FORM 5A
ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to Non Venture Issuers . Non Venture Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: **BRANDPILOT AI INC.**

Website: **https://www.brandpilot.ai/**

Listing Statement Date: **July 8 2024**

Description(s) of listed securities(symbol/type): **Common Shares**

Brief Description of the Issuer's Business:

BrandPilot AI Inc. is a performance marketing technology company headquartered in Toronto, specializing in innovative solutions that deliver exceptional ROI for global enterprise brands. Leveraging artificial intelligence, data analytics, and industry expertise, BrandPilot AI empowers organizations to navigate complex advertising landscapes with precision. The company's core offering, AdAi combats ad waste by identifying cannibalistic ads in paid search campaigns, while Spectrum IQ, harnesses micro-influencers to maximize ROI for global enterprise brands.

Description of additional (unlisted) securities outstanding:
Stock Options, Restricted Share Units, Warrants

Jurisdiction of Incorporation: **Ontario**

Fiscal Year End: **March 31, 2026**

Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): **(Last) January 15, 2026, (Next) Not yet announced in 2027**

Financial Information as at: **March 31, 2026**

	Current	Previous
Cash……………………………………	23,741	433,801
Current Assets ………………………	122,263	613,980
Non-current Assets…………………	-	21,375
Current Liabilities……………………	1,288,734	1,008,884
Non-current Liabilities………………	117,980	159,620
Shareholders' equity………………..	(1,284,451)	(533,149)
Revenue………………………………	203,776	398,023
Net Loss……………………………	(1,886,532)	(2,602,701)
Net Cash Flow from Operations…..	(1,485,770)	(2,831,141)

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules.

If the required details are included in **Schedule A or B**, provide specific **reference to the page or note.**

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

Please see Related Party Transactions (if any) disclosed in the Notes to the audited Annual Financial Statements attached as Schedule A.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

(a) summary of **securities issued during the period**,

Please see disclosure in Notes to the audited Annual Financial Statements attached as Schedule A.

Date of Issue	Type of Security	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (if Related Person)	Commission Paid

(b) **summary of options** granted during the period,

Please see stock option and warrant activity disclosed in the Notes to the audited Annual Financial Statements attached as Schedule A.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. **Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Please see in the Notes to the audited Annual Financial Statements attached as Schedule A.

(b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Please see the Notes to the audited Annual Financial Statements attached as Schedule A.

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not applicable

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Name	Title(s)	Appointment Date
Brandon Mina	**President, CEO & Director**	**June 27, 2024**
Kyle Appleby	**Chief Financial Officer**	**June 27, 2024**
Adam Szweras	**Executive Chairman & Director**	**June 27, 2024**
Brian Presement	**Director**	**June 27, 2024**
Randall Craig	**Director**	**June 27, 2024**
Jeremy Goldman	**Director**	**June 27, 2024**
Andres Tinajero	**Director**	**June 27, 2024**
Corbitt Fine	**Director**	**November 21, 2025**

5. **Financial Resources**

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Please see Management's Discussion and Analysis attached as Schedule B.

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details: **N/A**

7. Business Activity

a) Activity for a **mining or oil and gas Listed Issuer**

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details. **N/A**

(ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details. **N/A**

b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details. **N/A**

(ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details. **N/A**

ATTACHMENTS:

SCHEDULE A **AUDITED ANNUAL FINANCIAL STATEMENTS**

SCHEDULE B **MANAGEMENT DISCUSSION AND ANALYSIS**

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: **July 29, 2026.**

Kyle Appleby
Name of Director or Senior Officer

/s/ "Kyle Appleby"
Signature

Chief Financial Officer
Official Capacity

Issuer Details **BrandPilot AI Inc.**	*Year Ended* **March 31, 2026**	*Date of Report (Y/M/D)* **2026/07/29**
Issuer Address **120 Adelaide St West, Suite 900**		
City/Province/Postal Code **Toronto, Ontario M5H 3V1**	*Issuer Fax No.* **N/A**	*Issuer Telephone* **(888) 960-2724**
Contact Name **Brandon Mina**	*Contact Position* **President & CEO**	*Contact Telephone* **(888) 960-2724**
Contact Email Address **info@brandpilot.ai**	*Web Site Address* **https://www.brandpilot.ai/**	

SCHEDULE "A"

ANNUAL FINANCIAL STATEMENTS

BrandPilot AI Inc.

Consolidated Financial Statements

For the years ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BrandPilot AI Inc:

Opinion

We have audited the consolidated financial statements of BrandPilot AI Inc. and its subsidiaries (collectively, the "Group"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information (hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 in the consolidated financial statements which indicates that the Group incurred a loss of $1,886,532 (2025: $2,602,701) and reported net cash used in operating activities of $1,485,770 (2025: $2,831,141) during the year ended March 31, 2026. The Group also had a working capital deficiency of $1,166,471 as at March 31, 2026. As stated in note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended March 31, 2026. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	**Audit procedures**
Revenue Recognition – Principal versus Agent (Reseller Arrangement)	Our procedures in relation to the Revenue Recognition – Principal versus Agent included: • Read the reseller agreement and a sample of End User contracts to identify the

We identified the determination of whether the Group acts as principal or agent in respect of revenue earned under its reseller arrangement for the AdAi and React software and services as a key audit matter. Management's conclusion required significant judgement in applying the control principles and indicators in IFRS 15 and IFRIC guidance and had a material effect on the presentation of revenue and cost of services. The Group generated revenue of $203,776 for the year ended March 31, 2026 (2025: $398,023), substantially all relating to the AdAi arrangement. Management concluded the Group acted as a principal in respect of this arrangement, and accordingly, the revenue generated amounting to $158,587 has been presented as gross with the corresponding cost paid to the software provide in Cost of Sales. The judgement was significant given the weight placed on the Group's discretion in setting End User pricing, its plans for future integration of the technology into its own platforms, the non-competitor clause in the reseller agreement, and the limited near-term viability of a competitor supplier.	specified service and each party's rights and obligations. • Read management's Assessment, under IFRS 15, which considered which party controls the service before transfer, evaluating responsibility for fulfilment, performance risk, and challenged management's reliance on the pricing indicator and its conclusion. • Documented consultation with the technical team. • Understood and walked through key controls over revenue, including invoicing and the monthly reconciliation of verified savings. • Recomputed the gross billing amounts payable to software provider to invoices, reporting and the general ledger. • Obtained the SOC report from the software provider to assess the control environment and reliance on the information used to prepare invoices to customers. • Evaluated the adequacy of the disclosure and presentation in the financial statements including the appropriate accounting policy and significant judgement disclosures.

Other Information

Management is responsible for the other information. Other information comprises information, included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Erkin Atakhanov.

PKF Antares

Toronto, Ontario
July 29, 2026

Professional Corporation
Authorized to Practice Public Accounting by the
Chartered Professional Accountants of Ontario

BrandPilot AI Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2026	As at March 31, 2025
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**23,741**	433,801
Accounts receivable (Note 4)	**90,692**	139,371
Prepaid expenses	**7,830**	40,808
Total Current Assets	**122,263**	613,980
Computer equipment and software (Note 5)	**-**	21,375
Total Assets	**122,263**	635,355
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 13)	**816,390**	729,775
Notes payable (Note 7)	**234,837**	1,822
Deferred revenue	**-**	25,573
Convertible debenture (Note 9)	**195,867**	210,074
BDC Loan (Note 8)	**41,640**	41,640
Total Current Liabilities	**1,288,734**	1,008,884
BDC Loan (Note 8)	**117,980**	159,620
Total Liabilities	**1,406,714**	1,168,504
Shareholders' Equity		
Share capital (Note 10)	**6,463,534**	5,882,081
Shares to be issued	**-**	75,000
Equity component of convertible debenture (Note 9)	**10,008**	7,704
Reserve for share-based payments (Note 11)	**471,130**	440,931
Reserve for Warrants (Note 12)	**2,773,812**	2,177,538
Accumulated deficit	**(11,002,935)**	(9,116,403)
Total Equity	**(1,284,451)**	(533,149)
Total Liabilities and Shareholders' Equity	**122,263**	635,355

Nature of operations and going concern (Note 1)
Subsequent events (Note 20)

BrandPilot AI Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	2026	2025
	$	$
Revenue		
Revenue – AdAi (Note 18)	**158,586**	-
Revenue – other services	**45,190**	398,023
Total revenue	**203,776**	398,023
Cost of sales	**(251,980)**	(140,159)
Gross Profit (Loss)	**(48,204)**	257,864
Expenses		
Salaries and consulting fees	**688,758**	1,172,476
Professional fees	**327,774**	721,913
Share-based compensation (Notes 11 and 12)	**30,199**	145,904
Research and development	**-**	44,705
Office and general	**321,676**	319,534
Marketing and advertising	**348,866**	272,631
Depreciation of computer equipment and software (Note 5)	**21,375**	23,795
	(1,738,648)	(2,700,958)
Loss before Other Income/(Expenses)	**(1,786,852)**	(2,443,094)
Other Expenses		
Interest and accretion (Note 17)	**(82,963)**	(102,140)
Loss on modification of convertible debenture	**(22,193)**	-
Foreign exchange loss	**(15,900)**	(3,241)
Other income	**21,376**	104,443
Listing expense (Note 6)	**-**	(158,669)
	(99,680)	(159,607)
Net loss before taxes	**(1,886,532)**	(2,602,701)
Net Loss and Comprehensive Loss	**(1,886,532)**	(2,602,701)
Loss per share – basic and diluted (Note 19)	**(0.012)**	(0.031)
Weighted average number of shares outstanding	**163,460,693**	84,290,086

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

BrandPilot AI Inc.
Consolidated Statements of Cash Flows
For the years ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	2026	2025
	$	$
Operating Activities		
Net loss for the year	**(1,886,532)**	(2,602,701)
Share-based compensation (Note, 11 and 12)	**30,199**	145,904
Depreciation of computer equipment and software (Note 5)	**21,375**	23,795
Accretion on convertible debenture (Note 9)	**45,906**	62,280
Loss on modification of debt	**22,193**	-
Shares issued for services	**-**	64,568
Listing expense (Note 6)	**-**	158,669
	(1,766,861)	(2,147,484)
Net change in non-cash working capital items:		
Accounts receivables	**48,679**	329,154
Prepaid expenses	**32,978**	36,728
Deferred revenue	**(25,573)**	(69,001)
Accounts payable and accrued liabilities	**225,005**	(980,538)
Cash Flows used in Operating Activities	**(1,485,770)**	(2,831,141)
Financing Activities		
Proceeds from private placement financings (Note 10)	**1,191,187**	1,319,263
Shares to be issued	**-**	75,000
Share issue costs	**(143,837)**	(40,000)
BDC loan repayments (Note 8)	**(41,640)**	(41,640)
Repayment of advances to related party	**-**	(268,178)
Notes payable from related parties (Note 7)	**110,000**	28,000
Proceeds from issuance of convertible debentures (Note 9)	**-**	134,180
Issue costs – convertible debentures (Note 9)	**(40,000)**	-
Cash Flows provided by Financing Activities	**1,075,710**	1,206,625
Investing Activities		
Cash acquired on reverse takeover (Note 6)	**-**	1,964,456
Cash Flows from Investing Activities	**-**	1,964,456
Change in cash	**(410,060)**	339,940
Cash, beginning of the year	**433,801**	93,861
Cash, end of the year	**23,741**	433,801

Additional cashflow information:

Debt conversions included in private placements	-	548,224
Units issued in settlement of accounts payable	15,377	-
Shares issued on conversion of debentures	40,000	213,200
Shares issued for services or other such settlement arrangements	40,000	64,568
Finder’s warrants	61,316	-

BrandPilot AI Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Shares to be issued	Equity component of convertible debentures	Share-based payments	Warrants reserve	Accumulated deficit	Total
	#	$	$	$	$	$	$	$
Balance March 31, 2024	**34,920,317**	**2,987,385**	**-**	**7,704**	**233,750**	**1,330,995**	**(6,513,702)**	**(1,953,868)**
Issuance of shares on reverse takeover (Note 6)	49,217,408	2,187,440	-	-	61,277	-	-	2,248,717
Issuance of shares from private placements (Notes 10)	48,395,520	1,279,263	75,000	-	-	-	-	1,354,263
Issuance of shares on conversion of debentures	4,797,000	213,200	-	-	-	-	-	213,200
Issuance of shares on stock success fee	1,430,280	64,568	-	-	-	-	-	64,568
Valuation of warrants on private placement	-	(849,775)	-	-	-	849,775	-	-
Warrants – equity portion of convertible debentures	-	-	-	-	-	(3,232)	-	(3,232)
Stock-based compensation (Note 11,12)	-	-	-	-	145,904	-	-	145,904
Net loss for the year	-	-	-	-	-	-	(2,602,701)	(2,602,701)
Balance March 31, 2025	**138,760,525**	**5,882,081**	**75,000**	**7,704**	**440,931**	**2,177,538**	**(9,116,403)**	**(533,149)**
Issuance of shares from private placements (Notes 10)	50,647,480	1,266,187	(75,000)	-	-	-	-	1,191,187
Share issue costs - cash	-	(143,837)	-	-	-	-	-	(143,837)
Share issue costs – finders warrants	-	(61,316)	-	-	-	61,316	-	-
Valuation of warrants on private placement	-	(529,945)	-	-	-	529,945	-	-
Stock-based compensation (Note 11,12)	-	-	-	-	30,199	-	-	30,199
Issuance of shares on conversion of debentures	909,090	40,000	-	-	-	-	-	40,000
Modification of convertible debenture	-	-	-	2,304	-	-	-	2,304
Issuance of units on settlement debt	690,910	10,364	-	-	-	5,013	-	15,377
Net loss for the period	-	-	-	-	-	-	(1,886,532)	(1,886,532)
Balance March 31, 2026	**191,008,005**	**6,463,534**	**-**	**10,008**	**471,130**	**2,773,812**	**(11,002,935)**	**(1,284,451)**

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

1. Nature of Operations and Going Concern

BrandPilot AI Inc (formerly Universal PropTech Inc. or "UPI") ("BPAI" or the "Company") was incorporated under the Canada Business Corporation Act on August 22, 2008. On June 24, 2024, UPI changed its name to BrandPilot AI Inc. The address of the Company's corporate office is 120 Adelaide Street West, Suite 900, Toronto, Ontario, M5H 3V1. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "BPAI", quoted on the OTCQB® Venture Market under the symbol "BPAIF" and traded on the Frankfurt Stock Exchange under the symbol "8LH0.

On June 28, 2024, the Company completed a change of business (the "COB Transaction") by way of a reverse takeover transaction (the "RTO", see note 6) with Xemoto Media Ltd. (incorporated under the *Business Corporations Act* (Ontario) on July 6, 2020) ("Xemoto"), whereby all of the issued and outstanding common shares of Xemoto were exchanged on the basis of 0.225 common shares (the "Exchange Ratio") in the capital of BPAI for each common share in the capital of Xemoto held by shareholders immediately prior to the closing of the COB Transaction. All references to common shares, stock options and restricted share units in these consolidated financial statements have been adjusted retrospectively to reflect the Exchange Ratio. In connection with the completion of the COB Transaction, the Common Shares of BPAI were delisted from the TSX Venture Exchange on June 13, 2024, and commenced trading on the CSE July 8, 2024.

BPAI is a performance marketing technology company headquartered in Toronto, Canada, specializing in innovative solutions that aim to deliver exceptional ROI for global enterprise brands. Leveraging artificial intelligence, data analytics, and industry expertise, BPAI empowers organizations to navigate complex advertising landscapes with precision. The Company's flagship product, AdAi, combats ad waste by optimizing uncontested ad pricing in paid search campaigns.

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

During the year ended March 31, 2026, the Company incurred a net and comprehensive loss of $1,886,532 (2025 – $2,602,701) and, as at March 31, 2026, had an accumulated deficit of $11,002,935, a working capital deficiency of $1,166,471 and cash of $23,741 (2025 – $433,801). The Company's current cash resources and expected cash flows from operations are not sufficient to fund its planned expenditures and meet its obligations for at least twelve months following the date these consolidated financial statements are authorized for issue.

The Company's ability to continue as a going concern depends on obtaining additional financing, managing its expenditures, and ultimately generating sufficient revenue and positive cash flows from operations. Management intends to address its funding requirements through equity issuances, debt financing and/or other strategic arrangements, deferring discretionary expenditures, and pursuing revenue growth from its AdAi platform. During the year, the Company completed private placements for aggregate gross proceeds of $1,266,187 and raised $110,000 through related-party notes, demonstrating its continued ability to access capital. Management remains in active financing discussions and continues to pursue cost reductions and revenue growth.

Management believes these plans provide a reasonable basis for preparing these financial statements on a going-concern basis. However, the Company's ability to obtain additional financing and generate sufficient cash flows is not assured. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities, or reported expenses, that might be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

2. Basis of Presentation (continued)

These consolidated financial statements were approved and authorized for issuance by the Board of Directors (the "Board") of the Company on July 29, 2026.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments carried at fair value, as explained in the accounting policies as set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional Currency

These consolidated financial statements are presented in Canadian dollars ("$"), which is the Company's functional currency. The functional currency is the currency of the primary economic environment in which the Company operates.

(c) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources, and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends.

Principal versus agent considerations

The determination of whether the Company acts as principal or agent in its customer arrangements requires significant judgment.

In providing technology-enabled advertising optimization services through the AdAi platform, the Company uses technology and related services supplied by a third-party service provider. Management concluded that the Company acts as principal. In reaching this conclusion, management considered that the Company is primarily responsible for fulfilling the promise to provide the service to the customer, manages the delivery of the service and integrates the third-party technology and related services into the overall service provided to the customer. The Company also has discretion in establishing the price charged to the End User. This judgment also considered the non-competitor clause, and the limited near-term viability of a competitor supplier.

2. Basis of Presentation (continued)

Accordingly, the Company recognizes the gross amount of consideration to which it expects to be entitled from the customer as revenue and recognizes amounts payable to the third-party service provider as cost of sales. If the Company had concluded that it acted as agent, revenue would have been recognized on a net basis in the amount of the fee or margin retained by the Company. This alternative presentation would reduce both revenue and cost of sales by the same amount and would not affect gross profit, net loss or cash flows.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. Judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Estimated useful lives, depreciation/ amortization of computer equipment, and software

Depreciation of property and equipment is dependent upon estimates of useful life, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts which take into account factors such as economic conditions, market conditions and the useful lives of assets.

Impairment

Long-lived assets, including computer, equipment and software, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less costs of disposal. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Warrants and options

Warrants and options are initially recognized at fair value, based on the application of the Black-Scholes valuation model ("Black-Scholes"). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

(d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Xemoto Media Ltd. Inter-company transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

Profit or loss and other comprehensive loss of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

3. Summary of Material Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits, and similar type of instruments with an original maturity of three months or less at the time of purchase.

(b) Revenue from Contracts with Customers

The Company recognizes revenue in accordance with the following five-step model:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations based on their relative stand-alone selling prices; and
- recognize revenue when, or as, the performance obligations are satisfied.

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer and excludes amounts collected on behalf of third parties. Revenue is recognized when, or as, the applicable performance obligation is satisfied.

The Company provides technology-enabled advertising optimization services through the AdAi platform. AdAi analyzes customers' branded search and shopping campaigns to identify economically inefficient or redundant advertising expenditures and provides ongoing campaign optimization services. The Company uses technology and related services supplied by a third-party service provider in delivering its services to customers.

The Company has determined that it acts as principal in these arrangements. The Company is primarily responsible for fulfilling the promise to provide the service to the customer, manages the delivery of the service and integrates the third-party technology and related services into the overall service provided to the customer. Accordingly, revenue is recognized on a gross basis in the amount of consideration to which the Company expects to be entitled from the customer. Amounts payable to the third-party service provider are recognized as cost of sales as the related services are received.

As the Company's consideration is variable, revenue is recognized only to the extent that the verified savings can be reliably measured, and it is highly probable that a significant reversal of cumulative revenue recognized will not occur. Revenue is recognized monthly as the underlying services are provided, the verified savings are determined, and the Company satisfies its performance obligation to arrange for the services.

Revenue is calculated monthly as a contractual percentage of the verified advertising savings generated for the customer during the applicable month. This consideration is variable and is included in the transaction price only to the extent that it is highly probable that a significant reversal in cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Revenue is recognized monthly as the underlying services are provided and the verified advertising savings are determined.

During the prior fiscal year, the Company also earned revenue from arranging the distribution of marketing content through influencers. These arrangements generally consisted of a single performance obligation, which was satisfied at a point in time when the contracted distribution services were completed and delivered to the customer. The Company discontinued providing these services during the current fiscal year.

3. Summary of Material Accounting Policies (continued)

(c) Financial Instruments

The Company classifies and measures financial instruments in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities on the statements of financial position when it becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets in the following measurement categories: (a) FVTPL; (b) fair value through other comprehensive income ("FVTOCI"); and (c) amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains or losses are recorded in profit or loss. The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the solely principal and interest ("SPPI") criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in the statements of loss and comprehensive loss.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss). As at March 31, 2026, and 2025, the Company did not have any financial assets at FVTOCI.

3. Summary of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Amortized cost

This category includes financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. Financial assets classified in this category are measured at amortized cost using the effective interest method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets, including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

The Company’s classification of financial assets and financial liabilities is summarized below:

Cash and cash equivalents	Amortized cost
Accounts receivable (excluding sales tax recoverable)	Amortized cost
BDC Loan	Amortized cost
Notes Payables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Expected credit loss impairment model

Under IFRS 9 – Financial Instruments, the Company recognizes a provision for ECL on financial assets that are measured on amortized cost. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3. Summary of Material Accounting Policies (continued)

(c) Financial Instruments (continued)

Derecognition (continued)

Gains or losses on derecognition are generally recognized in profit or loss.

Determination of fair value

The determination of fair value requires judgment and is based on market information, where available and appropriate. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Computer equipment and software

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes the acquisition costs or construction costs, as well as the costs directly attributable to bringing the asset to the location and condition necessary for its use in operations. When property and equipment include significant components with different useful lives, they are recorded and amortized separately.

Depreciation is computed using the straight-line method based on the estimated useful life of the assets and commences when the asset is available for use, being when it is in the location and condition necessary for it to operate as intended by management. The residual value, useful life and depreciation methods are reviewed at the end of each reporting period. Such a review takes into consideration the nature of the asset, the intended use and impact of technological changes. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of capital assets. Subsequent costs are included in the asset carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recorded on a straight-line basis as follows:

- Computer equipment: Straight-line basis over three years
- Software: Straight-line basis over five years

3. Summary of Material Accounting Policies (continued)

(e) Compound Instruments

The components of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the contractual terms of the compound instrument. At the date of issue, the fair value of the liability component is estimated using the market interest rate then in effect for a similar convertible instrument. This amount is recorded as a liability, at amortized cost, using the effective interest rate method until its expiry at the time of conversion or maturity of the instrument. The equity component is determined by deducting the amount of the liability component of the total fair value of the compound instrument. This amount is recognized in equity, net of income tax effects, and is not subsequently remeasured.

Transaction costs related to the issuance of the convertible debts are allocated to the liability and equity components in proportion to their initial carrying amounts. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the life of the convertible debentures using the effective interest method. Interest and accretion expense are recognized as a finance cost in the statements of loss and comprehensive loss.

The conversion feature which does not meet equity classification, as it contains contractual terms that result in the potential adjustment in the conversion or exercise price, is accounted for as embedded derivative liabilities as its fair value is affected by changes in the fair value of the Common Shares. The effect is that the convertible debts are accounted for at amortized cost, with the embedded derivative liabilities being measured at fair value with changes in value being recorded in profit or loss.

(f) Provisions

A provision is recognized when: (i) the Company has a present legal or constructive obligation as a result of a past event, (ii) it is probable that an outflow of economic benefits will be required to settle the obligation, and (iii) the amount of the obligation can be reliably estimated. Where their effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(g) Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss).

Current income tax is recognized and measured at the amount expected to be recovered from, or payable to, the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period, including any adjustment to taxes payable in respect of previous years.

Deferred tax is recorded for temporary differences at the date of the statements of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at the end of the reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, and based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

3. Summary of Material Accounting Policies (continued)

(g) Income Taxes (continued)

Deferred tax assets and deferred tax liabilities are offset if, and only if, they relate to income taxes levied by the same taxation authority and the Company has the legal rights and intent to offset.

Estimates

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters differs from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determinations were made.

(h) Share Capital

In situations where the Company issues units, the value of units is bifurcated, and the value of warrants is included as a separate reserve for warrants. The proceeds from the issuance of units are allocated between common shares and warrants on a pro-rated basis using the relative fair value method. The fair value of the common shares is determined using the share price at the date of issuance of the units. The fair value of the warrants is determined using Black-Scholes. Expired warrants are transferred to retained earnings (deficit).

(i) Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

(j) Share-Based Payments Transactions

The Company operates an employee stock option plan (the "Option Plan"). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received, or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The fair value of options is determined using Black–Scholes. The fair value of equity-settled share-based compensation transactions are recognized as an expense with a corresponding increase in the reserve for share-based payments. Expired options are transferred to retained earnings (deficit).

(k) Restricted Share Units

Restricted share units of the Company ("RSUs") are measured at the fair value of the date of grant, based on the closing price of the Common Shares on the date of grant. The fair value of share-based compensation on RSUs is recognized as an expense with a corresponding increase in the reserve for share-based payments over the vesting period.

(l) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Expressed in Canadian Dollars)

3. Summary of Material Accounting Policies (continued)

(m) Research and Development Costs

Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized as internally generated intangible assets if the Company can demonstrate each of the following criteria:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Intention to complete the intangible asset and use or sell it;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

New accounting standards

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2026, that have not been applied in preparing the consolidated financial statements for the year ended March 31, 2026. Except as disclosed below, these standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

- On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows, such as some instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at fair value through other comprehensive income. These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The Company is currently assessing the impact and efforts related to the amendments to IFRS 9 and IFRS 7.

- On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18.

4. Accounts Receivable

	March 31, 2026	March 31, 2025
	$	$
Sales tax refund receivable (i)(ii)	**17,274**	74,420
Trade receivables (ii)	**73,418**	64,951
	90,692	139,371

(i) The Company's sales tax receivable balance represents amounts due from government taxation authorities in respect of the Harmonized Sales Tax.

(ii) The Company anticipates full recovery of these amounts and therefore no credit loss has been recorded against these receivables, which are due in less than one year.

(Expressed in Canadian Dollars)

5. Computer equipment and software

The Company's property and equipment are comprised of the following as at March 31, 2026 and March 31, 2025:

	Computer equipment	Software	Total
	$	$	$
Cost at:			
Balance, March 31, 2024	**19,001**	**95,000**	**114,001**
Addition for the year	-	-	**-**
Balance, March 31, 2025	**19,001**	**95,000**	**114,001**
Addition for the year	-	-	**-**
Balance, March 31, 2026	**19,001**	**95,000**	**114,001**
Accumulated depreciation/amortization at:			
Balance, March 31, 2024	**14,206**	**54,625**	**68,831**
Depreciation	4,795	19,000	**23,795**
Balance, March 31, 2025	**19,001**	**73,625**	**92,626**
Depreciation	-	21,375	**21,375**
Balance, March 31, 2026	**19,001**	**95,000**	**114,001**
Net book value:			
March 31, 2025	**-**	**21,375**	**21,375**
March 31, 2026	**-**	**-**	**-**

Software comprised the Company's legacy proprietary Spectrum platform, which connected clients with influencers for the creation and distribution of marketing content. The platform was fully amortized as at March 31, 2026, and the related service offering was discontinued during the year.

6. Reverse Takeover Transaction

On June 28, 2024, the Company completed its reverse takeover transaction ("RTO"), pursuant to which it acquired all of the issued and outstanding shares of Xemoto Media Ltd. As a result of the transaction, Xemoto was determined to be the accounting acquirer under IFRS, and the comparative financial information reflects Xemoto as the continuing entity.

The transaction was accounted for as an asset acquisition because the net assets acquired did not meet the definition of a business under IFRS 3, Business Combinations. During the comparative period, the Company recognized a non-cash listing expense of $158,669, representing the excess of the fair value of the consideration deemed to have been issued over the fair value of the identifiable net assets acquired.

Further information regarding the RTO is included in the Company's audited annual financial statements for the year ended March 31, 2025.

7. Notes Payable

Related party notes

During the year ended March 31, 2026, the Company issued $233,015 of Notes to certain executives and directors, bearing interest at 16% per year compounded annually and payable on demand, of which $123,015 was in settlement of accrued salaries, consulting fees and other amounts payable.

As at March 31, 2026, the notes payable balance was $234,837 (March 31, 2025– $1,822). Accrued interest on the Notes of $8,819 (March 31, 2025 – $6,464) was included in accounts payable and accrued liabilities.

As at March 31, 2026, the breakdown of the Notes is as follows:

(Expressed in Canadian Dollars)

7. Notes Payable (continued)

Issuance Date	Recipient's Relationship to the Company	Carrying Amount March 31, 2026	Carrying Amount March 31, 2025
		$	$
February 8, 2024	Various Directors	1,822	1,822
January 1, 2026	CEO	30,446	-
January 1, 2026	CRO	33,402	-
January 1, 2026	CFO	21,000	-
January-March 2026	CEO	17,500	-
January-March 2026	CRO	11,667	-
January-March 2026	CFO	9,000	-
March 19, 2026	Directors	110,000	-
Total Notes Payable Balance		**234,837**	**1,822**

8. BDC Loan

On January 19, 2023, the Company entered into a loan agreement with the Business Development Bank of Canada ("BDC") for a total loan amount of $250,000 ("BDC Loan"). The BDC Loan is guaranteed by certain directors of the Company and secured by a general security agreement between BDC and Xemoto dated January 19, 2023. The interest payable on the BDC Loan is at a floating base rate of 8.55% per year plus variance interest at a rate of 3.89% per year. The initial disbursement of $125,000 was made immediately upon executing the BDC Loan. The remaining $125,000 of the BDC Loan was disbursed on July 28, 2023. The maturity date of the BDC Loan will be January 1, 2030. For the year ended March 31, 2026, interest was charged on the BDC Loan in the amount of $19,977 (March 31, 2025 - $28,202).

The repayment schedule of the BDC Loan is as follows:

Payments				
Number	Frequency	Amount ($)	Start Date	End Date
1	Once	3,630.00	01/02/2024	01/02/2024
72	Monthly	3,470.00	01/03/2024	01/01/2030

9. Convertible Debenture

On August 23, 2023, the Company closed a non-brokered private placement for gross proceeds of $100,000 through the issuance of unsecured convertible debentures ("Debentures") at a price of $1,000 per Debenture. The Debentures bear interest at a rate of 10% per annum from the date of issuance and are payable semi-annually in arrears (with the first payment due six (6) months from the closing of the non-brokered private placement) in cash. The Debentures rank pari passu with one another. The Debentures mature on the date which is three (3) years from the closing of the non-brokered private placement of Debentures. Each Debenture may be converted into Common Shares at the option of the holder at any time prior to the close of the third business day prior to the maturity date, at a conversion price of $0.11 (the "CD Conversion Price"). If, for a period of twenty (20) consecutive trading days, the volume-weighted average price (VWAP) of the Common Shares on a recognized stock exchange or quotation system equals or exceeds $0.68 per Common Share (referred to as the "Conversion Trigger Price"), the Debentures shall automatically convert into Common Shares at the CD Conversion Price. The automatic conversion will take effect on the twenty-first (21st) trading day following the achievement of the Conversion Trigger Price.

9. Convertible Debenture (continued)

Upon conversion, the Debenture holders will receive a number of Common Shares calculated by dividing the principal amount of the Debentures to be converted by the CD Conversion Price. Any interest owing at the date of such conversion will be paid to the holder in cash. The Company will have a right to prepay or redeem part or all of the principal amount of the Debentures at par plus accrued and unpaid interest and an additional amount equivalent to three months interest on the Debentures being pre-paid and/or redeemed. Such pre-payment or redemption may be made at any time by providing written notice of the date for pre-payment/redemption to such holder at least 30 days prior to such date. In connection with the non-brokered private placement of Debentures, 320,000 broker unit purchase Warrants, which were issued as compensation to the agents were waived by the agent as per the fee waiver agreement between the Company and Foundation Markets Inc. ("FMI") dated August 23, 2023.

The Debentures are compound financial instruments. On initial recognition, the residual value method was used to allocate the fair value of the debt and equity components. The fair value of the liability was calculated as $84,296 using a discount rate of 14%. The total cost of issuance relating to this financing was $8,000. During the year ended March 31, 2026, the Company recorded an interest and accretion expense of $12,288 (March 31, 2025 - $16,801) on the Debentures, which are included in interest and accretion on the statements of loss and comprehensive loss.

On March 15, 2024, the Company issued 300 debenture units at a price of $1,000 per unit for gross proceeds of $300,000. Each unit consisted of (i) a senior secured convertible debenture with a principal amount of $1,176 and (ii) 22,500 common share purchase warrants. The debentures are secured by a general security agreement and rank pari passu with one another. The principal amount of each debenture is convertible into common shares of the Company at the option of the holder at a conversion price of $0.044 per common share.

Each warrant entitles the holder to acquire one common share at an exercise price of $0.067 per share until the 36-month anniversary of the listing of the Company's common shares on the Canadian Securities Exchange.

The debentures are compound financial instruments. Upon initial recognition, the residual value method was used to allocate the proceeds between the liability and equity components. The fair value of the liability component was determined to be $133,071 using a market discount rate of 14%, with the residual amount of $4,749 assigned to equity. Total transaction costs associated with the financing were $28,000.

On July 9, 2024, the Company received notice and converted $25,000 of the convertible debentures, through the issuance of 562,500 common shares, and $88,200 through the issuance of 1,984,500 common shares. On January 7 and January 10, 2025, the Company received conversion notices and converted a total of $100,000 of its convertible debentures, issuing 1,125,000 common shares for each $50,000 converted, for a total of 2,251,000 common shares. During the year ended March 31, 2026, an additional $40,000 of principal was converted into 909,090 common shares.

On September 15, 2025, the Company entered into an amendment agreement with the debenture holders extending the maturity date of the remaining outstanding debentures from September 15, 2025 to September 15, 2026. In connection with the amendment, the Company paid a modification fee of $34,400 and repaid $5,600 of principal. Under the amended terms, if the Company repays $114,000 of the remaining principal on or before March 15, 2026, the remaining outstanding principal together with all other amounts payable under the debentures will be deemed fully satisfied and extinguished. The Company did not make the $114,000 settlement payment by March 15, 2026.

The Company determined that the amendment did not result in the derecognition of the existing financial liability, as the modified terms were not substantially different from the original terms in accordance with IFRS 9. Accordingly, the amendment was accounted for as a modification of the existing financial liability. The carrying amount of the liability was remeasured based on the modified contractual cash flows discounted using the original effective interest rate, resulting in a loss on modification of $22,193, which has been recognized in the consolidated statement of loss and comprehensive loss during the year ended March 31, 2026.

During the year ended March 31, 2026, the Company recognized interest and accretion expense of $33,616 (March 31, 2025 – $45,479), which is included in interest and accretion expense in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

10. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of Common Shares without par value.

Common shares issued and outstanding as at March 31, 2026, and March 31, 2025 are as follows (and as adjusted for by the Exchange Ratio of 0.225 (note 1)):

	Number of common shares	Amount
	#	$
Balance, March 31, 2024	**34,920,317**	**2,987,385**
Shares issued on RTO (note 6)	49,217,408	2,187,440
Shares issued on conversion of debentures (note 9)	4,797,000	213,200
Shares issued for private placement (a)	5,625,000	250,000
Shares issued for success fee (b)	1,430,280	64,568
Shares issued for private placement (c)	21,429,560	535,739
Shares issued for settlement of debt (c)	21,340,960	533,524
Share issue cost	-	(40,000)
Valuation of warrants issued as part of private placement (c)	-	(849,775)
Balance, March 31, 2025	**138,760,525**	**5,882,081**
Shares issued for private placement (d)	6,647,480	166,187
Shares issued for private placement (e)	44,000,000	1,100,000
Share issue costs - cash	-	(143,837)
Shares issue costs – finders warrants	-	(61,316)
Valuation of warrants issued as part of private placement (d,e)	-	(529,945)
Issuance of shares on conversion of debentures (f)	909,090	40,000
Issuance of shares on settlement of debt (g)	690,910	10,364
Balance, March 31, 2026	**191,008,005**	**6,463,534**

Share capital transactions for year ended March 31, 2025

(a) On June 26, 2024, the Company completed a private placement financing for proceeds of $250,000 through the issuance of 5,625,000 common shares. $54,900 was received in cash, and of the remaining gross, $14,700 was the result of the conversion of Notes from various parties that had all previously advanced cash consideration in the form of such Notes, and the balance of $180,400 was the result of conversion of accounts payable.

(b) In connection with COB Transaction, the Company issued a stock success fee through the issuance of 1,430,280 common shares. On the date of issuance, the shares had a fair value of $64,568. See note 13.

(c) On February 21, 2025, the Company completed a non-brokered private placement ("Tranche 1, 2025") through the issuance of 21,429,560 units (a “Unit”) at a price of $0.025 per unit for gross proceeds of $535,739. Each Unit is comprised of 1 common share and one common share purchase warrant, exercisable for a period of 3 years at price of $0.025. As part of this private placement, the Company settled outstanding debt of $533,524 with the issuance of 21,340,960 Units, at a deemed price of $0.025 per Unit. The Company incurred issue costs of $40,000 in connection with the private placement. The grant date fair value attributable to these warrants was $849,775 using Black-Scholes with the following assumptions: expected volatility of 219% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.74% and an expected life of three years.

10. Share Capital (continued)

Share capital transactions for the year ended March 31, 2026

(d) On June 25, 2025, the Company completed a non-brokered private placement through the issuance of 6,647,480 units (a "Unit") at a price of $0.025 per unit for gross proceeds of $166,187. Each Unit is comprised of one common share and one common share purchase warrant, exercisable for a period of three years at price of $0.10. The grant date fair value attributable to these warrants was $57,343 using Black-Scholes with the following assumptions: expected volatility of 127% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.67% and an expected life of three years. The Company incurred issue costs of $36,937. The Company also issued a total of 1,472,000 warrants to the finders in connection with the private placement ("Finders Warrants"). Each Finders Warrant entitles the holder to purchase one Unit at a price of $0.025 exercisable for a period of two years from the date of issuance. The fair value attributable to the Finders Warrants was $23,508.

(e) On September 5, 2025, the Company completed a non-brokered private placement through the issuance of 44,000,000 units (a "Unit") at a price of $0.025 per unit for gross proceeds of $1,100,000. Each Unit is comprised of one common share and one common share purchase warrant, exercisable for a period of five years at price of $0.05. The grant date fair value attributable to these warrants was $472,602 using Black-Scholes with the following assumptions: expected volatility of 93% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.82% and an expected life of five years. The Company incurred issue costs of $106,900. The Company also issued a total of 3,520,000 warrants to the finders in connection with the private placement ("Finders Warrants"). Each Finders Warrant entitles the holder to purchase one Unit at a price of $0.025 exercisable for a period of five years from the date of issuance. The fair value attributable to the Finders Warrants was $37,808.

(f) On October 17, 2025, the Company completed a partial conversion of its convertible debentures, converting $40,000 into 909,090 common shares at a conversion price of $0.044 per share.

(g) On November 21, 2025, the Company settled an outstanding debt of $17,272 owed to a strategic advisor for past services through the issuance of an aggregate of 690,910 units of the Company at a deemed price of $0.025 per unit (the "Debt Settlement"). This resulted in a gain on settlement of $1,896.

Each Debt Settlement Unit consisted of one common share of the Company and one common share purchase warrant, with each warrant exercisable to acquire one additional common share at an exercise price of $0.05 for a period of twenty-four months from the date of issuance. The securities issued pursuant to the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance.

(Expressed in Canadian Dollars)

11. Reserve for Share-Based Payments

Effective April 16, 2024, the Company adopted a new Omnibus Long-Term Incentive Plan (the "Omnibus Plan") under which it is authorized to allow different types of incentives to be granted to certain officers, directors, employees, and consultants of the Company. The Omnibus Plan allows for the granting of options and restricted share units ("RSUs") up to 10% of the issued and outstanding common shares of the Company. The options granted can be exercised for a maximum of ten (10) years and vest as determined at the discretion of the Board of the Company.

Under the Option Plan, the exercise price of each option may not be less than the discounted fair market value of the common shares on the date of grant.

The following table provides the details of changes in the number of issued common share purchase options during the periods:

	Options	Weighted-average exercise price $
Outstanding at March 31, 2024	3,957,750	0.09
Granted	6,140,000	0.05 - 0.10
Granted – RTO (Note 6)	2,850,000	0.09
Cancelled/Expired	(1,555,000)	0.08 – 0.30
Outstanding at March 31, 2025	11,392,750	0.07
Cancelled/Expired	(5,262,500)	0.05
Granted	2,800,000	0.05
Outstanding at March 31, 2026	8,930,250	0.07
Exercisable at March 31, 2026	6,130,250	0.07

Options transactions for the year ended March 31, 2025

(a) On April 4, 2024, the Company granted 1,125,000 stock options to an officer of the Company. These options have the following exercise prices: 375,000 at $0.09 per share; 375,000 at $0.16 per share; and 375,000 at $0.18 per share. These options vest as follows: 112,500 vested immediately and 112,500 vest every 12 months thereafter until fully vested. These options expire on April 4, 2029. The options were valued using Black-Scholes with the following assumptions: expected volatility of 98% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.66% and an expected life of five years. The grant date fair value attributable to these options was $29,236, of which $6,822 was recorded as share-based compensation in connection with the vesting of these options during the year ended March 31, 2026 (March 31, 2025 - $21,439).

(b) On April 26, 2024, the Company granted 225,000 stock options to directors and 90,000 options to consultants of the Company. These options are exercisable at $0.05 per share, vested on the date of grant, and expire April 26, 2029. The options were valued using Black-Scholes with the following assumptions: expected volatility of 98% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.66% and an expected life of five years. The grant date fair value attributable to these options was $10,282, of which $10,282 was recorded as share-based compensation in connection with the vesting of these options during the year ended March 31, 2025.

(Expressed in Canadian Dollars)

11. Reserve for Share-Based Payments (continued)

(c) On April 26, 2024, the Company granted 1,000,000 stock options to consultants of the Company. These options are exercisable at $0.05 per share and expire April 26, 2029. One-third of the options vested April 26, 2024; one-third of the options vest October 26, 2024; and the remaining one-third of the options vest April 26, 2025. The options were valued using Black-Scholes with the following assumptions: expected volatility of 98% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.66% and an expected life of five years. The grant date fair value attributable to these options was $32,642, of which $32,642 was recorded as share-based compensation in connection with the vesting of these options during the year ended March 31, 2025.

(d) On July 11, 2024, the Company granted 700,000 stock options to consultants of the Company. These options are exercisable at $0.05 per share and expire July 10, 2026. One-third of the options vested October 26, 2024; one-third of the options vested on January 11, 2025, and the remaining one-third vested on July 11, 2025. The options were valued using Black-Scholes with the following assumptions: expected volatility of 98.33% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 3.85% and an expected life of two years. The grant date fair value attributable to these options was $13,368, of which $12,299 was recorded as share-based compensation in connection with the vesting of these options during the year ended March 31, 2025, and $1,069 was recorded as share-based compensation in connection with the vesting of these options during the year ended March 31, 2026.

(e) On March 27, 2025, the Company granted 3,000,000 stock options to consultants of the Company. These options are exercisable at $0.05 per share and expire March 27, 2026, and vested on the date of grant. The options were valued using Black-Scholes with the following assumptions: expected volatility of 96% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.55% and an expected life of one year. The grant date fair value of the options was $7,990, all of which was recognized as share-based compensation during the year ended March 31, 2025, in connection with the vesting of the options.

Options transactions for the year ended March 31, 2026

On December 1, 2025, the Company granted 2,800,000 stock options to consultants of the Company. These options are exercisable at $0.05 per share and expire December 1, 2030, and are subject to a three-year vesting period from Grant Date. The options were valued using Black-Scholes with the following assumptions: expected volatility of 79% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.81% and an expected life of five years. The grant date fair value of the options was $17,289, of which $1,895 was recognized as share-based compensation during the year ended March 31, 2026, in connection with the vesting of the options.

The following table summarizes information of stock options outstanding and exercisable as at March 31, 2026:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
700,000	350,000	0.28 years	$0.05	July 10, 2026
128,250	128,250	2.53 years	$0.05	October 13, 2028
375,000	375,000	2.53 years	$0.09	October 13, 2028
375,000	375,000	2.53 years	$0.16	October 13, 2028
375,000	375,000	2.53 years	$0.18	October 13, 2028
1,365,750	1,328,250	2.78 years	$0.05	January 12, 2029
375,000	375,000	3.08 years	$0.09	April 26, 2029
375,000	375,000	3.08 years	$0.16	April 26, 2029
375,000	375,000	3.08 years	$0.18	April 26, 2029
1,686,250	1,686,250	3.08 years	$0.05	April 26, 2029
2,800,000	-	4.67 years	$0.05	December 01, 2030
8,930,250	6,130,250			

(Expressed in Canadian Dollars)

11. Reserve for Share-Based Payments (continued)

Restricted share units ("RSUs")

On May 22, 2023, the Company granted 315,000 RSU to directors and officers of which 110,250 vest on the first anniversary of grant and 102,375 are vested on the second and third anniversaries of grant. Share-based compensation of $7,098 (March 31, 2025 - $13,701) in connection with the vesting of RSUs was recorded during the year ended March 31, 2026.

On December 1, 2025, the Company granted 5,050,000 RSUs to directors and officers. The RSUs vest on December 1, 2028, and, upon vesting, each RSU shall entitle the holder thereof to receive one common share. Share-based compensation of $11,058 was recorded during the year ended March 31, 2026.

The following summarizes the RSU activities for the year ended March 31, 2026, and March 31, 2025:

	March 31, 2026		March 31, 2025	
	Number of RSUs	**Weighted average grant date fair value**	Number of RSUs	Weighted average grant date fair value
	#	**$**	#	$
Outstanding, beginning of the period	**315,000**	**0.04**	315,000	0.04
Granted	**5,050,000**	**0.02**	-	-
Exercised	**-**	**-**	-	-
Outstanding, end of the period	**5,365,000**	**0.02**	315,000	0.04

The following table summarizes information of RSUs outstanding and exercisable as at March 31, 2026:

Date of expiry	**Number of RSUs outstanding**	**Number of RSUs exercisable**	**Weighted average remaining contractual life**
	#	**#**	**Years**
May 22, 2026	315,000	-	0.14
December 1, 2028	5,050,000	-	2.67

12. Reserve for Warrants

The following summarizes the Warrant activity for the years ended March 31, 2026, and March 31, 2025:

	March 31, 2026		March 31, 2025	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
	#	**$**	#	$
Outstanding, beginning of the year	**55,842,418**	**0.14**	13,071,898	0.28
Private placement warrants issued (note 10 (d))	**6,647,480**	**0.05**	42,770,520	0.10
Private placement warrants issued (note 10 (e))	**44,000,000**	**0.05**	-	-
Finders' warrants issued (note 10 (e)(d))	**4,992,000**	**0.025**	-	-
Debt settlement	**690,910**	**0.05**	-	-
Outstanding, end of the year	**112,172,808**	**0.09**	55,842,418	0.14

(Expressed in Canadian Dollars)

12. Reserve for Warrants (continued)

The following table summarizes information of Warrants outstanding as at March 31, 2026:

Date of expiry	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	$	Years
February 17, 2027	2,714,354	0.53	1.38
February 18, 2027	1,602,000	0.53	1.38
February 18, 2027	256,320	0.22	1.38
July 8, 2027	*6,750,000	0.07	1.46
March 18, 2027	208,125	0.53	1.47
March 18, 2027	33,300	0.53	1.47
June 8, 2027	128,099	0.53	1.69
July 11, 2027	1,057,500	0.53	1.53
July 11, 2027	169,200	0.22	1.53
January 12, 2028	135,000	0.53	2.03
January 12, 2028	18,000	0.22	2.03
February 21, 2028	*38,585,981	0.05	2.14
February 21, 2028	*4,184,539	0.10	2.14
June 25, 2028	*6,647,480	0.05	2.14
June 25, 2028	1,472,000	0.025	2.14
September 5, 2030	44,000,000	0.05	4.68
September 5, 2030	3,520,000	0.05	4.68
December 3, 2027	690,910	0.05	1.93
	112,172,808	**0.09**	**2.55**

* On September 18, 2025, the Company amended the exercise price of an aggregate of 51,983,460 outstanding common share purchase warrants (the "Warrants") to $0.05 per share.
The amendments applied to the following warrant issuances:

(a) Private placements: Of the 49,418,000 Warrants issued under prior private placements, the exercise price of 4,918,001 Warrants held by insiders was reduced from $0.10 to $0.05, while the remaining 4,184,539 Warrants held by insiders retained their original exercise price of $0.10. The exercise price of all Warrants held by non-insiders was reduced to $0.05.

(b) Secured convertible debenture financing: 6,750,000 Warrants issued as part of the secured convertible debenture financing completed on March 14, 2024 (none of which were held by insiders) were also amended to an exercise price of $0.05 per share.

Warrants transactions for the year ended March 31, 2025

On February 21, 2025, the Company closed a non-brokered private placement (the "Tranche 1, 2025") through the issuance of 42,770,520 units. Each unit was priced at $0.025 and is comprised of one common share and one common purchase warrant. Each warrant entitles the holder thereof to purchase one common share, at any time on or before February 21, 2028, at a price of $0.10.

The fair value of the warrants issued in February 21, 2025, were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2.71%, expected dividend yield of nil, average expected volatility of 96% and expected life term of 36 months. Under this method of calculation, the Company recorded $1,713,001 as the value of the warrants issued under this offering.

(Expressed in Canadian Dollars)

12. Reserve for Warrants (continued)

Warrants transactions for the year ended March 31, 2026

On June 25, 2025, the Company completed a non-brokered private placement through the issuance of 6,647,480 units (a "Unit"). Each Unit is comprised of one common share and one common share purchase warrant, exercisable for a period of three years at price of $0.10. The grant date fair value attributable to these warrants was $57,343 using Black-Scholes with the following assumptions: expected volatility of 127% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.67% and an expected life of three years. The Company also issued a total of 1,472,000 warrants to the finders in connection with the private placement ("Finders Warrants"). Each Finders Warrant entitles the holder to purchase one Unit at a price of $0.025 exercisable for a period of two years from the date of issuance. The fair value attributable to the Finders Warrants was $23,508.

On September 5, 2025, the Company completed a non-brokered private placement through the issuance of 44,000,000 units (a "Unit"). Each Unit is comprised of one common share and one common share purchase warrant, exercisable for a period of five years at price of $0.05. The grant date fair value attributable to these warrants was $472,602 using Black-Scholes with the following assumptions: expected volatility of 93% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.82% and an expected life of five years. The Company also issued a total of 3,520,000 warrants to the finders in connection with the private placement ("Finders Warrants"). Each Finders Warrant entitles the holder to purchase one Unit at a price of $0.025 exercisable for a period of five years from the date of issuance. The fair value attributable to the Finders Warrants was $37,808.

13. Related Party Transactions

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee. The remuneration of directors and other members of key management personnel during the years ended March 31, 2026, and 2025 were as follows:

	March 31, 2026	March 31, 2025
Salaries and consulting fees	**$ 268,333**	$ 280,000
Director fees	**-**	90,000
Prom notes interest	**8,709**	-
Professional fees	**375,103**	1,008,697
Share-based compensation	**24,858**	77,513
	$ 677,003	$ 1,456,210

Salaries and consulting fees

a) Remuneration of key management personnel of the Company for the year ended March 31, 2026, included $140,000 charged by the Chief Executive Officer and (March 31, 2025 – $105,000). During the year ended March 31, 2026, the Chief Executive Officer converted $47,946 of amounts owing to a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand (see Note 7).

b) Remuneration of key management personnel of the Company for the year ended March 31, 2026, included $128,333 charged by the Chief Revenue Officer (March 31, 2025 – $140,000). During the year ended March 31, 2026, the Chief Revenue Officer converted $45,069 of fees payable to a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand (see Note 7).

13. Related Party Transactions (continued)

(a) For the year ended March 31, 2026, FMI Capital Advisory Inc. ("FMICAI"), an entity where the Executive Chairman and a director of the Company also serve as Chairman, charged fees of $120,000 (March 31, 2025 – $423,668), for financial advisory and other services provided to the Company. As at March 31, 2026, $151,342 (March 31, 2025 – $88,892) owing to FMICAI was included in accounts payable and accrued liabilities. The FMICAI fees include all remuneration paid by the Company to the Executive Chairman for his services to the Company. The outstanding amount is unsecured, non-interest bearing and due on demand. As part of the fees charged in 2024, FMICAI received a stock success fee of 1,430,280 common shares (with a value of $64,568) and a cash success fee of $150,000 for completing the COB Transaction.

For the year ended March 31, 2026, CFO Advantage Inc., a Company owned by the Chief Financial Officer of the Company, charged fees of $36,000 (March 31, 2025 - $36,000). As at March 31, 2026, $3,900 (March 31, 2025 - $3,000) owing was included in accounts payable and accrued liabilities. The outstanding amount is unsecured, non-interest bearing and due on demand. During the year ended March 31, 2026, the Chief Financial Officer converted $30,000 of fees payable to a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand (see Note 7).

(b) For the year ended March 31, 2026, Fogler, Rubinoff LLP ("Fogler"), an entity where the Executive Chairman is of counsel, charged fees of $163,517 (March 31, 2025 – $480,820), for legal services provided to the Company. As at March 31, 2026, $252,068 (March 31, 2025 – $333,822) owing to Fogler was included in accounts payable and accrued liabilities. The outstanding amount is unsecured, non-interest bearing and due on demand.

(c) On October 23, 2023, the Company and 2041423 Ontario Limited ("2041423 Ontario"), an entity where a director of the Company is the principal, entered into a consulting agreement for a monthly remuneration of $5,000. During the year ended March 31, 2026, 2041423 Ontario charged fees of $nil (March 31, 2025 - $20,000). As at March 31, 2026, $nil (March 31, 2025 - $nil) was included in accounts payable and accrued liabilities.

(d) For the year ended March 31, 2026, FMI Securities Inc., an entity related to the Executive Chairman, charged fees of $36,800 (March 31, 2025 – $nil), for financial services related to the private placements provided to the Company. These fees were recorded as share issue costs and deducted from share capital. As at March 31, 2026, $nil (March 31, 2025 – $nil) owing to FMI Securities was included in accounts payable and accrued liabilities. The outstanding amount is unsecured, non-interest bearing and due on demand.

Share based compensation

(e) For the year ended March 31, 2026, the total fair value recorded (for related parties) for options and RSUs vested for the year ended March 31, 2026, was $24,858 (March 31, 2025 – $77,513).

Other related party transactions

(f) See note 7 for related party transactions of Notes to certain executives and directors.

(g) As at March 31, 2026, $667,021 (March 31, 2025 - $430,166) was due to related parties and included in accounts payable and accrued liabilities.

See also Note 10 for Common Shares issued for related parties.

(Expressed in Canadian Dollars)

14. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2025 – 26.5%) to the effective tax rate is as follows:

	March 31, 2026	March 31, 2025
Reported loss before income taxes	(1,886,532)	(2,602,701)
Combined statutory income tax rate	26.5%	26.5%
Expected income tax recovery at current rate	(499,930)	(689,715)
Increase (decrease) to the income tax expense resulting from:		
Non-deductible stock-based compensation	8,003	38,665
Other permanent differences	217	14,920
Change in tax benefits not recognized	491,710	636,130
	-	-

Deferred tax balances

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying values of assets and liabilities. The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

	March 31, 2026	March 31, 2025
Non-capital losses carried forward	8,657,500	7,655,749
Less: Deferred tax assets not recognized		
Computer equipment, software and intangibles	64,721	43,346
Share issuance Cost	(106,494)	(80,211)
Net deferred tax assets not recognized	8,615,273	7,618,884

Non-capital losses carried forward

The Company's non-capital losses will expire as follows:

	$
2041	12,878
2042	1,402,486
2043	1,874,444
2044	1,820,694
2045	1,686,124
2046	1,860,878
	8,657,500

15. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain optimal returns to shareholders and benefits for its stakeholders. Management monitors its capital structure and adjusts according to market conditions to meet its objectives given the current outlook of the business and industry in general. The Board does not establish quantitative return on capital criteria for management but relies on the expertise of the management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2026.

The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

16. Financial Risks

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

(a) Categories of financial assets and liabilities

The following table summarizes the carrying amounts of the Company's financial assets and financial liabilities by category as at March 31, 2026 and March 31, 2025:

Financial assets	**Category**	**March 31, 2026 ($)**	**March 31, 2025 ($)**
Cash and cash equivalents	Amortized cost	23,741	433,801
Accounts receivable (excluding sales tax recoverable) (Note 4)	Amortized cost	73,418	64,951
Total financial assets		**97,159**	**498,752**

Financial liabilities	**Category**	**March 31, 2026 ($)**	**March 31, 2025 ($)**
Accounts payable and accrued liabilities (Note 13)	Amortized cost	816,390	729,775
Notes payable (Note 7)	Amortized cost	234,837	1,822
Convertible debenture (Note 9)	Amortized cost	195,867	210,074
BDC Loan (Note 8)	Amortized cost	159,620	201,260
Total financial liabilities		**1,406,714**	**1,142,931**

The carrying values of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

(b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and accounts receivable (excluding sales tax recoverable), which expose the Company to credit risk should the debtor default. Cash is held with a reputable Canadian chartered bank and in trust with the Company's legal counsel, which is closely monitored by management. Management believes that the credit risk concentration with respect to cash, and accounts receivable (excluding sales tax recoverable) is minimal. The Company's maximum exposure to credit risk at each reporting date is the carrying amount of its cash and accounts receivable (excluding sales tax recoverable), being $97,159 (March 31, 2025 – $498,752). As noted in Note 4, the Company anticipates full recovery of its receivables and no expected credit loss has been recorded.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company's liquidity and operating results may be further adversely affected due to the early-stage nature of the business and risks during times of both high inflation and economic slowdown. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

(Expressed in Canadian Dollars)

16. Financial Risks (continued)

As at March 31, 2026, the Company had a cash balance of $23,741 (March 31, 2025 – $433,801) to settle current liabilities of $1,288,734 (March 31, 2025 – $1,008,884).

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments, or other means of funding, for short or long-term financing of its operations.

Currently there is insufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations, and the Company's cash position as at March 31, 2026. The Company is currently experiencing a significant liquidity shortfall and does not anticipate material cash flows from its products and services in the near term. The Company is actively pursuing financing options and exploring opportunities to increase revenue. However, there is no assurance that these efforts will be successful, or that financing or revenue growth will be sufficient to achieve positive cash flow, meet timelines, or be available on acceptable terms, if at all. Failure to secure financing or improve liquidity may impair the Company's ability to fund ongoing operations and cover corporate administrative costs.

Maturity analysis of financial liabilities

The following table summarizes the contractual undiscounted cash flows of the Company's financial liabilities as at March 31, 2026, based on the earliest date on which the Company could be required to pay:

	Carrying amount ($)	**< 1 year ($)**	**1–2 years ($)**	**2–5 years ($)**	**> 5 years ($)**
Accounts payable and accrued liabilities	816,390	816,390	–	–	–
Notes payable	234,837	234,837	–	–	–
Convertible debenture	195,867	195,867	–	–	–
BDC Loan	159,620	41,640	41,640	76,340	–
Total	**1,406,714**	**1,288,734**	**41,640**	**76,340**	**–**

(d) Market risk

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.

As at March 31, 2026, the Company's BDC Loan (Note 8) exposed the Company to cash flow interest rate risk through the floating base-rate component of its interest rate, which was $159,620 at that date (March 31, 2025 – $201,260). The Company had no hedging agreements in place with respect to this floating-rate exposure. Aside from the BDC Loan, the Company's other financial liabilities bear interest at fixed rates (the Convertible debenture at 10% per annum -Note 9) or include fixed-rate notes payable bearing interest at 16% per annum and non-interest-bearing amounts due to related parties that are payable on demand (Notes 7 and 13) such that they do not expose the Company to interest rate risk.

Interest rate sensitivity
Based on the floating-rate exposure on the BDC Loan, a hypothetical 1% increase or decrease in the relevant floating base rate, with all other variables held constant, would have changed annual interest expense and, correspondingly, net loss and comprehensive loss for the year by approximately $1,596 (March 31, 2025 – $2,013), based on the BDC Loan balance outstanding at each respective reporting date. This sensitivity analysis is for illustrative purposes only and reflects management's assessment of a reasonably possible change in interest rates; actual results could differ from this estimate.

16. Financial Risks (continued)

	March 31, 2026	March 31, 2025
BDC Loan – floating-rate exposed balance ($)	159,620	201,260
Impact of 1% on annual interest expense / net loss ($)	1,596	2,013
Impact of a 1% decrease in the annual interest rate on interest expense/net loss ($)	(1,596)	(2,013)

Foreign exchange risk
Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in Canada, but the Company enters into transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency (primarily the United States Dollar), and balances held in United States dollars, expose the Company to the risk of exchange rate fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency, but, based on its current level of transactions and balances, management believes that the foreign exchange risk remains minimal.

Foreign currency exposure
The Company's exposure to foreign currency risk, based on the carrying amounts (in Canadian dollar equivalents) of monetary assets and liabilities denominated in United States dollars, was as follows:

	March 31, 2026 (CAD equiv., $)	March 31, 2025 (CAD equiv., $)
Cash and cash equivalents (USD)	8,642	200,398
Accounts receivable (USD)	40,799	7,511
Accounts payable and accrued liabilities (USD)	151,005	45,667
Net USD monetary liability exposure	101,564	162,242

Based on the net USD monetary exposure above, a 10% strengthening (weakening) of the United States dollar against the Canadian dollar, with all other variables held constant, would have increased (decreased) net loss and comprehensive loss for the year by approximately $10,156 (March 31, 2025 – $16,224). This sensitivity analysis is for illustrative purposes only; actual results could differ, and the analysis does not reflect the effect of any correlation between foreign exchange rates and other variables.

(e) Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), accounts payable and accrued liabilities, notes payable, the convertible debenture, and the BDC Loan. The fair value of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:
• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2026, the Company did not have any financial instruments which were carried at fair value (March 31, 2025 – $nil).

(Expressed in Canadian Dollars)

17. Interest expense

	2026	2025
	$	$
Interest and accretion on convertible debentures (note 9)	**45,904**	62,280
Interest on BDC loan (note 8)	**19,977**	28,202
Interest on Notes payable (note 7)	**8,819**	6,464
Other	**8,263**	5,194
	82,963	102,140

18. Revenue

Revenue from one customer was $63,259 (2025 - $123,102) representing approximately 31% of total revenue for the year ended March 31, 2026.

19. Loss per share

Basic EPS is computed as net loss attributable to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution from in-the-money instruments (options, warrants, RSUs, and convertible debentures) unless anti-dilutive. For the periods presented, all potential common shares were anti-dilutive, and diluted EPS equals basic EPS.

20. Subsequent Events

Subsequent to March 31, 2026, the Company completed a non-brokered private placement in two tranches pursuant to which it issued an aggregate of 42,725,000 units at a price of $0.02 per unit for gross proceeds of $854,500. The first tranche closed on June 5, 2026 and consisted of 25,000,000 units for gross proceeds of $500,000. The second and final tranche closed on July 14, 2026 and consisted of 17,725,000 units for gross proceeds of $354,500.

Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.05 for five years from its date of issuance. If the common shares trade at or above a volume-weighted average price of $0.15 for 20 consecutive trading days, the Company may accelerate the warrant expiry date to 30 days following notice to the warrant holders.

In connection with the private placement, the Company paid aggregate finder's fees of $30,760 and issued 1,538,000 broker warrants. Each broker warrant entitles the holder to acquire one unit at a price of $0.02 for a period of 36 months from its date of issuance.

The Company intends to use the net proceeds for product development, marketing and sales initiatives, and general working capital purposes.

SCHEDULE "B"

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

BrandPilot AI Inc.

Management's Discussion and Analysis

For the years ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of BrandPilot AI Inc. ("BPAI", "we", the "Company", or "BrandPilot") is for the year ended March 31, 2026. It is supplemental to, and should be read in conjunction with, the audited consolidated financial statements for the years ended March 31, 2026 and 2025 (the "2026 Financial Statements") and the related notes thereto. The 2026 Financial Statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. In preparing this MD&A, management has taken into account all information available up to July 29, 2026.

These documents, as well as additional information on the Company, are filed electronically through the System for Electronic Document Analysis and Retrieval (SEDAR+) and are available online at www.sedarplus.ca.

Unless otherwise indicated, all figures presented in this MD&A are expressed in Canadian Dollars ("$" or "CAD").

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws ("forward-looking statements"). All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often identified by words such as "may", "would", "could", "should", "will", "intend", "plan", "seek", "anticipate", "believe", "estimate", "expect" or similar words and expressions. Examples of forward-looking statements include, among others, statements relating to information set out in this MD&A under the headings "Outlook and Strategy", "Working Capital and Liquidity Outlook", "Selected Annual Information", and statements and information regarding: future financial position and results of operations, strategies, plans, objectives, goals and targets; future developments in the markets where the Company participates or is seeking to participate; and expectations for other economic, business, regulatory and/or competitive factors related to the Company or the advertising technology industry generally and other events or conditions that may occur in the future. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management's current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. Although the Company believes that the expectations, estimates, and projections reflected in such forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements to differ materially from those suggested by the forward-looking statements. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. On this basis, readers are cautioned not to place undue reliance on such forward-looking statements.

Factors which could cause actual results to differ materially from those indicated in forward-looking statements include, but are not limited to: general business, economic, competitive, political and social uncertainties, the actual results of current operations, industry conditions, research and development activities, intellectual property and other proprietary rights, as well as those other risks and uncertainties described in this MD&A under the heading "Financial Risks".

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and are presented for the purpose of assisting investors and others in understanding the Company's financial position and results of operations, as well as its objectives and strategic priorities, and may not be appropriate for other purposes. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Business Overview

BrandPilot AI Inc. ("BPAI" or the "Company") was incorporated under the Canada Business Corporations Act on August 22, 2008. On June 24, 2024, UPI changed its name to BrandPilot AI Inc. The address of the Company's corporate office is 120 Adelaide Street West, Suite 900, Toronto, Ontario, M5H 3V1, Canada. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "BPAI", on the OTCQB® Venture Market under the ticker symbol "BPAIF", and in Germany on the Frankfurt Stock Exchange under the ticker symbol "8LH0". The Company has a fiscal year end of March 31.

The Company operates in the digital advertising technology sector, with a strategic focus on performance-based software solutions designed to identify and reduce inefficient advertising spend.

AdAi is the Company's primary commercial offering. Delivered in collaboration with its technology partner, AdAi analyzes branded search and shopping campaigns to identify economically inefficient or redundant spend. The solution integrates with major advertising platforms, including Performance Max, Dynamic Search Ads, Shopping Ads, SA360, and Smart Bidding campaigns. Revenue is generated primarily through a performance-based pricing model tied to measurable savings delivered to advertisers. During the year, the Company expanded AdAi's audit capabilities from Google Search to Google Shopping Ads (October 2025) and introduced AdAi for Conquesting (February 2026), extending optimization capabilities into competitive search environments.

During the year, the Company introduced ClickRadar™, an expanded Fraud, Waste, and Abuse ("FWA") capability designed to identify invalid, non-human, or economically ineffective traffic across digital advertising campaigns. ClickRadar is intended to complement AdAi by providing an additional layer of traffic validation and spend protection. A beta program was conducted during January through March 2026, and ClickRadar was launched commercially in February 2026, with a phased rollout continuing into the new fiscal year, including the launch of a complimentary ClickRadar Traffic Audit in March 2026. In March 2026, the Company also launched SearchIQ™, a capability designed to help advertisers measure and optimize brand visibility across large language model and generative AI search environments, positioning the Company's product suite across paid search efficiency (AdAi), traffic validation (ClickRadar), and AI-driven search intelligence (SearchIQ).

The Company previously developed additional marketing platforms, including Spectrum IQ (influencer marketing), Social Runway (social media management), and Learn & Earn (digital engagement). During the year, these platforms were not a primary focus of commercialization efforts and generated limited or non-recurring revenue. Near-term strategy and resource allocation remain focused on scaling AdAi and ClickRadar. Management continues to evaluate strategic alternatives for non-core assets, including repositioning, integration, partnership, or de-emphasis, subject to capital availability and market conditions.

The Company is transitioning from a historical project-based services model to a more scalable SaaS-oriented revenue structure supported by performance-based pricing. This transition has resulted in reduced legacy revenue streams and increased revenue concentration in early-stage AdAi contracts. While early enterprise audits and pilot programs have demonstrated measurable savings in certain engagements, commercialization remains in the early stages and revenue may continue to fluctuate as enterprise clients progress through validation and contracting phases. Management remains focused on disciplined execution, cost management, and measured enterprise expansion.

Outlook and Strategy

The Company's near-term priorities are to expand its prospective-client pipeline, advance new clients into audits and trials and convert successful trials into commercial contracts. The Company also intends to continue developing and commercializing new products internally that can be offered to existing customers and prospective new customers. In parallel, the Company remains focused on managing operating expenditures and securing sufficient financing to support operations and its commercialization strategy. Commercialization remains at an early stage, and the timing and value of customer contracts may vary due to enterprise validation, procurement and contracting requirements. The Company expects revenue concentration and quarterly volatility to continue until it develops a broader base of recurring commercial customers and revenue-generating products.

Highlights for the Year Ended March 31, 2026 and to the Date of this MD&A

● Since launching the Uncontested Google Ads Audit ("Audit") in May 2025, 52 brands completed the program by March 31, 2026 (42 as at the date of this MD&A), with 52 more in the evaluation pipeline; approximately 71% of qualified participants converted to trials and 58% of trials converted to paying customers. Engagements begin with limited campaign scope and grow as savings aggregate. For purposes of this MD&A: an "Audit" is a preliminary assessment of a prospective client's advertising accounts; a "trial" is a defined-period live engagement validating recoverable savings; and a "paying customer" has entered a paid ongoing engagement. Conversion rates measure progression between these stages among qualified participants.

● On June 16, 2025, the Company signed a commercial agreement with a leading North American advertising agency, under which AdAi will be deployed to conduct audits and performance optimization reports for the agency's clients (announced July 23, 2025). In March 2026, the Company expanded its agency channel through an engagement, via a leading digital agency that is part of an international marketing group, to support a North American multi-channel home furnishings retailer.

● The Company expanded its product suite during the year: AdAi audit capabilities were extended from Google Search to Google Shopping Ads (October 2025), allowing brands to identify spend where they may be unintentionally bidding against their own product listings; AdAi for Conquesting was introduced (February 2026), extending optimization into competitive search environments; ClickRadar™, a real-time traffic validation capability addressing invalid and non-human advertising traffic, was introduced (February 2026), followed by a complimentary ClickRadar Traffic Audit (March 2026); and SearchIQ™, a capability designed to measure brand visibility across large language model and generative AI search environments, was introduced (March 2026).

● As at the date of this MD&A, the Company had 22 active clients and 15 pilot contracts for AdAi, and 3 pilot contracts for ClickRadar. Customer additions announced in December 2025 and January 2026 spanned the retail, telecommunications, financial services, beauty, and non-profit sectors, with certain organizations moving from audit and pilot phases into commercial contracts in global retail, logistics, consumer goods, and luxury wellness. In February 2026, the Company announced enterprise trial and audit engagements including:

- a Fortune 50 U.S.-based healthcare benefits provider serving more than 115 million individuals;
- a Canadian financial services and wealth management firm;
- a global luxury retail brand; and
- a U.S.-based accredited higher education institution. As disclosed at that time, trial-to-contract conversion for the applicable cohort exceeded 80%, with CPC reductions of up to 90% for certain clients.

● The Company expanded its industry presence during the year, joining the Interactive Advertising Bureau of Canada (IAB Canada) as an official member (April 2025) and participating in industry conferences and events including Shoptalk Chicago (September 2025), BrightonSEO and HERO Conference in San Diego (September 23–24, 2025), Advertising Week New York (October 2025), Digital Marketing World Forum New York (October

2025), the MarTech Summit in London (November 2025), the DealFlow Discovery Conference in Atlantic City (January 2026), eTail Palm Springs, which the Company attended and sponsored alongside its technology partner Revvim (February 2026), and Shoptalk Spring in Las Vegas (March 2026).

Corporate and Financing Highlights

● On June 25, 2025, the Company completed the second and final tranche of its previously announced non-brokered private placement for gross proceeds of $166,187 through the issuance of 6,647,480 units at $0.025 per unit.

● On September 8, 2025, the Company closed a non-brokered private placement under the Listed Issuer Financing Exemption for gross proceeds of $1,100,000 through the issuance of 44,000,000 units at $0.025 per unit, upsized from the originally announced $750,000 due to market demand, with each unit consisting of one common share and one warrant exercisable at $0.05. In connection with the closing, the Company announced an application to the CSE to reduce the exercise price of outstanding warrants and an agreement to amend the terms of the secured convertible debenture issued on July 8, 2024 in the initial principal amount of $352,800 (current principal of $134,000 following the amendments), which is secured against the assets and properties of the Company pursuant to a general security agreement. On September 18, 2025, the Company amended the exercise price of an aggregate of 51,983,460 outstanding common share purchase warrants to $0.05 per share in accordance with their terms.

● On November 21, 2025, the Company announced the appointment of Mr. Corbett Fine, Vice President of Digital Marketing and Performance at IGM Financial, to its Board of Directors, together with a debt settlement. On December 5, 2025, the Company closed the debt settlement, issuing 690,910 units at a deemed price of $0.025 per unit to settle outstanding debt of $17,272.75 owed to a strategic advisor, and announced the grant of 2,800,000 stock options and 5,050,000 restricted share units to directors and officers of the Company.

Events After March 31, 2026 and to the Date of this MD&A

● Subsequent to year end, the Company announced a series of enterprise client selections and engagements for AdAi, which reduces cost-per-click for brands on Google Search through the Company's technology partner. These include:

- a major U.S. streaming platform, deploying AdAi to identify and recover wasted advertising spend (April 7, 2026);
- a global luxury consumer brand, for an initial implementation (April 16, 2026), which, following a trial that reduced cost-per-click by approximately 44% while increasing revenue by 21%, converted into an ongoing commercial agreement through an advertising agency (June 5, 2026; announced June 8, 2026);
- a Canadian retail brand with over 120 retail locations and a growing eCommerce presence (April 21, 2026);
- a national Canadian grocery retailer, for a rollout across select digital campaigns (April 30, 2026);
- a U.S.-based telecommunications provider, which entered an active trial (May 5, 2026); and
- an accredited online higher education institution in the United States, under a paid engagement (May 14, 2026).

● Subsequent to year end, the Company appointed Mr. Seif Khemaissia as Chief Growth Officer, succeeding Mr. John Beresford, who remains with the Company in an advisory capacity (April 9, 2026).

● The Company appointed Jordan Brooks, an executive with more than 20 years of expertise in product strategy and data-driven platforms, to its Advisory Board (April 28, 2026).

● Subsequent to year end, the Company continued its industry event and thought leadership program, participating in the Retail and eCommerce Masterclass in Toronto (April 14, 2026), POSSIBLE 2026 in Miami Beach (April 27–

29, 2026), the Ad Club of Toronto's Digital Day 2026 (May 19, 2026), the Cannes Lions International Festival of Creativity 2026 (June 2026), and MAD//Fest London 2026 (July 2026), and presented at the AI & Tech Virtual Investor Conference hosted by VirtualInvestorConferences.com (April 23, 2026).

● On May 7, 2026, the Company announced a non-brokered private placement of units, which closed in two tranches on June 5 and July 14, 2026 for aggregate gross proceeds of $854,500.

● On June 12, 2026, the Company announced an agency agreement with Epitaph Group, under which AdAi will be deployed across the agency's client portfolio, further expanding the Company's agency distribution channel. Two active trials with Epitaph Group clients are currently underway. Agency partnerships provide the Company access to multiple brands through a single relationship, and have historically carried the Company's lowest cost of client acquisition.

Financial Condition and Results of Operations for the Years Ended March 31, 2026 and 2025

Revenue and Gross Profit

	2026 ($)	2025 ($)
	$	$
AdAi revenue	158,586	-
Other revenue	45,190	398,023
Total revenue	**203,776**	**398,023**
Cost of sales	(251,980)	(140,159)
Gross Profit	**(48,204)**	**257,864**

For the year ended March 31, 2026, the Company recognized total revenue of $203,776, compared with $398,023 in the prior year, a decrease of $194,247 or 49%. The decrease primarily reflected the Company's transition away from legacy influencer-marketing services, partially offset by revenue generated from the early-stage commercialization of AdAi.

AdAi generated revenue of $158,586 during the year ended March 31, 2026. The Company uses technology and related services supplied by a third-party service provider in delivering AdAi services to customers. The related third-party service-provider costs were $139,858 for the year ended March 31, 2026.

Other revenue was $45,190 for the year ended March 31, 2026, compared with $398,023 in the prior year. Included in other revenue was approximately $32,000 of non-recurring revenue recognized during the first quarter from a Learn & Earn engagement, which is not part of the Company's core AdAi commercialization strategy. Approximately $27,000 of costs associated with this engagement were included in cost of sales.

Cost of sales was $251,980 for the year ended March 31, 2026, compared with $140,159 in the prior year, an increase of $111,821 or 80%. Current-year cost of sales included $139,858 of third-party service-provider costs associated with AdAi, approximately $27,000 associated with the Learn & Earn engagement and approximately $85,000 of compensation relating to an employee directly involved in delivering and supporting services provided to customers.

The Company recorded a gross loss of $48,204 and a gross margin of negative 24% for the year ended March 31, 2026, compared with gross profit of $257,864 and a gross margin of 65% in the prior year. The change primarily reflected the early stage of AdAi commercialization, including the third-party service-provider costs and directly attributable employee compensation incurred in establishing and supporting the service, together with the significant reduction in legacy influencer-marketing revenue. Management expects AdAi margins to improve if revenue and customer volumes increase; however, actual margins will depend on pricing, third-party service-provider costs and the Company's ability to scale revenue.

Operating Expenses

A breakdown of total operating expenses for the years ended March 31, 2026 and 2025 is presented below.

	2026 ($)	2025 ($)	Change ($)
Sales revenue	203,776	398,023	(194,247)
Cost of sales	(251,980)	(140,159)	111,821
Gross Profit	**(48,204)**	**257,864**	**(306,068)**
Expenses			
Salaries and consulting fees	688,758	1,172,476	(483,718)
Professional fees	327,774	721,913	(394,139)
Share-based compensation	30,199	145,904	(115,705)
Research and development	-	44,705	(44,705)
Office and general	321,676	319,534	2,142
Marketing and advertising	348,866	272,631	76,235
Depreciation of computer equipment and software	21,375	23,795	(2,420)
Total Operating Expenses	1,738,648	2,700,958	(962,310)
Loss Before Other Income/(Expenses)	**(1,786,852)**	**(2,443,094)**	**656,242**
Loss on modification of convertible debenture	(22,193)	-	(22,193)
Interest and accretion	(82,963)	(102,140)	19,177
Foreign exchange loss	(15,900)	(3,241)	(12,659)
Other income	21,376	104,443	(83,067)
Listing expense	-	(158,669)	158,669
Net Loss Before Taxes	(1,886,532)	(2,602,701)	716,169
Income taxes	-	-	-
Net Loss and Comprehensive Loss	**(1,886,532)**	**(2,602,701)**	**716,169**

- Salaries and consulting fees decreased for the year ended March 31, 2026 compared to the prior year, reflecting deliberate cost-saving measures implemented by the Company, including reductions in headcount and contracted personnel.
- Professional fees (legal, audit, accounting, and advisory) decreased year-over-year, primarily due to elevated one-time costs incurred in the comparative period related to the Company's reverse takeover ("RTO") transaction and associated legal and accounting work, which did not recur in the current year.
- Share-based compensation decreased due to fewer option and RSU grants vesting during the year, notwithstanding new grants of 2,800,000 options and 5,050,000 RSUs made in December 2025.
- No expenditures were classified as research and development expense during the year ended March 31, 2026, compared with $44,705 in the prior year. Product-development and commercialization activities during the current year were supported primarily through the Company’s personnel with related costs classified according to their nature in the applicable expense categories.
- Office and general costs, comprised primarily of public-company costs (OTC Markets/transfer agent fees, corporate insurance, and other administrative costs), remained relatively consistent year-over-year, increasing modestly by $2,142.

- Marketing and advertising expenses (inclusive of business development activities) increased year-over-year, reflecting campaigns aimed at building brand awareness, supporting AdAi, and acquiring customers, including co-hosted webinars with industry publications, and the Company's expanded conference and industry-event participation in support of its commercialization strategy. In contrast, during the comparative period, the Company's activities centered around influencer-marketing services, where it did not engage in similar types of marketing efforts or industry event participation. As a result, sales and marketing expenses in the prior year were lower and not reflective of the Company's current go-to-market strategy for AdAi.

Other Expenses and Income

Interest and accretion decreased year-over-year, consistent with the reduction in the convertible debenture and BDC Loan balances outstanding. The components were as follows:

	2026 ($)	2025 ($)
Interest and accretion on convertible debentures	45,906	62,280
Interest on BDC Loan	19,977	28,202
Interest on Notes payable	8,819	6,464
Other	8,261	5,194
Total	82,963	102,140

- During the year ended March 31, 2026, the Company recognized a loss on modification of convertible debenture of $22,193 (2025 – $nil), in connection with the September 15, 2025 amendment extending the maturity date of the secured convertible debentures. As the modified terms were not substantially different from the original terms, the modification did not result in derecognition of the existing liability; the carrying amount was remeasured based on the modified contractual cash flows discounted at the original effective interest rate, with the resulting loss recognized in profit or loss (see Note 9 to the 2026 Financial Statements).
- In connection with the reverse takeover completed in 2024, which was accounted for as an asset acquisition (see the MD&A for the year ended March 31, 2025 for further details), the Company recognized a non-cash listing expense of $158,669 in the prior year; there was no comparable expense in the current year.
- Other income of $21,376 for the year ended March 31, 2026 (2025 – $104,443) related primarily to a grant received from the CanExport Program in support of international business development. The prior year amount was higher due to other one-time items recognized in that period.

Cash Flows

Operating activities: Net cash used in operating activities was $1,485,770 for the year ended March 31, 2026, compared to $2,831,141 for the year ended March 31, 2025. The decrease was primarily due to the lower net loss for the year and favourable changes in non-cash working capital, notably an increase in accounts payable and accrued liabilities of $225,005 (2025 – a decrease of $980,538).

Financing activities: Net cash provided by financing activities was $1,075,710 for the year ended March 31, 2026, compared to $1,206,625 for the year ended March 31, 2025, primarily consisting of proceeds from private placements of $1,191,187, notes payable from related parties of $110,000, partially offset by share issue costs of $143,837, BDC Loan repayments of $41,640, and issue costs on convertible debentures of $40,000.

Investing activities: There were no cash flows from investing activities for the year ended March 31, 2026, compared to $1,964,456 for the year ended March 31, 2025, which related to cash acquired on the RTO completed in that year and did not recur.

The Company continues to rely on equity and debt financing to fund operations and growth initiatives and may seek additional capital as needed.

Working Capital and Liquidity Outlook

The Company manages its capital structure and adjusts it based on the funds available to the Company to support the development of its planned business activities. The Board of Directors of the Company (the "Board") does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. To carry out planned business activities and pay for administrative costs, the Company spends its existing working capital and raises additional funds as needed.

As at March 31, 2026, the Company had a working capital deficit of $1,166,471, compared with $394,904 as at March 31, 2025. Working capital is calculated as current assets less current liabilities. Management uses this supplementary financial measure to assess the Company’s ability to meet its short-term obligations. Current assets were $122,263 and current liabilities were $1,288,734 at March 31, 2026, compared with current assets of $613,980 and current liabilities of $1,008,884 at March 31, 2025.

The Company expects to continue operating at a loss for at least the next 12 months and will therefore require additional financing to fund its core operations, product development, and strategic initiatives. To address its working capital shortfall and support future growth, management intends to:

- Raise additional capital through equity, debt, or convertible instruments;
- Execute debt settlement arrangements with creditors, where appropriate, to reduce short-term obligations;
- Enhance operating performance through revenue growth and cost management initiatives.

There is no assurance that additional financing will be available, or if available, that it will be on terms acceptable to the Company.

Although the Company raised gross proceeds of $854,500 subsequent to year end, the financing does not, by itself, eliminate the Company’s working capital deficit or its need for further financing. The duration for which the net proceeds will fund operations will depend on revenue generation, product-development expenditures, creditor payments and the Company’s ability to manage discretionary spending.

The Company's primary capital management objective is to preserve its ability to continue as a going concern while seeking to maximize shareholder value. Capital structure decisions are regularly assessed based on market conditions, the Company's financial outlook, and strategic requirements. There were no changes to the Company's capital management policies or procedures during the year, and the Company is not subject to any externally imposed capital requirements.

As disclosed in the 2026 Financial Statements, the Company has concluded that a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern. The Company's ability to continue operations is dependent on its ability to raise additional financing and achieve profitable operations. For more information with respect to trends or expected fluctuations in the Company's liquidity, please see "Financial Risks" and "Liquidity Stress Scenarios" below.

Commitments and Contractual Obligations

As at March 31, 2026, the Company had the following material contractual obligations:

<u>Business Development Bank of Canada ("BDC") Loan</u>

- Principal outstanding of $159,620 (March 31, 2025 – $201,260);
- Monthly principal payments of $3,470, with interest payable separately;
- Interest payable at the BDC floating base rate, which was 8.55% per annum at March 31, 2026, plus variance interest of 3.89% per annum;
- A maturity date of January 1, 2030;
- The Company expects to continue making scheduled payments for the remainder of the loan term.

Convertible Debentures

- Unsecured convertible debentures with an original principal amount of $100,000, bearing interest at 10% per annum, convertible at $0.11 per share, maturing August 23, 2026;
- Secured convertible debentures, with maturity extended to September 15, 2026 pursuant to an amendment completed on September 15, 2025, convertible at $0.044 per share. During the year, $40,000 of these debentures was converted into 909,090 common shares.
- Combined carrying value of the convertible debentures of $195,867 as at March 31, 2026 (March 31, 2025 – $210,074).

Accounts Payable and Accrued Liabilities

- As at March 31, 2026, the Company had $816,390 in accounts payable and accrued liabilities (March 31, 2025 – $729,775), including $677,003 due to related parties (March 31, 2025 – $430,166). The amounts include trade payables, accrued liabilities and related-party balances. Related-party balances disclosed in Note 13 are unsecured, non-interest-bearing and due on demand. Trade payables are payable in accordance with their applicable payment terms.

Notes Payable

- As at March 31, 2026, the Company had notes payable of $234,837, compared with $1,822 at March 31, 2025. Notes issued during fiscal 2026 bear interest at 16% per annum, compounded annually, and are payable on demand. [TO CONFIRM: disclose the rate applicable to the $1,822 legacy note separately.]

Leases

- The Company has no office lease commitments or other long-term contractual obligations related to premises or equipment.

Selected Annual Information

The following table summarizes selected financial information of the Company for each of the three most recently completed financial years. This information has been derived from the Company's audited consolidated financial statements for the respective years and should be read in conjunction with those statements.

	Year ended March 31, 2026 ($)	Year ended March 31, 2025 ($)	Year ended March 31, 2024 ($)
Total revenue	203,776	398,023	464,372
Net loss and comprehensive loss	(1,886,532)	(2,602,701)	(2,027,672)
Basic and diluted loss per share	(0.014)	(0.031)	(0.098)
Total assets	122,263	635,355	192,318
Total liabilities	1,406,714	1,168,504	2,146,185
Cash dividends declared per share	-	-	-

Key trends and factors affecting the comparability of the data set out above include:

- The Company's ongoing transition from project-based influencer-marketing services toward a performance-based, SaaS-oriented revenue model (AdAi and, more recently, ClickRadar), which has affected the comparability of revenue and gross margin between periods;

The reduction in total assets during fiscal 2026 primarily reflected cash used to fund operating activities, partially offset by proceeds from private placements and notes payable. Total liabilities increased primarily because of the increase in notes payable and accounts payable and accrued liabilities.

The Company continues to incur operating losses and negative operating cash flows and remains dependent on external financing. These conditions materially affect comparability between periods and resulted in the material uncertainty related to going concern described below.

Quarterly Financial Results for the Previous Eight Quarters

Quarterly financial data is derived from the Company's interim and annual financial statements prepared in accordance with IFRS.

	Q4 F2026 ($)	Q3 F2026 ($)	Q2 F2026 ($)	Q1 F2026 ($)
Sales revenue	73,486	43,397	26,152	60,741
Gross profit (loss)	(93,848)	7,814	75	37,755
Operating expenses	338,303	469,392	460,134	470,819
Net loss and comprehensive loss	(483,514)	(471,928)	(477,760)	(453,330)
Total assets	122,263	250,755	520,006	225,958

	Q4 F2025 ($)	Q3 F2025 ($)	Q2 F2025 ($)	Q1 F2025 ($)
Sales revenue	39,793	78,207	213,677	66,346
Gross profit (loss)	7,279	52,637	162,498	35,450
Operating expenses	663,018	662,343	651,142	724,455
Net loss and comprehensive loss	(604,184)	(630,572)	(510,559)	(857,386)
Total assets	635,355	369,444	766,347	2,701,935

Fourth Quarter

Based on the annual results less the amounts reported for the first nine months, Q4 fiscal 2026 operating expenses were $338,303 and the Q4 net loss and comprehensive loss was $483,514. Total assets decreased during the year as cash was used to fund operating losses, partially offset by financing activities. The Company does not currently experience material seasonality; however, early-stage commercialization and customer concentration may cause significant quarterly volatility.

Related Party Transactions

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee. The remuneration of directors and other members of key management personnel during the years ended March 31, 2026 and 2025 was as follows:

	2026 ($)	2025 ($)
Salaries and consulting fees	268,333	280,000
Director fees	-	90,000
Promissory note interest	8,709	-
Professional fees	375,103	1,008,697

	2026 ($)	2025 ($)
Share-based compensation	24,858	77,513
Total	677,003	1,456,210

Salaries and consulting fees

- Remuneration of key management personnel for the year ended March 31, 2026 included $140,000 to the Chief Executive Officer ("CEO") (2025 – $105,000). During the year ended March 31, 2026, the Chief Executive Officer converted $47,946 of amounts owing to a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand.
- Remuneration of key management personnel for the year ended March 31, 2026 included $128,333 to the Chief Revenue Officer ("CRO") (2025 – $140,000). During the year ended March 31, 2026, the Chief Revenue Officer converted $45,069 of fees payable to a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand.

Professional fees

- For the year ended March 31, 2026, FMI Capital Advisory Inc. ("FMICAI"), an entity where the Executive Chairman and a director of the Company also serve as Chairman, charged fees of $120,000 (2025 – $423,668) for financial advisory and other services provided to the Company. As at March 31, 2026, $151,342 (March 31, 2025 – $88,892) owing to FMICAI was included in accounts payable and accrued liabilities. The FMICAI fees include all remuneration paid by the Company to the Executive Chairman for his services to the Company. The outstanding amount is unsecured, non-interest bearing and due on demand.
- For the year ended March 31, 2026, CFO Advantage Inc., a company owned by the Chief Financial Officer of the Company, charged fees of $36,000 (2025 – $36,000). As at March 31, 2026, $3,900 (March 31, 2025 – $3,000) owing was included in accounts payable and accrued liabilities. During the year, the Chief Financial Officer converted $30,000 of fees payable into a promissory note bearing interest at 16% per annum, compounded annually, and payable on demand.
- For the year ended March 31, 2026, Fogler, Rubinoff LLP ("Fogler"), an entity where the Executive Chairman is of counsel, charged fees of $163,517 (2025 – $480,820) for legal services provided to the Company. As at March 31, 2026, $252,068 (March 31, 2025 – $333,822) owing to Fogler was included in accounts payable and accrued liabilities.
- The Company and 2041423 Ontario Limited, an entity where a director of the Company is the principal, previously entered into a consulting agreement for monthly remuneration of $5,000. During the year ended March 31, 2026, 2041423 Ontario charged fees of $nil (2025 – $20,000).
- For the year ended March 31, 2026, FMI Securities Inc., an entity related to the Executive Chairman, charged fees of $36,800 (2025 – $nil) for financial services related to the private placements provided to the Company. As at March 31, 2026, $nil was owing to FMI Securities.

Share-based compensation

- For the year ended March 31, 2026, the total fair value recorded for options and RSUs vested for related parties was $24,858 (2025 – $77,513).

Other related party transactions

- See Note 7 to the 2026 Financial Statements for related party transactions involving notes payable to certain executives and directors.
- As at March 31, 2026, $677,003 was due to related parties and included in accounts payable and accrued liabilities (March 31, 2025 – $430,166).
- See also Note 10 to the 2026 Financial Statements for common shares issued to related parties.

Financial Risks

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting period.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable (excluding sales tax recoverable), which expose the Company to credit risk should the debtor default. Cash is held with a reputable Canadian chartered bank, closely monitored by management. The Company's maximum exposure to credit risk as at March 31, 2026 was $97,159 (March 31, 2025 – $498,752). Management believes that the credit risk concentration is minimal, and no expected credit loss has been recorded against the Company's receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at March 31, 2026, the Company had a cash balance of $23,741 (March 31, 2025 – $433,801) to settle current liabilities of $1,288,734 (March 31, 2025 – $1,008,884). Currently, there is insufficient capital to meet short-term business obligations, and the Company is actively pursuing financing options and exploring opportunities to increase revenue. However, there is no assurance that these efforts will be successful, or that financing or revenue growth will be sufficient to achieve positive cash flow, meet timelines, or be available on acceptable terms, if at all.

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. As at March 31, 2026, the Company's BDC Loan exposed the Company to cash flow interest rate risk through its floating base-rate component, with a balance of $159,620 (March 31, 2025 – $201,260). A hypothetical 1% increase or decrease in the relevant floating base rate would have changed annual interest expense and net loss by approximately $1,596 (2025 – $2,013). The Company's other financial liabilities bear interest at fixed rates or are non-interest-bearing/payable on demand and do not expose the Company to interest rate risk.

Foreign exchange risk

The Company's operations are based in Canada but it has transactions denominated in foreign currencies, primarily the United States dollar. The Company does not use derivative instruments to hedge its exposure to foreign currency, but based on its current level of transactions and balances, management believes the foreign exchange risk remains minimal. A 10% strengthening (weakening) of the United States dollar against the Canadian dollar would have increased (decreased) net loss for the year by approximately $10,156.

Fair value

As at March 31, 2026, the Company did not have any financial instruments which were carried at fair value (March 31, 2025 – $nil).

Digital Advertising and SaaS Market Conditions

The digital advertising sector remains highly competitive and is experiencing rapid shifts toward automation, privacy-driven limitations, and increased scrutiny on ad efficiency. At the same time, SaaS buyers are increasingly focused on measurable ROI and cost-reduction tools, creating both opportunities and challenges for the Company. Broader market conditions—including enterprise budget constraints, vendor consolidation, and slower procurement cycles—may influence adoption timelines for new software products. While demand for performance-driven solutions remains strong, purchasing decisions may be affected by macroeconomic conditions and internal budget reallocations within large organizations.

Inflation and Macroeconomic Environment

Inflationary pressures, interest rate levels, and economic uncertainty continue to impact the technology and advertising sectors. Higher capital costs may reduce available financing options, while cost-cutting initiatives within enterprise organizations may lengthen sales cycles or affect budget approvals for new technology adoption. Inflation also increases the Company's operating costs, including salaries, vendor fees, and cloud infrastructure expenses. These macroeconomic conditions may continue to contribute to volatility in both revenue and operating expenses until broader stability returns.

Liquidity Stress Scenarios

Given the Company's cash position and working capital deficit as at March 31, 2026, liquidity remains a significant risk. Without additional financing, the Company may not have sufficient resources to meet its obligations over the next twelve months. Stress scenarios include delays in raising capital, slower-than-expected revenue ramp-up from AdAi and ClickRadar, and an inability to materially reduce discretionary spending. Under adverse conditions, the Company may be required to further defer payments, renegotiate liabilities, or scale back operations. These risks are mitigated in part by management's ongoing capital-raising initiatives, including the private placement completed subsequent to year end (see "Subsequent Events"), and exploration of debt settlement arrangements, but there is no guarantee these actions will be successful.

Risk of Default under the BDC Loan and Refinancing Challenges

The BDC Loan requires scheduled principal and interest payments. Continued operating losses and limited liquidity may increase the risk that the Company will be unable to make these payments when due. A payment default could result in additional costs, enforcement of the lender’s security, acceleration of repayment or restrictions on the Company’s ability to obtain additional financing. Refinancing options may be limited because of the Company’s stage of development and financial condition. Management monitors the Company’s payment obligations and continues to explore alternative financing sources; however, there is no assurance that refinancing or amendments will be available on acceptable terms.

Risks Associated with Adopting a Performance-Based Pricing Model

The Company's performance-based revenue model for AdAi provides a competitive market advantage but also introduces uncertainty. Revenue is dependent on the level of measurable savings delivered to clients, which may vary by industry, budget size, competition, and platform dynamics. If savings are lower than expected or inconsistent across accounts, revenue may fluctuate or decline. Additionally, prospective clients may require extended validation periods or additional proof of savings before adopting the model, which may lengthen sales cycles. Management continues to refine the methodology for measuring savings and is implementing additional tools to improve predictability and accuracy in performance reporting.

Platform Risk

The Company's products rely extensively on third-party advertising platforms such as Google and Meta, as well as e-commerce platforms like Shopify. Changes to algorithms, auction dynamics, API access, data availability, or policy frameworks may affect the performance of AdAi and ClickRadar. Platform-driven automation products (e.g., Performance Max) continue to evolve rapidly, and shifts in how platforms handle attribution, bidding, or brand protection could positively or negatively impact the Company's value proposition. As these factors are outside the Company's control, they present ongoing operational uncertainty.

Cybersecurity and Data/Privacy Risks

The Company is exposed to cybersecurity and data-privacy risks inherent in operating Software-as-a-Service platforms that integrate with third-party advertising ecosystems. Any unauthorized access, data breach, system outage, or compromise of customer information could disrupt operations, result in financial loss, or damage client trust. The Company also relies on multiple third-party APIs and cloud infrastructure providers, which introduces additional points of vulnerability. Although management continues to implement appropriate safeguards and follows industry best practices, no security framework can fully eliminate these risks. Changes to privacy regulations—such as limitations on data usage, cookie tracking, or targeting—may also affect AdAi's or ClickRadar's performance and could require additional investment to maintain compliance.

Risks Related to the ClickRadar Rollout and Scaling

The ClickRadar solution remains in the early stages of commercialization and carries risks associated with beta deployment, scaling, and integration into enterprise environments. Operational risks include technical stability, accuracy of reported savings, and the ability to maintain consistent performance across diverse advertiser accounts and verticals. Commercial risks include slower-than-expected adoption, timing delays in converting trials to paid contracts, and customer hesitancy related to performance-based pricing models. The success of the beta program conducted during the year will influence the Company's broader commercialization timeline, and there is no assurance that results from early audits or trials will be replicated at scale.

Partnership Risk

The Company is dependent on certain strategic partners for core components of its technology stack and go-to-market capabilities. In particular, the Company relies significantly on a third-party technology partner that owns and operates the underlying backend technology supporting AdAi, and the Company’s ability to provide AdAi services depends on the continued availability and performance of that technology. Any changes to these partners' business models, product roadmaps, or contractual terms—such as a partner discontinuing support or revoking licensing—could impair BrandPilot's ability to deliver on its commercial strategy. The loss or failure of a key technology partner could materially affect the Company's operations and financial outlook. To mitigate these risks, the Company:

- Conducts ongoing technical and strategic due diligence;
- Builds flexibility and optionality into its technology stack;
- Establishes multi-channel platform integrations to avoid overreliance on any single vendor;
- Prioritizes long-term agreements with performance-based metrics and service level expectations;
- Continuously monitors platform changes and maintains an adaptive product development roadmap.

While these risks are inherent to operating in a dynamic, platform-based ecosystem, management believes proactive relationship management, diversification, and ongoing innovation reduce the Company's exposure and support long-term business resilience.

Proposed Transactions

As at the date of this MD&A, the Company does not have any material proposed asset acquisitions or dispositions that have been approved by the Board and are sufficiently advanced to warrant disclosure, other than transactions otherwise disclosed in this MD&A.

Off-Balance Sheet Arrangements

As at March 31, 2026 and as at the date of this MD&A, the Company does not have any off-balance sheet arrangements that have a material impact on the Statements of Financial Position.

Disclosure of Outstanding Share Data as of the Date of this MD&A

The table below reflects the Company's share capital and potentially dilutive securities outstanding as at July 29, 2026.

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	234,858,117 common shares as at July 29, 2026
Securities convertible or exercisable into voting or equity shares		(a) Options to acquire up to 8,230,250 common shares (b) 5,050,000 RSUs (c) 156,435,808 warrants

Internal Controls Over Financial Reporting

Under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, the Company is a venture issuer and files the venture-issuer basic certificates. These certificates do not include representations relating to the establishment and maintenance of disclosure controls and procedures or internal control over financial reporting.

Material Uncertainty Related to Going Concern

As at March 31, 2026, the Company had a working capital deficit of $1,166,471 and incurred a net loss of $1,886,532 for the year then ended (2025 – net loss of $2,602,701), resulting in an accumulated deficit of $11,002,935 (March 31, 2025 – $9,116,403). The Company does not anticipate generating sufficient positive cash flows in the near term to fund its ongoing operations without additional financing. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

This material uncertainty is disclosed in Note 1 to the Company's 2026 Financial Statements.

Management continues to actively pursue financing opportunities, debt settlement arrangements, and revenue-generating initiatives to mitigate this uncertainty and support ongoing operations. However, there can be no assurance that these efforts will be successful or sufficient.

Significant Accounting Judgments and Estimates

Management's most significant judgments during the year included the assessment of the Company's ability to continue as a going concern, the determination that the Company acts as a principal in AdAi arrangements and the accounting for the modification of the secured convertible debentures. Significant estimates include the valuation of options and warrants using the Black-Scholes model and the assessment of expected credit losses. There were no material changes in the methodologies used to make these estimates during the year, except for the judgments applied to the new AdAi revenue stream and amended debenture terms. Additional information is provided in Note 2(c) to the 2026 Financial Statements.

Approval

The Board of Directors approved this MD&A on July 29, 2026.

Brandon Mina
Chief Executive Officer