Predictiv AI Amends Letter of Intent to Acquire Shift Technologies and HouseStack Holdings

written by Raj Shah | March 18, 2025

March 18, 2025 ([Source](#)) — Predictiv AI Inc., further to the news releases of Aug. 8, 2024, Oct. 2, 2024, and Feb. 14, 2025, has entered into an amended letter of intent (LOI) to acquire all issued and outstanding shares of Shift Technologies Canada Inc. and HouseStack Holdings Inc. The LOI outlines the principal terms and conditions of a business combination by way of a share exchange, amalgamation or other similar form of transaction, which will result in Shift and HouseStack becoming wholly owned subsidiaries of Predictiv AI, or otherwise combining their corporate existence with a wholly owned subsidiary of the company.

Predictiv AI intends for the proposed transaction to constitute a reverse takeover transaction pursuant to the policies of the TSX Venture Exchange. The trading in the common shares of Predictiv AI will remain halted pursuant to the policies of the TSX-V. It is anticipated that trading will remain halted until the completion of the proposed transaction. It is anticipated that the reporting issuer resulting from the proposed transaction will qualify as a Tier 2 technology issuer pursuant to the requirements of the TSX-V. Unless otherwise indicated, any capitalized term contained in this news release that is not defined herein has the meaning ascribed to such term in the policies of the TSX-V.

Proposed transaction summary

Predictiv AI will acquire all issued and outstanding shares in the capital of both Shift and HouseStack in exchange for 82.5 per cent (previously 70 per cent) of the Predictiv AI shares immediately prior to the closing of the proposed transaction (but not including the financing described below). In connection with the closing of the proposed transaction, the company expects to consolidate the Predictiv AI shares on a ratio of one new share for each 12.5 old shares. Based on the number of Predictiv AI shares currently issued and outstanding of 128,500,616, it is expected that the company will have approximately 10,280,049 postconsolidation Predictiv AI shares outstanding immediately prior to closing of the proposed transaction, resulting in the company issuing approximately 63 million Predictiv AI shares postconsolidation basis) to the shareholders of Shift and HouseStack on closing of the proposed transaction.

In addition to the issuance of Predictiv AI shares, on closing of the proposed transaction, Suman Pushparajah will receive: (i) a cash payment of $250,000; (ii) a promissory note issued by the resulting issuer with a principal amount of $250,000, accruing interest at an annual rate of 12 per cent and repayable upon the resulting issuer achieving positive cash flow for two consecutive years (Mr. Pushparajah shall have the option to convert the principal amount of the note into Predictiv AI shares at the issue price under the financing (as described below)); and (iii) any additional funds beyond the above $500,000 advanced by way of a loan from the Mr. Pushparajah into Shift and/or HS shall be converted into Predictiv AI shares at the issue price under the financing.

Private placement financing and timing

As part of the proposed transaction, Predictiv AI will complete an equity financing for gross proceeds of up to $1.75-million

through the issuance of subscription receipts at a price of 10 cents per subscription receipt. The funds from the subscription receipts will be held in escrow until the closing of the proposed transaction and the satisfaction of certain escrow release conditions. Each subscription receipt, upon satisfaction of the release conditions, will automatically convert into one postconsolidated Predictiv AI share and one-half of one transferable share purchase warrant, subject to adjustment in certain events. Each warrant will entitle the holder thereof to purchase one postconsolidated Predictiv AI share at an exercise price of 15 cents per share for a period of 12 months from the closing date of the proposed transaction, provided that, if, following four months and a day after the closing date of the proposed transaction, the volume weighted average price of the common shares on the TSX-V is equal to or greater than 30 cents for any 10 consecutive trading days, Predictiv AI may, upon providing written notice to the holders of warrants, accelerate the expiry date of the warrants to the date that is 30 days following the date of such written notice.

The financing will be conducted on a non-brokered private placement basis and finders' fees may be paid on all or a portion of the financing. Closing of the financing is anticipated to occur on or around April 30, 2025, or such other date as may be determined by the company. The financing remains subject to acceptance by the TSX-V.

Closing of the proposed transaction will be subject to a number of conditions precedent, including, without limitation:

1. Receipt of all required regulatory, corporate and third party approvals, including TSX-V approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the proposed transaction;
2. Completion of satisfactory results from due diligence

investigations for each of the parties;

3. Completion of the financing;
4. Other mutual conditions precedent customary for a transaction such as the proposed transaction.

The proposed transaction is not a related party transaction under TSX-V Policy 5.2 and it is not expected that the proposed transaction will be subject to approval by Predictiv AI's shareholders. There are no non-arm's-length parties of Predictiv AI that are insiders, officers or shareholders of Shift or HouseStack.

About Shift Technologies Canada Inc. — AI-driven (artificial intelligence) fleet and asset management platform

Shift is an AI-powered fleet and asset management platform designed to optimize vehicle operations, access real-time asset tracking, reduce downtime and enhance workforce productivity across multiple industries. By leveraging real-time data, predictive analytics and AI automation, Shift provides enterprise businesses and government entities with a comprehensive solution to manage fleets and assets efficiently.

Key features of Shift:

- Real-time asset tracking: monitor movement and utilization of fleet and assets with live updates;
- AI-powered inspections: automated damage detection and compliance checks across all assets;
- Driver and operator behaviour monitoring: AI-driven insights into performance, safety and efficiency;
- AI dashcams and assistance: real-time video analysis, alerts and risk mitigation;
- Intelligent routing and automation: AI-enhanced route planning, dispatch and data-driven optimization;

- Work order management and optimization: AI-powered work order schedulling, compliance tracking and operational efficiency;
- Predictive maintenance: AI-driven analytics to reduce downtime and optimize maintenance cycles.

About CloudRep — AI agent work force for business automation

CloudRep is transforming work force automation with AI-powered voice and text agents designed to enhance productivity, streamline operations and optimize business workflows. Its AI agents integrate seamlessly with enterprise data, enabling businesses to automate complex tasks while improving efficiency and customer engagement. CloudRep offers both AI voice agents and AI chatbots, delivering intelligent automation for customer interactions, call management and enterprise workflows.

Key features of CloudRep:

- AI agent creation: train AI agents using company documents, industry regulations and structured data;
- Call management: automate inbound and outbound calls, handle customer inquiries, and streamline workflows;
- Automated notifications and transfers: send SMS (short messaging service)/e-mail follow-ups and enable seamless call transfers;
- Calendar and appointment schedulling: AI-powered schedulling, reschedulling and event co-ordination;
- CRM (customer relationship management) and ERP (enterprise resource planning) integration: embed AI agents into enterprise applications for data-driven automation.

About HouseStack Holdings Inc. — real estate intelligence platform

HouseStack is transforming the real estate industry with a real estate intelligence platform, which includes AI-driven automated valuation models (AVMs) and a next-generation digital brokerage platform. By leveraging advanced machine learning and big data analytics, HouseStack empowers buyers, sellers and real estate professionals with instant property valuations, predictive market insights and a seamless digital transaction experience.

Key features of HouseStack:

- HouseFax: instant, data-driven property valuations for accurate pricing;
- Market intelligence and predictive analytics: AI-driven insights into pricing trends, market shifts and investment opportunities;
- LiLA conversational AI chatbot: AI-powered chatbot to help users search, compare and analyze real estate listings.

Further information

The company intends to issue a subsequent news release in accordance with the policies of the TSX-V providing further details in respect of the proposed transaction, including information relating to the transaction structure, the definitive agreement, descriptions of the proposed principals and insiders of the resulting issuer, as well as the financing. In addition, a summary of Shift's and HouseStack's financial information will be included in a subsequent news release.

About Predictiv AI Inc.

Predictiv AI is a technology company that has helped businesses and organizations make smarter decisions using advanced artificial intelligence, deep machine learning and data science techniques. The company's R&D (research and development)

division, AI Labs Inc., a wholly owned subsidiary of Predictiv AI, has developed new products that solve real-world business problems.