

BrandPilot AI Inc.
(formerly, Universal PropTech Inc.)

Management's Discussion and Analysis

For the three and nine months ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

BrandPilot AI Inc.
(formerly, Universal PropTech Inc.)

Management's Discussion and Analysis of Financial Condition and Results of Operations
For the three and nine months ended December 31, 2024
(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of BrandPilot Inc. ("BPAI", "we", or the "Company") is for the three and nine months ended December 31, 2024. It is supplemental to, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2024 (the "Interim Financial Statements") and the audited financial statements for the years ended March 31, 2024 and 2024 (the "2024 Financial Statements"). The Interim Financial Statements and the 2024 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 and the IFRS Interpretations Committee. 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 February 24, 2025.

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", "Strategic Objectives" 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 Software-as-a-Service 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".

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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 (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 130 Adelaide Street West, Suite 3002, Toronto, Ontario, M5H 3P5, Canada. The Company's common shares are listed on the Canadian Stock Exchange (the "CSE") under the ticker symbol "BPAI", listed on the OTCQB® Venture Market under the ticker symbol "BPAIF" and in Germany on the Frankfurt Stock Exchange the Company is trading under the ticker 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") of Xemoto Media Ltd. ("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 share capital, stock options, RSUs, have been adjusted to reflect to 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.

For accounting purposes, the RTO has been presented as the acquisition of BPAI by Xemoto. The fiscal year-end of the Company will continue as March 31, being the fiscal year end of Xemoto and the comparative figures are those of Xemoto.

Xemoto Media Ltd. was incorporated under the Business Corporations Act (Ontario) on July 6, 2020.

BrandPilot AI is a digital advertising technology company specializing in AI-driven performance marketing solutions. Using advanced machine learning algorithms and automation, BrandPilot's suite of software-as-a-service ("SaaS") solutions empower advertisers to eliminate ad waste, amplify their brand and optimize digital marketing strategies in search and social campaigns.

The Company's core offering, AdAi helps reduce unnecessary branded search spend without negatively impacting business performance. This enables businesses to defend their brand at a fraction of the usual cost, drive growth by reallocating reclaimed ad spend, and scale across all platforms. AdAi is compatible with Performance Max, Dynamic Search Ads, Shopping Ads, SA360, and all Smart Bidding strategies, ensuring seamless integration with existing marketing efforts. The company continues to expand its capabilities through Spectrum IQ, an AI-driven influencer marketing platform and Social Runway, a complete social media management solution. Spectrum IQ enables brands to amplify their messaging across digital channels, leveraging micro-influencers and creators to enhance engagement on leading social platforms including Instagram, Facebook, Youtube, Twitch, LinkedIn and TikTok. The platform integrates directly with both Shopify and WooCommerce, the web's largest ecommerce applications ensuring maximum reach and impact. BrandPilot's transition to a performance-first AI platform positions it as a

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leader in eliminating wasted ad spend and driving efficient, high-ROI advertising strategies for enterprise and SME clients.

Business Objectives

BrandPilot AI's business objectives focus on strengthening its position as a leader in AI-driven ad spend optimization and expanding its market presence. The Company aims to:

- **Enhance AI and Automation Capabilities** – Continue refining AdAi and other proprietary technologies to improve ad spend efficiency, eliminate waste, and maximize ROI for clients.
- **Expand Market Penetration** – Grow its global footprint across North America, Europe, and Asia-Pacific by increasing adoption among enterprise companies, financial services firms, and small- and medium-sized businesses.
- **Increase Customer Acquisition and Retention** – Drive sustained growth through a combination of direct sales efforts, strategic partnerships, and targeted marketing initiatives to attract and retain high-value clients.
- **Diversify Product Offerings** – Extend AI-driven solutions beyond search and social advertising to address inefficiencies in broader digital marketing ecosystems.
- **Strengthen Data and Analytics Capabilities** – Continue to invest in real-time data processing and AI-powered analytics to enhance campaign performance tracking and optimization.

In line with these objectives, the Company has begun actively pursuing government funding and grants to support innovation, research and development, and market expansion. Securing such funding will enable BrandPilot AI to accelerate product enhancements and drive further adoption of its AI solutions.

BrandPilot AI is also focused on:

- Developing an Ad Fraud, Waste, and Abuse (FWA) solution for programmatic advertising, addressing inefficiencies and fraudulent activity in the broader digital ad ecosystem.
- Growing revenue through expanded enterprise adoption and strategic partnerships with brands seeking to improve ad efficiency.
- Exploring M&A opportunities to enhance technological capabilities and expand the Company's market reach.

The Company's shift from an influencer marketing platform to an AI-driven search and social management solution is a strategic response to the changing landscape of digital advertising. By utilizing its existing technological framework and machine learning capabilities, the company aims to tackle the significant \$83.4 billion issue of wasted digital advertising (as reported by Search Engine Journal Annual Report 2023). It targets enterprise and mid-market segments with a comprehensive advertising optimization solution.

At the heart of this transformation is the focus on developing and licensing AI technologies that address key challenges faced by advertisers, particularly inefficient ad targeting and excessive spending on digital channels like Google and Programmatic.

BrandPilot AI is transitioning its revenue model from project-based influencer marketing campaigns to a subscription-based software-as-a-service (SaaS) approach. This change will create a scalable platform that integrates influencer, search, and social media advertising management. The new strategy positions the

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Company to take advantage of the projected 45% compound annual growth rate in advanced search optimization solutions (according to Goldman Sachs Global Investment Research, 2024). This shift will also diversify revenue streams and expand the total addressable market from \$208.6 billion in 2023 to an estimated \$250.5 billion by 2025 (as forecasted by eMarketer, Digital Ad Spending Forecast 2024).

BrandPilot's competitive edge lies in its unique blend of in-depth marketing insights, licensed proprietary AI technologies, and established relationships with enterprise customers. By developing a unified platform that delivers measurable performance improvements, the company aims to create substantial long-term shareholder value. Industry data suggests a potential reduction of 25-35% in wasted ad spending (as noted in the Forrester Total Economic Impact™ Study, 2023) and enhanced profit margins at the intersection of AI and digital advertising optimization.

The management team is leveraging its extensive experience in digital marketing and technology to seize the opportunity for providing an end-to-end performance marketing solution for brands and agency partners.

BrandPilot AI primarily operates in the United States and Canada, utilizing its unique software, deep regulatory expertise, and a network of compliance-focused creators and campaign managers. This supports clients in the B2B and enterprise sectors, as well as agency partners. The strategic approach focuses on navigating the complexities of digital advertising in paid search and paid social channels, ensuring that clients can maximize the effectiveness of their advertising budgets. By executing on these objectives, BrandPilot AI is positioning itself for long-term **scalability, innovation, and leadership** in the digital advertising technology space.

Industry and Market

The digital advertising industry continues to evolve and expand, with global total media advertising spend projected to surpass \$1 trillion in 2025 ([eMarketer](#)). Many global marketing strategies are driven by paid search and social media advertising. In 2023, digital ad spending reached \$602.5 billion, with paid search comprising 41.3% of total digital ad expenditures ([Statista](#)). Social media advertising grew 20.1% year-over-year, reaching \$227.8 billion ([Statista](#)). Influencer marketing also saw rapid growth, reaching \$21.2 billion, with 63% of consumers trusting influencer recommendations over brand messaging ([Edelman Trust Barometer](#)).

BrandPilot AI addresses one of digital advertising's most pressing challenges: ad waste and inefficiencies in paid search campaigns. AdAi, our AI-driven optimization tool, identifies and eliminates inefficiencies, maximizing return on ad spend (ROAS). We target 400,000 potential clients spending over \$100,000 per month on Google search ads—representing a high-value opportunity to reduce waste and improve campaign efficiency.

Market Opportunity and Total Addressable Market (TAM)

The global paid search market was \$208.6 billion in 2023, projected to grow to \$350.4 billion by 2025 ([GroupM](#)). This segment remains the largest portion of digital ad budgets, driven by:

- Enterprise Advertisers (\$100M+ annual ad spend): 45% of total search spend, or \$157.68 billion.
- Mid-Market Advertisers (\$10M-\$100M annual ad spend): 35% of spend, or \$122.64 billion.
- SMB Advertisers (Under \$10M annual ad spend): 20% of spend, or \$70.08 billion.

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Industry inefficiencies represent a \$83.4 billion ([Precedence](#)) annual waste due to:

- 43% of traffic is invalid and ad spend is wasted on inefficiencies ([Forbes](#)).
- 36% of clicks identified as fraudulent or invalid ([Lunio](#)).
- 28% lost to poor visibility, keyword targeting and bid mismanagement ([Seer Interactive](#)).

Serviceable Addressable Market (SAM) and Strategic Focus

BrandPilot AI's initial focus is on enterprise and upper mid-market advertisers, representing a serviceable addressable market of about \$130 billion. These segments are ideal due to:

- Higher AI adoption rates for campaign efficiency.
- Greater sensitivity to ROI and efficiency metrics.
- Larger opportunities to recover wasted ad spend.

Go-To-Market Strategy

To effectively capture this opportunity, we are deploying a targeted outbound and Account-Based Marketing (ABM) strategy that includes:

- Outbound marketing tactics such as cold calling, email outreach, and LinkedIn prospecting to directly engage potential customers.
- ABM initiatives focusing on personalized content, direct mail campaigns, targeted digital ads, and high-touch engagement with enterprise and mid-market advertisers who demonstrate high spending and inefficiency in search campaigns.
- Industry partnerships to drive adoption through collaboration with advertising agencies and technology partners.

Competitive Landscape and Growth Drivers

Market adoption for AI-driven ad optimization is accelerating due to:

1. Rising Cost-Per-Click (CPC): Increasing 19% annually, pressuring advertisers to seek efficiency ([Ayko](#)).
2. Intensifying Competition: Higher auction density in key verticals:
 - E-commerce: +67% since 2021.
 - Financial Services: +48%.
 - B2B Technology: +52%.
3. Performance Expectations: 78% of CMOs now report direct revenue accountability for ad spend ([Gartner](#)).

Legacy platforms lack comprehensive AI optimization, creating an opportunity for BrandPilot AI's AdAi solution to drive efficiency and measurable ROI for advertisers.

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Business Impact

Enterprise advertisers are realizing substantial financial benefits from implementing AI-powered advertising optimization tools:

- First-year waste reduction: AI-driven solutions can lead to significant reductions in wasted ad spend, with some organizations reporting up to a 40% decrease ([GumGum TEI Report](#)).
- Payback period: Investments in AI-powered marketing tools often yield rapid returns, with companies experiencing payback periods of less than six months ([Adobe Experience Platform ROI Study](#)).
- First-year ROI: Organizations have reported impressive first-year returns on investment, with some achieving up to a 293% ROI from AI-driven marketing platforms ([Boost.ai TEI Report](#)).

A broader cost-optimization strategy, including AI-powered ad spend efficiency, has been increasingly critical for enterprises looking to enhance profitability. Deloitte's research highlights how AI-driven cost optimization in marketing operations significantly reduces waste and improves overall financial performance ([Deloitte Cost Optimization Report](#)). These findings underscore the significant impact that AI-powered advertising optimization can have on enhancing efficiency and profitability for enterprise advertisers.

As the digital advertising market continues to expand and efficiency pressures mount, AI-powered search optimization presents a major opportunity for value creation. Industry analysts project the market for advanced search optimization solutions to grow at a 13.52% CAGR through 2034 ([Prescedence](#)). Some analysts believe it will outpace the broader adtech market growth rate 14.4% CAGR through 2032 ([SNS Insider](#)). BrandPilot AI is well-positioned to capture substantial market share by leveraging its AI-driven ad spend optimization solutions, helping advertisers maximize return on investment (ROI), reduce waste, and enhance efficiency in an increasingly competitive digital landscape.

Highlights for the nine months ended December 31, 2024 to the date of this MD&A

- Secured two government grants to accelerate global expansion and innovation, reinforcing BrandPilot AI's commitment to advancing AI-driven ad spend optimization. These grants will support R&D initiatives, market expansion, and technological enhancements, further strengthening the Company's competitive position in the digital advertising industry.
- Announced a \$1 million private placement to support product development, market expansion, and operational growth. This funding will enable BrandPilot AI to accelerate its AI-driven ad spend optimization solutions and strengthen its position in the digital advertising technology market. On February 24, 2025, the Company closed the first tranche of the private placement for gross proceeds of \$1,069,263.
- Initiated a structured outbound and Account-Based Marketing (ABM) strategy to drive sales pipeline growth and customer acquisition. Outbound efforts include cold calling, email outreach, and LinkedIn prospecting, while ABM focuses on personalized content, direct mail, targeted ads, and one-on-one engagement with high-value accounts to expand the customer base and accelerate revenue growth.

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- BrandPilot AI embraced the future of decentralized finance and blockchain innovation by accepting Bitcoin (BTC), Ethereum (ETH), USD Coin (USDC), and other leading cryptocurrencies.
- CEO Brandon Mina was accepted into the Forbes Technology Council, an exclusive invitation-only community for top technology executives recognized for their accomplishments in innovation, business growth, and thought leadership. Additionally, Mr. Mina has also been invited to join the Forbes Legacy Pass, an exclusive program designed to support and spotlight leaders and creators shaping the future of the Web 3.0 and Crypto in the decentralized digital economy.
- Entered into a strategic partnership with Revvlim, a cutting-edge ad-spend optimization platform. The objective is to tackle the fraud, waste and abuse (FW&A) problem within the programmatic advertising industry. The Agreement allows BrandPilot to promote, sell, deploy and support AdAi, ReACT and FraudAI globally, effective October 7, 2024, the Agreement has a duration of 12 months and renews automatically.
- Approved as a Service Provider for Publicly Listed Companies on the Canadian Securities Exchange.
- Introduced its latest tool for marketers, a social media management dashboard designed to empower brands and agencies with easy to use, time-saving tools for bulk content creation, automated scheduling, effortless content approvals and a unified inbox for maximizing engagement on social media.
- Launched a new app, Social Runway designed to enhance campaign management and execution for marketers, brands, and influencers alike. This app offers an array of powerful features, ensuring seamless social media management from start to finish.
- Successful listing of the Company's common shares on the Canadian Securities Exchange, and commencement of trading on July 8, 2024, under the symbol BPAI.
- Submitted initial documentation for the listing the Company's common shares on the OTC Markets in the United States, along with the initial steps for DTC eligibility (which will provide greater visibility and convenience of trading for U.S. investors, resulting in enhanced U.S. trading liquidity and greater reach).
- Launched Spectrum IQ, a web application that streamlines the influencer marketing process for brands of all sizes. Spectrum IQ allows clients to search, analyze and execute influencer marketing campaigns. The platform is a powerful influencer search and campaign management tool that uses AI to help brands find the right influencers for their campaigns and track their results. With Spectrum IQ, clients can:
 - Search for influencers based on a variety of criteria, including demographics, interests, and engagement rates
 - View detailed influencer profiles that include performance data and audience insights
 - Manage influencer campaigns from start to finish, including sending briefs, tracking progress, and measuring results
- Commenced the trading of its common shares on the OTCQB® Venture Market under the ticker symbol "BPAIF".

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Financial Condition and Results of Operations for the three and nine months ended December 31, 2024

Revenue and Gross Profit

For the three and nine months ended December 31, 2024, the Company recorded total sales revenue of \$78,207 and \$358,230, respectively, compared to \$134,990 and \$458,394 for the same periods in 2023. Revenue for the three and nine months ended December 31, 2024, decreased compared to the prior periods, primarily due to the Company's focus on the COB transaction and product development initiatives. Since closing the COB Transaction, the Company has transitioned its strategic focus to customer acquisition, with the expectation that these initiatives will generate revenue in the coming months. During the nine months ended December 31, 2024, the Company also recognized \$44,550 of deferred revenue from expired customer contracts where no campaigns had been completed.

The Company incurred cost of sales of \$25,570 and \$107,645, respectively, for the three and nine months ended December 31, 2024 compared to \$78,315 and \$244,556 for the same periods in 2023. The cost of sales is primarily comprised of payments to influencers for their services. The Company's strategic refocus on core industries, such as capital markets and financial services, resulted in decreased cost of sales and gross profit due to reduced revenue and the number of campaigns launched. This shift also involved a concentrated effort on improving the platform through rapid product development. The Company was also in the process of recasting key management roles, including the sales team. While these changes initially led to a decline in campaign volume, they position the Company to capitalize on more significant opportunities within its targeted markets.

Operating Expenses.

For the three and nine months ended December 31, 2024, the Company incurred total operating expenses of \$662,343 and \$2,037,941, respectively, as compared to total operating expenses of \$606,991 and \$1,464,635 for the same periods in 2023. The breakdown of any change in operating expenses can be seen in the table below.

	Three months ended December 31,			Nine months ended December 31,		
	2024	2023	Change	2024	2023	Change
	\$	\$	\$	\$	\$	\$
<u>Revenue</u>						
Sales revenue	78,207	134,990	(56,783)	358,230	458,394	(100,164)
Cost of sales	(25,570)	(78,315)	52,745	(107,645)	(244,556)	136,911
Gross Profit	52,637	56,675	(4,038)	250,585	213,838	36,747
<u>Expenses</u>						
Salaries and consulting fees	233,580	271,593	(38,013)	883,024	774,687	108,337
Professional fees	229,033	218,552	10,481	602,190	462,362	139,828
Share-based compensation	19,769	22,361	(2,592)	119,877	55,437	64,440
Research and development	44,705	7,054	37,651	44,705	20,097	24,608
Office and general	42,878	45,688	(2,810)	244,317	75,287	169,030
Sales and Marketing	86,045	35,410	50,635	124,828	57,765	67,063
Depreciation of computer	6,333	6,333	-	19,000	19,000	-
	(662,343)	(606,991)	(55,352)	(2,037,941)	(1,464,635)	(573,306)
Loss before Other	(609,706)	(550,316)	(59,390)	(1,787,356)	(1,250,797)	(536,559)

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<u>Other Income (Expenses)</u>						
Interest and accretion	(22,128)	(12,141)	(9,987)	(71,906)	(30,195)	(41,711)
Foreign exchange income/(loss)	1,262	(6,178)	7,440	(2,146)	(9,819)	7,673
Listing expense	-	-	-	(137,109)	-	(137,109)
Loss on settlement of debt	-	-	-	-	(136,764)	136,764
	(20,866)	(18,319)	(2,547)	(211,161)	(176,778)	(34,383)
Net loss before taxes	(630,572)	(568,635)	(61,937)	(1,998,517)	(1,427,575)	(570,942)
Other income	-	105,712	(105,712)	-	105,712	(105,712)
Net Comprehensive Loss	(630,572)	(462,923)	(167,649)	(1,998,517)	(1,321,863)	(676,654)

- The increase in salaries and consulting fees of \$108,337 for the nine months ended December 31, 2024 compared to the same periods in 2023 is attributed to the success fees paid for the successful completion of the COB Transaction, as well as the additional of director fees commencing on the completion of the COB Transaction. The total amount of the success fees was \$213,568, of which \$63,568 was settled with shares of The Company. (See also related party transactions). During the three months ended December 31, 2024, there was a reduction in personnel (compared to the prior period), thus reducing total salary expense for the period in the amount of \$50,013.
- Professional fees include legal, audit, accounting, professional consulting, and business development. The increase of \$139,828 for the nine months ended December 31, 2024 compared to the same periods in 2023 was related to legal fees for working on and closing the COB Transaction, as well as some additional fees incurred in Q2 related to business development. Included in professional fees for the nine months ended December 31, 2024, was approximately \$200,000 of non-recurring fees related to the COB Transaction. For the three months ended the expense was inline with the comparative period, with a small increase of \$10,481. This expense is generally determined by the level of transactional activities in a period.
- The increase in office and general expenses of \$169,030 for the nine months ending December 31, 2024, is mainly attributed to costs associated with pursuing a listing on the OTC Market, along with additional expenses related to going public, such as transfer agent fees and directors and officers insurance. The expense for the three month period reflects typical operating expenses for the period with no one time costs as in previous quarters, and resulted in a decrease of \$2,810.
- Share-based compensation, a non-cash expense, relies on the quantity and value of options or RSUs granted, along with their vesting schedule. The Company utilizes a stock option and RSU plan to provide these rewards as part of compensation for officers, directors, and consultants. The increase of \$60,440 for nine months ended December 31, 2024 compared to the same period in 2023 was due to more options granted and vested during 2024.
- There was an increase in research and development expense of \$37,651 and \$24,608 for the three and nine months ended December 31, 2024, respectively, compared to the same periods in 2023, includes costs related to software testing and product development, including salaries of personnel involved in these activities.
- Marketing and advertising costs increased by \$50,635 and \$67,063 for the three and nine months ended December 31, 2024, respectively, compared to the same periods in 2023 due to the hiring of a chief revenue officer, and a higher allocation of funds towards online advertising.

Other expenses

- Interest and accretion expense for the three and nine months ended December 31, 2024, included the following:

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	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interest and accretion on convertible debentures	13,462	2,568	38,114	3,611
Interest on BDC loan	6,656	8,221	21,991	18,006
Interest on Notes payable	182	1,352	6,428	8,577
Other	1,828	-	5,373	-
	22,128	12,141	71,906	30,194

- In connection with the COB Transaction and related RTO, the Company recognized a listing expense (a non-cash expense) in the amount of \$137,109, such amount being equal to the consideration paid less the net assets acquired under the RTO.

Cash flows

Net cash used in operating activities for the nine months ended December 31, 2024 was \$2,038,352, compared to net cash used in operating activities of \$881,387 in the nine months ended December 31, 2023.

Net cash provided by financing activities for the nine months ended December 31, 2024, totaled \$118,772, compared to \$945,809 for the same period in 2023. Cash generated from financing activities included private placement financings, loan proceeds, loans from related parties, and proceeds from convertible debentures. These were partially offset by repayments on BDC loans and related party notes. The decrease compared to 2023 reflects the repayment of advances to RPT totaling \$262,178 in June 2024, and additional loan advances in 2023.

Net cash provided by investing activities during the nine months ended December 31, 2024 was \$1,964,456 (December 31, 2023 - \$nil) representing the cash acquired on the RTO.

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 ("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 the planned business activities and pay for administrative costs, the Company spends its existing working capital and raises additional funds as needed.

As of December 31, 2024, the Company had a working capital deficit of \$929,453 (March 31, 2024 – working capital deficit of \$1,574,194). The Company's average monthly cash burn rate for the quarter, which was calculated as cash spent per month in operating activities, was approximately \$226,000. The Company expects to operate at a loss for at least the next 12 months and will rely on raising adequate capital to fund core business operations, development, and growth. Management plans to remedy this working capital deficiency by (a) raising additional adequate capital in the form of equity, debt, or convertible instruments, (b) executing debt settlements with creditors, when applicable, to convert any short-term liabilities to equity, and (c) improving the financial performance of the business through revenue growth and cost optimization. There can be no assurance that additional financing will be available or, if available, on terms favourable or acceptable to the Company.

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When managing capital, the Company's objective is 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.

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.

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

For more information with respect to trends or expected fluctuations in the Company's liquidity please see "Liquidity Risks".

Quarterly Financial Results

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
	\$	\$	\$	\$
Sales revenue	78,207	213,677	66,346	5,978
Gross profit (loss)	52,637	162,498	35,450	(17,163)
Operating expenses	662,343	651,142	724,455	675,073
Net loss and comprehensive loss	(630,572)	(510,559)	(857,386)	(705,811)
Total assets	369,444	766,347	2,701,935	192,318
Accumulated (deficit)	(8,512,219)	(7,881,647)	(7,371,088)	(6,513,702)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	\$	\$	\$	\$
Sales revenue	134,990	159,560	163,844	165,917
Gross profit (loss)	56,675	80,773	76,390	95,680
Operating expenses	606,990	358,417	499,227	612,524
Net loss and comprehensive loss	(462,922)	(386,073)	(472,867)	(530,348)
Total assets	210,537	452,509	350,717	123,681
Shareholders' equity (deficit)	(5,807,892)	(5,222,700)	(4,915,910)	(4,486,030)

***Note:** The financial data for the above noted periods were prepared in accordance with IFRS.*

Increase in total assets in Q1 2025 was the result of the RTO. The decrease in total assets during Q2 was primarily attributed to the Q3 net loss and the application of a significant portion of the cash proceeds from the RTO to offset accrued payables. There is currently no seasonality to the Company's business.

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 three and nine-month periods ended December 31, 2024 and 2023 were as follows:

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	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	2024	2023
Salaries and consulting fees	\$ 70,000	\$ 177,962	\$ 210,000	\$ 272,962
Director fees	107,231	-	107,231	-
Professional fees	154,087	135,527	824,946	323,347
Share-based compensation	16,457	20,990	66,368	49,201
	\$ 347,775	\$ 334,479	\$ 1,208,545	\$ 645,510

Salaries and consulting fees

- (a) Remuneration of key management personnel of the Company for the nine months ended December 31, 2024 included \$105,000 to the Chief Executive Officer (December 31, 2023 – \$142,500) for the former Chief Executive Officer. As of December 31, 2024, \$nil (March 31, 2024 – \$8,750) is owed to the CEO and \$nil (March 31, 2024 – \$31,667) due to the former CEO and is included in accounts payable and accrued liabilities. The amounts outstanding are unsecured, non-interest bearing and due on demand. On September 12, 2022, the former CEO of the Company advanced the Company \$40,000 and the Company issued Notes bearing interest at 8% per year compounded annually and payable on demand (see Note 7). The Note was repaid during of the second quarter.
- (b) Remuneration of key management personnel of the Company for the nine months ended December 31, 2024, included \$105,000 relatively to the Chief Revenue Officer (December 31, 2023 – \$nil). As of December 31, 2024, \$nil (March 31, 2024 – \$nil) is owing to the CRO.

Professional fees

- (c) For the nine months ended December 31, 2024, FMI Capital Advisory Inc. ("FMICAI"), an entity where the Executive Chairman and a director of the Company is also the Chairman, charged fees of \$333,668 (December 31, 2023 – \$45,000), for financial advisory and other services provided to the Company. As at December 31, 2024, \$103,329 (March 31, 2024 – \$204,729) owing to FMICAI was included in accounts payable and accrued liabilities. The FMICAI fees includes all remuneration paid by the Company to the Executive Chairman for his services to the Company. The amount outstanding is unsecured, non-interest bearing and due on demand. FMICAI also received a stock success fee of 1,430,280 common shares and a cash success fee of \$150,000 for completing the COB Transaction.
- (d) For the nine months ended December 31, 2024, CFO Advantage Inc., a Company owned by the Chief Financial Officer of the Company, charged fees of \$27,000 (December 31, 2023 - \$nil). As at December 31, 2024, \$3,000 owing was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.
- (e) For the nine months ended December 31, 2024, Fogler, Rubinoff LLP ("Fogler"), an entity where the same director is of counsel, charged fees of \$436,778 (December 31, 2023 – \$157,222), for legal services provided to the Company. As at December 31, 2024, \$414,780 (March 31, 2024 – \$249,782) owing to Fogler was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.
- (f) For the nine months ended December 31, 2024, Branson Corporate Services Ltd. ("Branson"), an entity where the former Chief Financial Officer ("CFO") of the Company was employed, charged fees of \$nil (December 31, 2023 – \$75,500), for providing CFO services to the Company, as well as other accounting and administrative services.

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- (g) On January 1, 2023, the Company and 2763168 Ontario Inc. ("2763168 Ontario"), an entity where the former Chief Financial Officer of the Company is the principal, entered into a consulting agreement, for a monthly remuneration of \$5,000 in consideration of the Executive Vice President of Finance. During the nine months ended December 31, 2024, the Executive Vice President of Finance charged fees of \$7,500 (December 31, 2023 – \$51,250). As at December 31, 2024, \$nil (March 31, 2024 – \$4,125) owing to 2763168 Ontario Inc. was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.
- (h) 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 nine months ended December 31, 2024, 2041423 Ontario charged fees of \$20,000. As at December 31, 2024 \$nil (March 31, 2024, \$16,950) was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Share based compensation

- (i) For the nine months ended December 31, 2024, the total fair value recorded (for related parties) for options and RSUs vested was \$66,368 (December 31, 2023 – \$49,201).

Other related party transactions

- (j) As at December 31, 2024, \$26,460 (March 31, 2024 – \$26,460) was due from Unite Communications. ("Unite"), an entity where one of the directors of the Company is also a director was included in accounts receivable, from previously recorded sales revenue.
- (k) See note 7 to the Interim Financial Statements for related party transaction of Notes to certain executives and directors.
- (l) As at December 31, 2024, \$688,779 (March 31, 2024 - \$635,533) was due to related parties and included in accounts payable and accrued liabilities.
- (m) See also Note 10 to the Interim Financial Statements for Common Shares issued for 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 periods.

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.

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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 to a digital marketing business model at a time 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 servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

As at December 31, 2024, the Company had a cash balance of \$138,737 (March 31, 2024 – \$93,861) to settle current liabilities of \$1,272,727 (March 31, 2024 – \$1,721,342).

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 December 31, 2024. 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.

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 December 31, 2024, the Company had no financial instruments which are variable interest-bearing, and had no hedging agreements in place with respect to floating interest rates. Management believes that the interest rate risk concentration with respect to financial instruments is minimal.

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 has 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 the foreign currency, but, based on its current level of transaction and balances, management believes that the foreign exchange risk remains minimal.

Inflation Risk

The Company is subject to inflation risk that could have a material effect on our business, financial condition or results of operations. If the Company costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. The Company's

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inability or failure to do so could harm the business, financial condition and results of operations. Furthermore, the Company's merchants are also subject to risks associated with inflationary pressures that could impact their business and financial condition.

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), and accounts payable and accrued liabilities. 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 December 31, 2024, the Company did not have any financial instruments which were carried at fair value (March 31, 2024 – \$nil).

Platform risk

The company relies on a number of platforms as part of its offerings. If any of these platforms experience downtime, shut down permanently, or substantially change their business models, the company's operations will be directly affected. The company mitigates this risk through partner/technology due diligence and long-term contracts.

Off Balance Sheet Arrangements

As at December 31, 2024 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 February 24, 2025

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited	136,510,525 common shares at the date of this MD&A 93,740,005 common shares at December 31, 2024 <i>*Subsequent to December 31, 2024, 42,770,520 shares issued on a private placement and 2,250,000 common shares were issued on the conversion of \$100,000 of debentures.</i>

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Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 8,505,250 common shares b) 315,000 RSUs c) 56,978,425 warrants exercisable to acquire the same number of common shares of the Company
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Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to "Financial Condition and Results of Operations - *Results of operations*" and "Related Party Transactions".

Significant Accounting Judgments and Estimates

The preparation of the Company's 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. These are described in greater detail in Note 2(c) to the Interim Financial Statements.

Summary of Significant Accounting Policies

The significant accounting policies used by the Company are described in greater detail in Note 3 to the 2024 Financial Statements.

Approval

The Board of the Company has reviewed the Financial Statements for the period ended December 31, 2024 and the disclosures contained in this MD&A.

February 24, 2025

Brandon Mina
Chief Executive Officer