exercise price based in pounds sterling which differs from the Company's functional currency, they do not meet the definition of

7. Share-based Payments (Cont'd)

an equity instrument and as a result have been classified a derivative financial liability. The derivative financial liability was recognized at fair value on date of issue. Subsequent changes in fair value are determined at the end of each reporting period and recognized in loss (income) for the period.

On November 14, 2022, the Company issued 60,000 warrants as finder's fees. These warrants had an exercise price of $0.10 and expire on November 14, 2024. The fair value of the 60,000 finder's warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.82%, a dividend yield of nil, an expected annual volatility of the Company's share price of 93.33% and an expected life of 2 years. The fair value of the finder's warrants was $0.04 per warrant for a total value of $2,200. The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life. The warrants expired in the year ended May 31, 2025.

On March 12, 2025, the Company issued 5,715,963 warrants as part of the private placement. These warrants have an exercise price of $0.25 and expire on March 2027. The fair value of the warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.82%, a dividend yield of nil, an expected annual volatility of the Company's share price of 93.33% and an expected life of 2 years. The fair value of the finder's warrants was $0.04 per warrant for a total value of $2,200. The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

As part of the note offering described in Note 6, the Company issued 625,650 warrants at an exercise price of $0.30 and an expiry date of August 26, 2030. The fair value of the warrants was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 3.00%, a dividend yield of nil, an expected annual volatility of the Company's share price of 213% and an expected life of 5 years. The fair value of the warrants was $0.08 per warrant for a total value of $48,500. The expected volatility assumption is based on the estimated volatility of early-stage companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

8. Financial Instruments and Capital Management

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1: fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

(Stated in Canadian Dollars)

8. Financial Instruments and Capital Management (Cont'd)

Level 3: fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

All of the Company's investments (see Note 3) except for Standard Strategies PTE Ltd are Level 1, public company shares.

Fair value estimates are made at the consolidated statement of financial position date, based on relevant market information and other information about financial instruments. As at February 28, 2026, the Company's financial instruments were cash and cash equivalents, investments, trade and other receivables and trade and other payables. The amounts reflected in the consolidated statements of financial position for cash and cash equivalents, trade and other receivables and trade and other payables are carrying amounts and approximate their fair values due to their short-term nature.

The fair value of unquoted investments is established using valuation techniques. These may include the use of recent arm's length transactions, a Black-Scholes option pricing model, discounted cash flow analysis, a probability-weighted expected return model, or a current value method. Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date.

b) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that impact the Company's earnings or loss due to currency fluctuations include foreign currency denominated assets and liabilities. The Company does not use derivative instruments or hedges to manage currency risks. The sensitivity of the Company's earnings or loss due to changes in the exchange rate between the foreign currency and Canadian dollar is included in the table below:

Currency denomination	Investments	Effect of +/- 10% change in currency
United Kingdom	$ 2,717,937	$ 271,793
Singapore	1,865,602	186,560
	$ 4,583,539	$ 458,353

Based on the above net exposures at February 28, 2026, a 10% depreciation or appreciation of the foreign currencies against the Canadian dollar would result in an increase or decrease, respectively, in the Company's loss by $458,353.

c) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. The

Company considers the aggregate of its cash and cash equivalents and common shares as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk

(Stated in Canadian Dollars)

8. Financial Instruments and Capital Management (Cont'd)

characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new common shares; issue debt; acquire or dispose of assets; or adjust the amount of cash and cash equivalents.

Most of the Company's investments are in the early stage of development and are not producing positive cash flow. As such, the Company is dependent on external financing to fund its activities. In order to carry out operations, the Company will spend its existing working capital and raise additional amounts as needed.

9. Related Party Transactions and Balances

Compensation of key management personnel in the nine months ended February 28, 2026 was as follows:

	February 28, 2026	February 28, 2025
Management and consulting fees	$ 188,550	$ 136,675
Software development	25,000	10,000
Share-based payments - vested stock options	75,505	90,097
	$ 289,055	$ 236,772

As at February 28, 2026, $38,545 (May 31, 2025 - $22,975) is owing to directors for services and expenditures incurred on behalf of the Company. During the nine months ended February 28, 2026, the Company paid $25,000 to Roundhouse, of which Matt Lodge is CEO and a director, for software development.

The Company received $92,958 in shares of Standard Strategies PTE Ltd. Matt Lodge is a director of Standard Strategies PTD Ltd.

Darcy Taylor and Mark Rutledge, two directors of the Company, participated through their respective holding companies in the note offering described in note 5 above, purchasing 40 units for an aggregate amount of $40,000.