

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)

**Condensed Interim Consolidated Financial Statements
As at and for the three and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)**

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three and six months ended December 31, 2025.

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited
(In Canadian dollars)

As at	Note	December 31 2025	June 30 2025
Assets			
Current assets			
Cash and cash equivalents		\$ 1,443,667	\$ 147,908
Harmonized sales tax receivable		30,339	11,017
Prepaid expenses		15,940	7,737
Total current assets		1,489,946	166,662
Equipment	3	940	1,105
Intangible asset	4	1,045,811	–
Total assets		\$ 2,536,697	\$ 167,767
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10, 11	\$ 203,759	\$ 706,119
CEBA loan	6	46,567	–
Total current liabilities		250,326	706,119
CEBA loan	6	–	48,967
Contingent Consideration	5	403,299	–
Total liabilities		653,625	755,086
Shareholders' equity (deficit)			
Share capital		36,402,983	33,347,873
Contributed surplus		6,179,498	6,136,088
Deficit		(40,699,409)	(40,071,280)
Total shareholders' equity (deficit)		1,883,072	(587,319)
Total liabilities and shareholders' equity (deficit)		\$ 2,536,697	\$ 167,767

Going concern (Note 1)
Completion of transaction and concurrent private placement (Note 4)

Approved on behalf of the Board of Directors:

/s/ "Steve Vanry"

Steve Vanry, Director

/s/ "Trevor Broad"

Trevor Broad, Director

Prospect Prediction Markets Inc. (formerly DeepMarkit Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(In Canadian dollars)

	For the three months ended December 31		For the six months ended December 31	
	2025	2024	2025	2024
Expenses				
Wages and benefits	\$ 50,151	\$ 23,436	75,178	\$ 48,318
General and administrative	276,765	47,723	345,386	101,209
Professional fees	186,772	21,215	198,700	38,182
Listing and filing fees	34,372	6,367	44,906	14,641
Amortization (Note 3)	82	119	165	237
Share-based payments (Note 7)	43,410	–	43,410	–
Net finance expense (Note 8)	9,133	1,055	11,323	3,122
Foreign exchange loss	1,912	977	2,680	1,303
Gain on Debt Forgiveness	(93,619)	–	(93,619)	–
Recovery of harmonized tax receivable	–	–	–	(40,700)
Total expenses	508,978	100,892	628,129	166,312
Loss and comprehensive loss	\$ (508,978)	\$ (100,892)	\$ (628,129)	\$ (166,312)
Loss per share				
Basic and diluted (Note 9)	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements. 4

Prospect Prediction Markets Inc. (formerly DeepMarkit Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited)
(In Canadian dollars)

	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficit)
Balance, June 30, 2025		\$ 33,347,873	\$ 6,136,088	\$ (40,071,280)	\$ (587,319)
Acquisition	4	600,000	–	–	600,000
Unit private placement	4	2,136,644	–	–	2,136,644
Exercise of warrants	7	318,466	–	–	318,466
Share-based payments	7	–	43,410	–	43,410
Loss for the period		–	–	(628,129)	(628,129)
Balance, December 31, 2025		\$ 36,402,983	\$ 6,179,498	\$ (40,699,409)	\$ 1,883,072
Common shares issued and outstanding		61,062,725			

	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficit
Balance, June 30, 2024		\$ 33,299,802	\$ 6,122,088	\$ (39,831,288)	\$ (409,398)
Unit private placement		48,071	14,000	–	62,071
Loss for the period		–	–	(166,312)	(166,312)
Balance, December 31, 2024		\$ 33,347,873	\$ 6,136,088	\$ (39,997,600)	\$ (513,639)

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

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(In Canadian dollars)

For the six months ended December 31	Note	2025	2024
Operating activities			
Loss for the period		\$ (628,129)	\$ (166,312)
Items not affecting cash:			
Amortization	3	165	237
Finance expense	8	12,261	4,437
Share-based payments	7	43,410	–
Gain on Debt Forgiveness		(93,619)	–
Change in non-cash working capital:			
Harmonized sales tax receivable		(19,322)	(11,495)
Prepaid expenses		(8,203)	(10,935)
Accounts payable and accrued liabilities		(408,741)	(48,198)
Net cash used in operating activities		(1,102,178)	(232,266)
Investing activities			
Payments made for intangible asset acquisition	4	(50,000)	–
Net cash used by investing activities		(50,000)	–
Financing activities			
Private placement proceeds	4	2,159,999	70,000
Share issue costs	4	(23,355)	(7,929)
CEBA loan repayment	6	(5,739)	(371)
CEBA loan interest paid	6	(1,434)	–
Proceeds from exercise of warrants	7	318,466	–
Net cash provided by financing activities		2,447,937	61,700
Change in cash and cash equivalents		1,295,759	(170,566)
Cash and cash equivalents, beginning of period		147,908	254,176
Cash and cash equivalents, end of period		\$ 1,443,667	\$ 83,610
Cash and cash equivalents are comprised of:			
Cash		\$ 1,409,166	\$ 61,186
Redeemable term deposit		34,501	22,424
		\$ 1,443,667	\$ 83,610

Prospect Prediction Markets Inc. (formerly DeepMarkit Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Prospect Prediction Markets Inc., formerly DeepMarkit Corp. (the “Company” or “DeepMarkit”) was incorporated in Canada under the Business Corporations Act (Alberta) on November 20, 2007 under the name Challenger Deep Resources Corp. The Company changed its name to DeepMarkit Corp. on October 30, 2015. On February 19, 2026, the Company announced the completion of its name change to Prospect Prediction Markets Inc. and its continuation under the Canada Business Corporations Act, effective February 23, 2026. The Company is a Technology Issuer whose shares trade on the TSX Venture Exchange under the symbol “MKT.V”, on the OTCID Venture Market under the symbol “MKTSF” and the Frankfurt Stock Exchange under the symbol “DEP0”. To date, the Company has not generated revenues from operations. The Company’s registered office of record is Suite 202, 615 – 15th Avenue S.W., Calgary, Alberta, Canada, T2R 0R4.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not achieved profitable operations since its inception and to date has had limited sources of revenue. As at December 31, 2025, the Company had an accumulated deficit of \$40,699,409 (June 30, 2025 – \$40,071,280) and working capital surplus of \$1,239,620 (June 30, 2025 – deficit of \$539,457). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. The factors above give rise to a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

While management believes the Company has cash resources to discharge its obligations in the normal course of operations for the short-term, future operations will continue to be dependent upon successful development of the Company’s business plan, raising sufficient capital to execute on that plan, and the corresponding generation of future cash flows. Management believes the going concern assumption is appropriate for these consolidated financial statements.

While the Company has been successful to date in obtaining financing, there is no assurance that it will be able to do so in the future or that such financing will be on terms acceptable to the Company. Global events have created uncertainties resulting in significant market volatility and a general restriction on access to capital. There is significant risk that additional debt and equity financing may not be attainable, in which event, the Company would not be able to continue its business operations. These factors give rise to material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on **March 2, 2026**.

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

(b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the following entities:

<u>Name</u>	<u>Place of Business</u>	<u>Ownership</u>
Prospect Prediction Markets Inc., formerly DeepMarket Corp. ("DeepMarket")	Canada	Parent company
DeepMarket Digital Corp. ("Digital")	Canada (inactive)	100% owned subsidiary of DeepMarket
First Carbon Corp. ("First Carbon")	Canada	100% owned subsidiary of DeepMarket
DeepMarket AI Corp.	Canada	100% owned subsidiary of DeepMarket
1556751 B.C. Ltd., formerly Prospect Prediction Markets Inc. ("Prospect")	Canada	100% owned subsidiary of DeepMarket

3. EQUIPMENT

Cost	
Balance, June 30 and December 31, 2025	\$ 18,578
Accumulated amortization	
Balance, June 30, 2025	\$ 17,473
Amortization	165
Balance, December 31, 2025	17,638
Net carrying amount	
As at June 30, 2025	\$ 1,105
As at December 31, 2025	\$ 940

4. INTANGIBLE ASSETS

Cost	
Balance, June 30, 2025	\$ 7,757,249
Additions	1,045,811
Balance, December 31, 2025	\$ 8,803,060
Accumulated amortization	
Balance, June 30, 2025	\$ 7,757,249
Amortization	–
Balance, December 31, 2025	\$ 7,757,249
Carrying amount, June 30, 2025	\$ –
Carrying amount, December 31, 2025	\$ 1,045,811

The Company owns intangible assets comprised of the MintCarbon.io platform (the "Platform"), a web-based software as a service platform that facilitates the minting of carbon offsets into non-fungible tokens. The carrying amount of intangible assets was fully impaired in 2023 due to persistent factors such as a decrease in the Company's enterprise value and unfavorable changes in the crypto and carbon credit markets.

On November 18, 2025, the Company closed the acquisition of 1556751 B.C. Ltd., formerly Prospect Prediction Markets Inc. ("Prospect"). Prospect operates a blockchain-based platform that enables users to participate in free-to-play sports prediction markets.

Prospect Prediction Markets Inc. (formerly DeepMarkit Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

The Company acquired 100% of Prospect's outstanding common shares in exchange for 9,999,993 common shares of DeepMarkit issued at a deemed price of \$0.06 per share, representing a total transaction value of \$600,000. All shares issued to Prospect shareholders are subject to a voluntary hold period of four months and one day from closing. Subsequent to the acquisition closing, and in connection with the parent company's own corporate name change, Prospect Prediction Markets Inc. ("Prospect") changed its name to 1556751 B.C. Ltd. effective February 3, 2026. On February 19, 2026, DeepMarkit Corp. (the parent reporting entity) completed its continuation under the Canada Business Corporations Act and changed its own corporate name to Prospect Prediction Markets Inc. As a result of these sequential name changes, the name "Prospect Prediction Markets Inc." now refers to the parent reporting entity (formerly DeepMarkit Corp.), while the originally acquired entity operates under the numbered company name 1556751 B.C. Ltd. Throughout these financial statements, "Prospect" refers exclusively to the acquired entity as it existed at the time of acquisition (now 1556751 B.C. Ltd.).

Concurrent with closing of the acquisition of Prospect, the Company completed the first tranche of a non-brokered private placement, issuing 25,583,332 common shares at \$0.06 per share for gross proceeds of \$1,534,999. Consequently, the Company completed the second tranche of the private placement on November 21, 2025, issuing 10,416,668 common shares at \$0.06 per share for gross proceeds of \$625,000.

The total gross proceeds from above totaled \$2,159,999, less share issuance costs of \$23,355.

In addition, the Company is responsible for the following payment obligations:

- Initial Payment: \$50,000, which was paid within 90 days of closing
- Contingent Payments based on Monthly Active Users (MAUs):
- \$50,000 upon achieving 50,000 MAUs
- \$250,000 upon achieving 250,000 MAUs
- \$500,000 upon achieving 500,000 MAUs

The acquisition is composed entirely of the technology of the Prospect platform, and is not yet available for use as at period end and therefore is not amortized during the period. Amortization will commence when the assets are available for use and capable of operating in the manner intended by management.

5. CONTINGENT CONSIDERATION

Contingent consideration is associated with the acquisition of Prospect as discussed in Note 4, and is measured at present value.

Beginning balance, June 30, 2025	\$	-
Acquisition of Prospect (Note 4)		395,811
Accretion (Note 8)		7,488
Ending balance, December 31, 2025	\$	403,299

6. CEBA LOAN

Amortized cost, June 30, 2025	\$	48,967
Accretion		3,339
Repayment		(5,739)
Amortized cost, December 31, 2025	\$	46,567

During the six months ended December 31, 2025, the Company recognized \$1,434 (six months ended December 31, 2024 – \$1,508) of interest expense (Note 8) on the CEBA loan. As at December 31, 2025,

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

\$684 of CEBA loan interest is included in accounts payable and accrued liabilities (June 30, 2025 – \$245). As the CEBA loan is fully due on December 31, 2026, the amount has been recorded in current liabilities.

7. SHARE CAPITAL

Common Shares

The Company acquired 100% of Prospect's outstanding common shares in exchange for 9,999,993 common shares of DeepMarket issued at a deemed price of \$0.06 per share, representing a total transaction value of \$600,000. All shares issued to Prospect shareholders are subject to a voluntary hold period of four months and one day from closing.

Concurrent with closing of the acquisition of Prospect, the Company completed the first tranche of a non-brokered private placement, issuing 25,583,332 common shares at \$0.06 per share for gross proceeds of \$1,534,999. Consequently, the Company completed the second tranche of the private placement on November 21, 2025, issuing 10,416,668 common shares at \$0.06 per share for gross proceeds of \$625,000.

The total gross proceeds from above totaled \$2,159,999, less share issuance costs of \$23,355.

Warrants

	Number of warrants	Weighted average exercise price
Balance, June 30, 2025	7,198,497	\$ 0.13
Exercised	(2,709,664)	0.12
Expired	(42,000)	0.15
Balance, December 31, 2025	4,446,833	\$ 0.14

During the six months ended December 31, 2025, 2,709,664 warrants were exercised, resulting in proceeds of \$318,466.

Information about warrants outstanding at December 31, 2025 is as follows:

Number of warrants	Weighted average exercise price	Weighted average life remaining (years)
2,075,166	\$ 0.10	0.34
416,666	0.10	0.36
1,455,000	0.20	0.48
500,000	0.20	0.57
4,446,832	\$ 0.14	0.41

Restricted Share Units (RSUs)

On December 2, 2025, 7,500 RSUs were cancelled, resulting in 52,500 RSUs outstanding as at December 31, 2025 (60,000 RSUs – June 30, 2025), exercisable at \$0.004 per RSU. RSUs vested on August 19, 2023, and expire on August 19, 2027. Upon exercise, the Company will issue one common share for each RSU.

Prospect Prediction Markets Inc. (formerly DeepMarket Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

Stock Options

On November 26, 2025, the Company granted 1,260,000 stock options exercisable at \$0.41 per share. On December 30, 2025, the Company granted 790,000 options exercisable at \$0.65 per share.

A continuity of stock options and information as at December 31, 2025 is as follows:

	Number of stock options	Weighted average exercise price	Weighted average life remaining (years)
Balance, June 30, 2025	–	\$ –	–
Issued on November 26, 2025	1,200,000	0.41	2.90
Issued on November 26, 2025	60,000	0.41	4.90
Issued on December 30, 2025	40,000	0.65	5.00
Issued on December 30, 2025	750,000	0.65	3.00
Balance, December 31, 2025	2,050,000	\$ 0.50	3.04
Exercisable, December 31, 2025	–	–	–

During the three and six months ended December 31, 2025, the Company recognized \$43,410 (three and six months ended December 31, 2024 – \$nil) of share-based payments related to stock options that were granted in November and December 2025.

8. NET FINANCE EXPENSE

	For the three months ended December 31		For the six months ended December 31	
	2025	2024	2025	2024
Accretion of CEBA loan (Note 6)	\$ 1,696	1,488	\$ 3,339	2,929
Accretion on contingent consideration (Note 5)	7,488	–	7,488	–
Interest on CEBA loan (Note 6)	684	754	1,434	1,508
Interest income	(735)	(1,187)	(938)	(1,315)
	\$ 9,133	\$ 1,055	\$ 11,323	\$ 3,122

9. LOSS PER SHARE

	For the three months ended December 31		For the six months ended December 31	
	2025	2024	2025	2024
Loss	\$ (508,978)	\$ (100,892)	\$ (628,129)	\$ (166,312)
Basic and diluted ⁽¹⁾ weighted average number of shares	30,105,954	12,353,068	21,229,511	12,254,155
Loss per share – basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)

⁽¹⁾ All warrants and RSUs have been excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

10. RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of business and recorded at the exchange amount.

Prospect Prediction Markets Inc. (formerly DeepMarkit Corp.)
Notes to the Condensed Interim Consolidated Financial Statements
For the three months and six months ended December 31, 2025
(Unaudited)
(In Canadian dollars)

	For the three months ended December 31		For the six months ended December 31	
	2025	2024	2025	2024
Charged/earned by officers and directors of the Company				
Consulting fees ⁽¹⁾	\$ 15,000	\$ 33,000	\$ 77,000	\$ 66,000
Professional fees	10,978	5,000	18,578	14,551
	\$ 25,978	\$ 38,000	\$ 95,578	\$ 80,551

⁽¹⁾ Consulting fees are included in general and administrative expenses.

As at December 31, 2025, accounts payable and accrued liabilities included \$28,000 (June 30, 2025 – \$211,750) to current officers and directors in respect of key management compensation and \$2,624 (June 30, 2025 – \$376,584) owing to a former director of the Company who ceased to be a director in August 2022. During the period, the Company recognized a gain on debt forgiveness of \$93,619 related to the settlement of amounts owing to former officers and directors.

11. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. As at December 31, 2025, the Company's financial liabilities consist of accounts payable and accrued liabilities and the CEBA loan, which can be entirely settled through the cash and cash equivalents balance of \$1,443,667. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

The timing of cash outflows relating to the Company's financial liabilities as at December 31, 2025 is as follows:

	Carrying amount	Contractual cash flows	Due within 1 year	Due December 31, 2026
	\$	\$	\$	\$
Accounts payable and accrued liabilities	203,759	203,759	203,759	–
CEBA loan (Note 6)	46,567	54,573	–	54,573
	250,326	258,332	203,759	54,573

12. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Company:

- A total of 1,216,666 warrants were exercised, for gross proceeds of \$201,667.

Effective February 3, 2026, the Company's acquired subsidiary previously known as Prospect Prediction Markets Inc. ("Prospect") changed its name to 1556751 B.C. Ltd. pursuant to a Certificate of Change of Name issued by the Registrar of Companies of British Columbia. This renaming was undertaken to vacate the "Prospect Prediction Markets Inc." corporate name, which the parent company (formerly DeepMarkit Corp.) subsequently adopted as its own name upon completion of its continuation and name change on February 19, 2026. As a result, all references to "Prospect" within these financial statements refer to the operating subsidiary now known as 1556751 B.C. Ltd.