



## **infinitii ai inc.**

### **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**(Expressed in Canadian Dollars)**

#### **CONTENTS**

Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	4
Condensed Consolidated Interim Statements of Cash Flows	5
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)	6
Notes to the Condensed Consolidated Interim Financial Statements	6-19

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of infinitii ai inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor, Baker Tilly WM LLP, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

**infinitii ai inc.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

Presented in Canadian Dollars - unaudited

As at	September 30, 2025	June 30, 2025
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 152,593	\$ 141,295
Accounts and other receivables (notes 4, 16 and 18)	742,483	678,750
Prepaid expenses	30,619	19,685
	925,695	839,730
<b>Non-Current Assets</b>		
Equipment (note 5)	861	1,148
<b>Total Assets</b>	<b>\$ 926,556</b>	<b>\$ 840,878</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (notes 7 and 16)	\$ 610,855	\$ 659,693
Current portion of loans payable (note 8)	60,381	69,409
Current portion of convertible notes (note 9)	381,000	371,968
Convertible note subscriptions received in advance (note 9)	350,000	-
Deferred revenue (note 10)	27,490	48,028
	1,429,726	1,149,098
<b>Non-Current Liabilities</b>		
Loans payable (note 8)	49,233	67,389
Convertible notes (note 9)	854,821	800,120
<b>Total Liabilities</b>	<b>2,333,780</b>	<b>2,016,607</b>
<b>Shareholders' Deficiency</b>		
Share capital (note 11)	25,350,718	25,350,718
Reserves (notes 9 and 13)	4,839,325	4,839,325
Equity feature on convertible notes (note 9)	451,471	451,471
Foreign currency translation reserve	106,961	94,449
Deficit	(32,155,699)	(31,911,692)
	(1,407,224)	(1,175,729)
<b>Total Liabilities and Shareholders' Deficiency</b>	<b>\$ 926,556</b>	<b>\$ 840,878</b>

Description of Business and Going Concern (note 1)

Subsequent Events (notes 9 and 13)

AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD ON NOVEMBER 28, 2025

"Kevin Ma"

Director

"Chris Johnston"

Director

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

**infinitii ai inc.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Presented in Canadian Dollars - unaudited

For the three months ended	September 30, 2025	September 30, 2024
<b>Revenue</b>		
Data services (notes 16 and 18)	\$ 583,499	\$ 689,608
Social referral software (note 16)	15,000	15,000
Custom programming service contracts (note 18)	28,329	14,072
	626,828	718,680
<b>Expenses</b>		
Accretion of convertible notes (note 9)	54,701	57,681
Bad debts expense (recovery) (notes 4 and 17)	37,185	1,061
Computer hosting costs	106,334	79,806
Consulting (note 16)	224,128	185,959
Depreciation of equipment (note 5)	287	123
Filing and transfer agent	10,692	3,798
Foreign exchange loss	7,499	(14,771)
Interest and penalties (notes 8 and 9)	14,822	11,183
Investor relations	2,864	5,325
Marketing	6,782	654
Office and miscellaneous (note 16)	41,027	43,794
Professional fees	42,280	64,514
Salaries and wages	278,843	323,691
Travel	43,391	51,794
	870,835	814,612
<b>Loss for the period</b>	(244,007)	(95,932)
<b>Other comprehensive loss</b>		
Foreign exchange gain (loss) on translation of subsidiary	12,512	(9,987)
<b>Comprehensive loss for the period</b>	\$ (231,495)	\$ (105,919)
<b>Weighted Average Number of Common Shares Outstanding</b>		
Basic and Diluted	139,540,003	129,686,729
<b>Loss Per Share</b>		
Basic and Diluted	\$ (0.00)	\$ (0.00)

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

**infinitii ai inc.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Presented in Canadian Dollars - unaudited

For the periods ended	September 30, 2025	September 30, 2024
<b>Cash Flows Used in Operating Activities</b>		
Loss for the period	\$ (244,007)	\$ (95,932)
Non-cash items		
Accretion of convertible notes	54,701	57,681
Depreciation of equipment	287	123
Interest expense	10,774	10,644
Changes in non-cash working capital items:		
Accounts and other receivables	(52,965)	(64,797)
Prepaid expenses	(10,788)	(6,188)
Deferred revenue	(21,196)	(161,614)
Accounts payable and accrued liabilities	(49,951)	(42,790)
	(313,145)	(302,873)
<b>Cash Flows Provided by Financing Activities</b>		
Repayment of loans payable	(28,926)	(12,735)
Proceeds from convertible notes received in advance	350,000	-
Proceeds from the issuance of convertible notes	-	974,997
Repayment of convertible notes	-	(579,997)
	321,074	382,265
<b>Effect of foreign exchange on cash</b>	3,369	(4,934)
<b>Change in cash during the period</b>	11,298	74,458
<b>Cash – beginning of period</b>	141,295	326,692
<b>Cash – end of period</b>	\$ 152,593	\$ 401,150

**Supplemental Cash Flow Information** (note 15)

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

**infinitii ai inc.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

Presented in Canadian Dollars - unaudited

	Share Capital			Equity feature on convertible notes	Foreign currency translation reserve	Deficit	Total
	Shares	Amount	Reserves				
<b>Balance – June 30, 2024</b>	129,424,783	\$ 24,972,032	\$ 4,468,313	\$ 317,935	\$ 99,113	\$ (31,133,067)	\$ (1,275,674)
Loss and comprehensive loss for the period	-	-	-	-	(9,987)	(95,932)	(105,919)
Shares issued for:							
Deferred Share Units exercises	277,000	18,005	(18,005)	-	-	-	-
Issuance of convertible notes	-	-	-	399,784	-	-	399,784
Settlement of convertible notes	-	-	93,983	(93,983)	-	-	-
<b>Balance – September 30, 2024</b>	129,701,783	24,990,037	4,544,291	623,736	89,126	(31,228,999)	(981,809)
Loss and comprehensive loss for the period	-	-	-	-	5,323	(682,693)	(677,370)
Conversion of convertible notes	9,838,220	360,681	172,265	(172,265)	-	-	360,681
Share-based payments	-	-	122,769	-	-	-	122,769
<b>Balance – June 30, 2025</b>	139,540,003	25,350,718	4,839,325	451,471	94,449	(31,911,692)	(1,175,729)
Loss and comprehensive loss for the period	-	-	-	-	12,512	(244,007)	(231,495)
<b>Balance – September 30, 2025</b>	139,540,003	\$ 25,350,718	\$ 4,839,325	\$ 451,471	\$ 106,961	\$ (32,155,699)	\$ (1,407,224)

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

## infinittii ai inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

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### 1. Description of Business and Going Concern

infinittii ai inc. (“**infinittii ai**” or the “**Company**”) was incorporated under the *Business Corporations Act* (British Columbia) on January 17, 2014. The Company has evolved into a machine learning software leader and provider of Artificial Intelligence (AI) driven predictive analytics for various industries including Smart City infrastructure applications that rely on time-series and other data. It’s most successful product, infinittii flowworks, provides environmental monitoring to many large water utilities in the U.S. and Canada through direct sales and via a trusted partner network of engineering and IT services companies.

infinittii ai is a public company that is listed on the Canadian Securities Exchange (“**CSE**”) (under the symbol: iai), the Frankfurt Stock Exchange (under the symbol: Y31) and the OTCQB (under the symbol: CDTAF). The address of the head office and principal place of business of the Company is Suite 1540 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9. The Company’s condensed consolidated interim financial statements include the following subsidiaries:

<b>Company</b>	<b>Place of Incorporation</b>	<b>Effective Interest</b>
Extend to Social Media Inc. (“ <b>ETS</b> ”)	British Columbia	100%
infinittii ai corporation	Washington, USA	100%
Carl Data Solutions PL (“ <b>Carl PL</b> ”)	Poland	100%
i4C Innovation Inc. (“ <b>i4C</b> ”)	British Columbia	100%
infinittii ai solutions inc. (“ <b>IAS</b> ”)	British Columbia	100%

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as recorded in these condensed consolidated interim financial statements. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. As at September 30, 2025, the Company had not achieved profitable operations, had accumulated a deficit of \$32,155,699 since inception and expects to incur further operating losses in the development of its business. The Company’s ability to continue as a going concern is dependent upon its ability to develop its business units, develop marketable software, potentially find, acquire and develop various other business segments with growth potential, obtain the necessary financing to carry out this strategy and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

### 2. Basis of Preparation

#### Statement of compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards (“**IFRS**”) issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee.

#### Basis of presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company.

#### Significant accounting judgments, estimates, and assumptions

The preparation of these condensed consolidated interim financial statements require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported revenues and expenses during the year. Actual results could differ from these estimates.

## **infinitii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

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### **2. Basis of Preparation (continued)**

#### **Significant accounting judgments, estimates, and assumptions (continued)**

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

#### **Critical accounting judgments**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below.

##### *Functional currency*

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations. The functional currency of the parent company, ETS, Astra, and i4C is the Canadian dollar. The functional currency of infinitii ai corporation is the US dollar and the functional currency of Carl PL is the Polish Zloty.

##### *Software development*

The application of the Company's accounting policy for software development expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the year in which the new information becomes available.

##### *Impairment of accounts receivable*

The Company exercises judgment in identifying impaired accounts receivable, the collection of which may be uncertain. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status of the customer and days outstanding. The expected credit losses related to accounts receivable are accumulated and individual accounts have been provided for.

##### *Convertible debt*

Convertible instruments require management to exercise judgement in classifying its components which consist of a loan and an equity conversion feature which grants the holder the option to convert the loan into a number of the issuer's shares. Judgement is also required in measuring the fair value of the liability component.

##### *Classification of deferred share units as equity-settled share-based payments*

The Company has issued deferred share units to Directors that can be settled by issuing shares of the Company or settled at the option of the Company by issuing cash. The classification of the deferred share units as equity-settled requires the Company to apply judgment in assessing whether there is a present obligation to settle in cash.

##### *Impairment charges*

Impairment analysis is an area involving management judgement in determining the recoverable amount of goodwill. The recoverable amount of a cash-generating unit is calculated as the higher of the fair value less costs of disposal, and its value in use. Value in use is determined by estimating the net present value of future cash flows using cash flow projections that have been discounted at an appropriate rate and based on a market participant's view. In calculating the net present value of future cash flows, certain assumptions are required to be made in respect of uncertain matters including revenue projections and discount rates. Changing the assumptions selected by management could affect the impairment evaluations and recoverable amount.

## **infiniti ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
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### **2. Basis of Preparation (continued)**

#### **Critical accounting estimates**

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

#### *Share-based payments*

The Company measures the value of share-based payments with employees by reference to the fair value of the equity instruments at the date at which they are granted. Share-based payments with non-employees are recorded at the fair value of the service provided, where this is readily determinable. In other instances, they are recorded at the fair value of the equity instruments issued. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share-based award, volatility and dividend yield and making assumptions about them.

#### **Basis of consolidation**

These condensed consolidated interim financial statements include the financial statements of *infiniti ai* and its controlled and wholly owned subsidiaries ETS, *infiniti ai* corporation, Astra, i4C and Carl PL. ETS, *infiniti ai* corporation, and Carl PL have historically maintained a fiscal year-end of December 31 and retained that year-end post-acquisition. These companies may change the year-ends to match the Company's year-end in the future. i4C and Astra historically maintained a fiscal year-end of July 31, which was changed post-acquisition to June 30 to match the Company's year-end. Regardless of year-end, all subsidiaries of the Company produce financial information on a monthly basis, and these condensed consolidated interim statements reflect the accounts of the Company and its controlled and wholly owned subsidiaries as at and for the 12-month periods ended June 30, 2025, and 2024. Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the condensed consolidated interim financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

#### **Business combinations**

Business combinations are accounted for using the acquisition method of accounting in which the identifiable assets acquired, liabilities assumed, and any non-controlling interests are recognized and measured at their fair value at the date of acquisition. Any excess of the purchase price plus any non-controlling interest over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price over the fair value of the net assets acquired is credited to profit or loss as a gain on bargain purchase. Transaction costs associated with a business combination are expensed as incurred.

### **3. Material Accounting Policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent audited annual consolidated financial statements as at and for the year ended June 30, 2025, and reflect all the adjustments necessary for fair presentation in accordance with IAS 34.

#### **New Standards not yet Adopted**

##### ***IFRS 18 - Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

**infinitii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
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**3. Material Accounting Policies (continued)****New Standards not yet Adopted (continued)*****IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments***

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments.

The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

**4. Accounts and Other Receivables**

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Gross trade receivables	\$ 702,534	\$ 556,204
Less: expected credit losses	(70,968)	(32,998)
Net trade receivables	631,566	523,206
Related party accounts receivable (note 16)	62,450	85,136
GST receivable	48,467	70,408
	<b>\$ 742,483</b>	<b>\$ 678,750</b>

Reconciliation of expected credit loss is as follows:

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
Balance – beginning of period	\$ 32,998	\$ 24,212
Expected credit losses	37,970	8,786
Balance – end of period	<b>\$ 70,968</b>	<b>\$ 32,998</b>

**5. Equipment**

	<b>Computer equipment</b>
<b>Cost</b>	
Balance – June 30, 2024, June 30, 2025, and September 30, 2025	\$ 14,063
<b>Accumulated Depreciation</b>	
Balance – June 30, 2024	\$ 12,423
Depreciation	492
Balance – June 30, 2025	12,915
Depreciation	287
Balance – September 30, 2025	<b>\$ 13,202</b>
Carrying value – June 30, 2025	\$ 1,148
Carrying value – September 30, 2025	<b>\$ 861</b>

**infinittii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
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**6. Goodwill**

As at June 30, 2024 the Company had a goodwill balance of \$36,421 which had originally been recognized pursuant to the acquisition of ETS.

During the year ended June 30, 2025, the goodwill impairment analysis performed by the Company concluded there was impairment of the remaining goodwill as the fair value of the cash-generating unit did not exceed its carrying value. The recoverable amount of the cash-generating unit was determined using the value in use method. The significant assumptions used by management in determining the recoverable amount included (i) discount rate (ii) revenue projections. As a result, the Company determined that its remaining goodwill of \$36,421 was impaired and was written off.

**7. Accounts Payable and Accrued Liabilities**

	September 30, 2025	June 30, 2025
Trade payables	\$ 368,210	\$ 441,494
Due to related parties (note 16)	242,645	218,199
	\$ 610,855	\$ 659,693

**8. Loans Payable**

	September 30, 2025	June 30, 2025
Balance – beginning of period	\$ 136,798	\$ 185,665
Interest and fees accrued	1,742	9,993
Repayments	(28,926)	(58,860)
Balance – end of period	109,614	136,798
Current portion	(60,381)	(69,409)
Non – current portion	\$ 49,233	\$ 67,389

As at September 30, 2025 and June 30, 2024, the following loans were outstanding:

	Note reference	Interest rate – per annum	Loan balances, with interest	
			September 30, 2025	June 30, 2025
CEBA loans	8(a)	5%	\$ 84,304	\$ 99,316
Arm's-length loan	8(b)	Prime + 2.5%	25,310	37,482
			\$ 109,614	\$ 136,798

- a) As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses were eligible to apply for assistance as part of the Canadian Emergency Business Account ("CEBA"). CEBA assistance provides companies with a \$40,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended June 30, 2020, the Company applied for CEBA assistance and received a \$40,000 loan in *infinittii ai*. During the year ended June 30, 2021, *i4C* applied for and received a CEBA loan of \$40,000 and *infinittii ai* received an additional \$20,000 CEBA loan. The CEBA loans remained interest free until January 18, 2024, and had no fixed repayment schedule. As at January 18, 2024, the Company had not repaid any portion of these loans so the full amount of the remaining loans is now a non-amortizing term loan bearing interest of 5% per annum with the full balance due by December 31, 2026. During the year ended June 30, 2025, the Company started making monthly payments of \$2,640 towards the loan balances. During the period ended September 30, 2025, the Company paid \$16,191 (year ended June 30, 2025 - \$7,920) towards the loan balance.

## **infinitii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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### **8. Loans Payable (continued)**

- b) \$225,000 was received from an arm's-length party on December 3, 2018, bearing annual interest of prime plus 2.5% calculated on a monthly basis. After 24 months, the Company began to make monthly payments over 60 months inclusive of a principal and interest component. During the year ended June 30, 2025, the Company executed an amendment agreement extending the due date to April 1, 2026.

### **9. Convertible Notes**

On July 9, 2024, the Company closed a convertible note offering of \$1,024,997 of which \$50,000 had been collected as at June 30, 2024. The convertible notes carry an interest rate of 10% per annum, compounded semi-annually, have a maturity date of July 9, 2027, and are convertible into units at a price of \$0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant with an exercise price of \$0.10 and life of 36 months from issuance. The Company allocated \$399,784 to the equity component of the notes. The Company may prepay in whole or in part at any time, without penalty. During the year ended June 30, 2025, a holder of these notes with a face value of \$241,667 converted their note plus accumulated interest of \$20,285 into 5,239,048 units (note 11).

On December 14, 2023, the Company issued two convertible notes with an aggregate value of \$400,000, a maturity date of December 14, 2026, an interest rate of 10% per annum compounded semi-annually, and are convertible into units at a price of \$0.05 per unit. Each unit is comprised of one common share of the Company plus one warrant entitling the holder to purchase one common share of the Company for \$0.10 for 36 months from issuance. The Company allocated \$156,014 to the equity component of the notes. The Company may prepay in whole or in part at any time, without penalty. During the year ended June 30, 2025, a holder of these notes with a face value of \$200,000 converted their note plus accumulated interest of \$29,958 into 4,599,172 units (note 11).

On February 7, 2023, the Company issued three convertible notes with an aggregate value of \$525,000, a maturity date of February 7, 2024, an interest rate of 7% per annum compounded annually, and are convertible into units at a price of \$0.07 per unit. Each unit is comprised of one common share of the Company plus one warrant entitling the holder to purchase one common share of the Company for \$0.15 for 36 months from issuance. The Company allocated \$92,885 to the equity component of the notes. The Company may prepay in whole or in part at any time, without penalty. During the year ended June 30, 2024, the Company began accruing interest on the matured convertible notes. During the year ended June 30, 2025, the Company settled the three convertible notes inclusive of \$50,997 in interest through the issue of a total of \$574,997 in replacement convertible notes in the July 9, 2024 offering above.

During the year ended June 30, 2021, the Company issued three convertible notes with a maturity date of February 11, 2023, an interest rate of 10% compounded semi-annually, convertible at \$0.15 per share, payable upon maturity or conversion with an aggregate value of \$250,000. Of these notes, \$50,000 was issued in settlement of accounts payable and accrued liabilities. The Company allocated \$70,191 to the equity component of the notes. During the year ended June 30, 2023, the Company began accruing interest on the matured convertible notes. The Company may prepay in whole or in part at any time, without penalty. During the year ended June 30, 2025, the Company settled \$5,000 through cash payment.

During the period ended September 30, 2025, the Company made aggregate settlements on its outstanding convertible notes of \$nil (year ended June 30, 2025 - \$940,678) and reclassified \$nil (year ended June 30, 2025 - \$266,248) related to the equity component from the equity feature on convertible note to reserves.

On October 17, 2025, the Company issued convertible notes with an aggregate value of \$610,000, a maturity date of October 17, 2028, an interest rate of 10% per annum compounded semi-annually, and are convertible into units at a price of \$0.05 per unit. Each unit is comprised of one common share of the Company plus one warrant entitling the holder to purchase one common share of the Company for \$0.10 for 36 months from issuance. The Company may prepay in whole or in part at any time, without penalty. As at September 30, 2025, \$350,000 had been received towards this issuance.

**infiniti ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

**9. Convertible Notes (continued)**

	September 30, 2025	June 30, 2025
Balance – beginning of period	\$ 1,172,088	\$ 1,199,692
Issuance of convertible notes	-	1,024,997
Equity component on convertible notes issued	-	(399,784)
Repayment of convertible notes	-	(579,997)
Settlement through conversion	-	(360,681)
Accretion	54,701	254,081
Interest accrued	9,032	33,780
Balance – end of period	\$ 1,235,821	\$ 1,172,088
Current portion	(381,000)	(371,968)
Non – current portion	\$ 854,821	\$ 800,120
Convertible notes, equity component – end of period	\$ 451,471	\$ 451,471

**10. Deferred Revenue**

Details of changes in deferred revenue are as follows:

	September 30, 2025	June 30, 2025
Balance – beginning of period	\$ 48,028	\$ 403,658
Additions	-	152,269
Recognized as revenue	(21,196)	(517,850)
Impact of foreign exchange	658	9,951
Balance – end of period	\$ 27,490	\$ 48,028
Revenue to be recognized in the future		
Within one year	\$ 27,490	\$ 48,028

**11. Share Capital****(a) Authorized Share Capital**

As at September 30, 2025, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

**(b) Issued Share Capital**

The Company did not issue any shares during the period ended September 30, 2025.

During the year ended June 30, 2025, share activity was as follows:

- (i) On July 5, 2024, the Company issued 277,000 common shares on the exercise of deferred share units by a former Director (note 13). Upon exercise, the Company reclassified \$18,005 from reserves to share capital.
- (ii) On May 6, 2025, the Company issued 5,239,048 units pursuant to the conversion of certain convertible notes by their holders (note 9). Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of three years.

**infinitii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
 Presented in Canadian Dollars - unaudited

**11. Share Capital (continued)****(b) Issued Share Capital (continued)**

(iii) On May 20, 2025, the Company issued 4,599,172 units pursuant to the conversion of certain convertible notes by their holders (note 9). Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of three years.

**12. Warrants**

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted average exercise price	Number of warrants
Balance – June 30, 2024		3,000,000
Issued	\$0.10	9,838,220
Balance – June 30, 2025 and September 30, 2025	\$0.10	12,838,220

The details of outstanding share purchase warrants are as follows:

	Exercise price	Number	Expiry date
Share purchase warrants	\$0.10	3,000,000	December 14, 2026
Share purchase warrants	\$0.10	5,239,048	May 6, 2028
Share purchase warrants	\$0.10	4,599,172	May 20, 2028
		12,838,220	

**13. Share-Based Payments**

During the year ended June 30, 2023, the shareholders of the Company adopted an Omnibus Equity Incentive Plan to replace the stock option plan originally adopted on January 22, 2015, and updated in December 2021. Under the terms of this plan, the Company has the flexibility to grant equity-based incentive awards in the form of Options and Restricted, Performance or Deferred Share units. The total number of incentive awards to be granted and outstanding may not exceed 20% of the total issued and outstanding common shares of the Company at the date of grant. Stock options may be granted with an exercise price equal to the market price of the common shares less any permitted discount on the grant date, vest according to privileges set at the time the options are granted, have a minimum price of \$0.10 per share and expire no later than five years from the date of grant. Other incentive awards may be awarded as determined by the Board of Directors of the Company.

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	Number of Options
Balance – June 30, 2024	\$0.10	17,920,000
Cancelled	\$0.10	(300,000)
Balance – June 30, 2025 and September 30, 2025	\$0.10	17,620,000

**infiniti ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

**13. Share-Based Payments (continued)**

Incentive share options outstanding and exercisable at September 30, 2025 are summarized as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
\$0.10	17,120,000	2.47 years	\$0.10	17,120,000	\$0.10
\$0.10	500,000	3.21 years	\$0.10	500,000	\$0.10
	17,620,000	2.49 years	\$0.10	17,620,000	\$0.10

*Deferred Share Units*

During the year ended June 30, 2023, the Company granted 4,720,000 deferred share units (each a “DSU”) to Directors, 3,520,000 on March 20, 2023, and 1,200,000 on May 30, 2023. DSUs entitle holders to common shares of the Company upon retirement or termination. The Company also has the option to settle the DSUs in cash. The DSUs vested immediately and were valued at \$0.065 per DSU. During the year ended June 30, 2025, the Company granted 2,232,178 DSUs to various Directors, Employees and an Officer. The DSUs vested immediately and were valued at \$0.055 per DSU. DSUs have been accounted for as equity-settled as there is no present obligation to settle in cash. During the period ended September 30, 2025, the Company recognized \$nil (2024 - \$nil) to profit or loss in connection with DSUs issued and vested.

During the period ended September 30, 2025, nil (year ended June 30, 2025 – 277,000) DSUs were exercised and upon issuance of nil (year ended June 30, 2025 – 277,000) common shares, \$nil (year ended June 30, 2025 - \$18,005) was reclassified from reserves to share capital (note 11).

On October 17, 2025, the Company granted 1,003,822 DSUs to its directors. The DSUs vested immediately and were valued at \$0.04 per DSU. A continuity of DSUs for the periods ended September 30, 2025 and 2024 is as follows:

	Number of DSUs
Balance – June 30, 2024	4,720,000
Exercised	(277,000)
Issued	2,232,178
Balance – June 30, 2025 and September 30, 2025	6,675,178

**14. Management of Capital**

The capital managed by the Company includes the components of shareholders’ deficiency as described in the condensed consolidated interim statements of changes in shareholders’ deficiency, which totals \$1,407,224 at September 30, 2025 (June 30, 2025 - \$1,175,729). The Company is not subject to externally imposed capital requirements.

The Company’s objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of funds for growth and development of its projects, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of financing reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part. The Company’s overall strategy with respect to management of capital at September 30, 2025 remains fundamentally unchanged from the year ended June 30, 2025.

## infinittii ai inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

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### 15. Supplemental Cash Flow Information

There were no non-cash transactions during the period ended September 30, 2025.

During the period ended September 30, 2024, the Company:

- (i) Reclassified \$18,005 from reserves to share capital on the exercise of DSUs.
- (ii) Recognized \$399,784 to the equity conversion feature on convertible notes on the issuance of new convertible notes.
- (iii) Reclassified \$93,983 from equity conversion feature on convertible notes to reserves on the settlement of convertible notes.

During the period ended September 30, 2025, interest paid was \$1,238 (2024 - \$1,777) and income tax paid was \$nil (2024 - \$nil).

### 16. Related Party Transactions

Related parties include key management personnel, who are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. During the period ended September 30, 2025, the Company paid or accrued, to key management personnel and their related companies:

	Consulting fees	Share-based payments	Total
Chief Executive Officer	\$ 45,000	\$ -	\$ 45,000
Chief Financial Officer	30,000	-	30,000
President	40,000	-	40,000
Total	\$ 115,000	\$ -	\$ 115,000

During the period ended September 30, 2024, the Company paid or accrued, to key management personnel and their related companies:

	Consulting fees	Share-based payments	Total
Chief Executive Officer	\$ 45,000	\$ -	\$ 45,000
Chief Financial Officer	30,000	-	30,000
President	40,000	-	40,000
Total	\$ 115,000	\$ -	\$ 115,000

Included in accounts payable and accrued liabilities as at September 30, 2025 is \$242,645 (June 30, 2025 - \$218,199) due to officers and directors and their related companies.

#### *RA Revenue Automation Inc. ("RA")*

On June 9, 2014, ETS signed a referral services agreement with RA whereby RA agreed to use ETS as its exclusive referral marketing application and include the concept in all relevant business development pitches to customers. A company controlled by the Company's President owns 10% of RA. Social referral software revenue of \$15,000 (2024 - \$15,000) was recorded in profit or loss from RA for the period ended September 30, 2025. As at September 30, 2025, \$21,000 (June 30, 2025 - \$21,000) was receivable from RA.

#### *Kerr Wood Leidal Associates Ltd. ("KWL")*

KWL, a consulting engineering company, founded and created infinittii ai corporation and is related through a director of the Company. During the period ended September 30, 2025, the Company earned data services revenue from KWL of \$42,640 (2024 - \$39,440) and incurred expenses from KWL of \$2,117 (2024 - \$914), which are recorded in office and miscellaneous expenses. Included in accounts receivable as at September 30, 2025, is a balance receivable from KWL of \$41,450 (June 30, 2025 - \$64,136).

## infinittii ai inc.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

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### 17. Financial Risk Management

#### Fair value of financial instruments

The Company measures the fair value of its financial instruments according to a fair value hierarchy based on the significance of observable inputs used to value the instrument as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

The Company's financial instruments consisting of accounts and other receivables, accounts payable and accrued liabilities, loans payable and convertible notes are classified at amortized cost. The carrying values of accounts and other receivables and accounts payable and accrued liabilities approximate their fair values because of their relatively short maturity dates or durations. The carrying values of loans payable and convertible notes also approximates their fair values since they are discounted using market rates.

Cash is classified as being at FVTPL. The fair value of cash as recorded in the consolidated statements of financial position is measured in accordance with Level 1 of the fair value hierarchy.

#### Financial risk management

The Company examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, credit risk, and liquidity risk. These risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Discussions of risks associated with financial assets and liabilities are detailed below:

##### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at September 30, 2025 and 2024, the Company was not subject to material other price risk. The Company's currency risk and interest rate risks are as follows:

##### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at September 30, 2025 and 2024 the Canadian dollar equivalent carrying values of the financial assets and liabilities denominated in foreign balances were as follows (presented in their Canadian dollar equivalent values):

September 30,	US Dollars		Polish Zloty	
	2025	2024	2025	2024
Financial Assets				
Cash	\$ 10,667	\$ 293,951	\$ 23,882	\$ 39,807
Trade receivables	572,573	521,039	-	-
Financial Liabilities				
Accounts payable and accrued liabilities	\$ 26,693	\$ 3,657	\$ 46,290	\$ 55,287

**infinitii ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
Presented in Canadian Dollars - unaudited

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**17. Financial Risk Management (continued)****Financial risk management (continued)***Currency Risk*

The Company is exposed to currency risk on its cash, accounts and other receivables and accounts payable and accrued liabilities that are denominated in US dollars and Polish Zloty. A 10% change in the foreign exchange rate would result in a change in profit or loss of \$55,700 (2024 - \$81,100) and \$2,200 (2024 - \$1,500), respectively for the period ended September 30, 2025. The Company's subsidiary, infinitii ai corporation, operates in the United States which, from the perspective of the Company, creates currency risk associated with those operations. For the period ended September 30, 2025, infinitii ai corporation has revenue of \$566,761 (2024 - \$673,680) (Canadian dollar equivalent). A 10% change in the foreign exchange rate would result in a \$57,000 (2024 - \$67,000) (Canadian dollar equivalent) change in profit or loss. The Company's approach to management of currency risk has not changed materially from that of the year ended June 30, 2025.

*Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk mainly arises from changes in the interest rates on cash, loans payable and convertible notes. Cash generates interest based on market interest rates. As at September 30, 2025 and September 30, 2024, the Company was subject to interest rate risk with respect to its loans payable, some of which bear interest at a fixed rate, some at a variable rate and others are non-interest bearing. The Company's convertible notes bear interest at a fixed rate. A 10% change in interest rates would not result in a material change in profit or loss. The Company's approach to management of interest rate risk has not changed materially from that of the year ended June 30, 2025.

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and accounts and other receivables. The Company mitigates this risk by holding cash at a major Canadian chartered bank in chequing accounts, at a Washington State, USA bank and at a Polish bank.

The Company is exposed to credit risk on its trade receivables. As at September 30, 2025, the Company's credit risk for accounts and other receivables is concentrated as 31% of its trade receivables is owing from two customers (June 30, 2025 – 25% from two customers), with three customers (June 30, 2025 – two) each owing more than 10%.

The aging of accounts and other the receivables is as follows:

	<b>September 30, 2025</b>	<b>June 30, 2025</b>
0 – 30 days	\$ 340,806	\$ 324,481
31 – 90 days	95,051	161,886
Over 90 days	377,594	225,381
Accounts and other receivables before allowance for expected credit losses	813,451	711,748
Less allowance for expected credit losses	(70,968)	(32,998)
Accounts and other receivables	\$ 742,483	\$ 678,750

The Company applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables are assessed primarily based on days past due and adjusted for current credit information. The Company has assessed expected credit losses based on 20% of its trade receivables aged past 90 days and has estimated expected credit losses as at September 30, 2025, of \$70,968 (June 30, 2025 - \$32,998) (note 4).

The Company's approach to management of credit risk has not changed materially from that of the year ended June 30, 2025.

**infiniti ai inc.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND 2024  
 Presented in Canadian Dollars - unaudited

**17. Financial Risk Management (continued)****Financial risk management (continued)***Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. If necessary, the Company may raise funds through the issuance of debt, equity, or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows and matching the maturity profile of financial assets to development, capital, and operating needs. The Company's accounts payable and accrued liabilities are due within 30 to 60 days. The maturities of loans payable and convertible notes are disclosed in notes 8 and 9, respectively. The Company has a working capital deficiency as at September 30, 2025, and will need to raise further financing to meet its financial obligations. The Company's approach to management of liquidity risk has not changed materially from that of the year ended June 30, 2025.

The timing of payments required for financial liabilities in the next five years, by fiscal year, is as follows:

Fiscal year ended June 30	2026	2027	2028	2029	2030
Accounts payable and accrued liabilities	\$ 610,855	\$ -	\$ -	\$ -	\$ -
Loans payable	60,382	49,232	-	-	-
Convertible notes	381,000	195,489	659,332	-	-
	\$1,052,237	\$ 244,721	\$ 659,332	\$ -	\$ -

**18. Segmented Information***Geographic Regions*

The Company operates in one reportable segment, comprised of data services, for which information is regularly reviewed by the Company's CEO, being the chief operating decision-maker along with the CFO. Revenue is earned in two main regions, being Canada and the United States. All of the Company's \$861 in non-current assets were located in Canada as at September 30, 2025 and September 30, 2024. The following is a breakdown of revenue by geographic area based on each customer's location for the period ended September 30, 2025 and 2024:

	2025	2024
<b>Revenue</b>		
Canada	\$ 413,764	\$ 404,039
United States	213,064	314,641
	\$ 626,828	\$ 718,680

*Major Customers*

The Company had three customers (2024 – two customers) which individually represented more than 10% of total revenue for the period ended September 30, 2025.