Hypercharge Networks Corp.

Condensed Consolidated Interim Financial Statements

For the three- and six-months ended September 30, 2023
and August 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

Hypercharge Networks Corp.
Condensed Consolidated Interim Statements of Financial Position
(EXPRESSED IN CANADIAN DOLLARS)

	Note		September 30, 2023		March 31, 2023
ASSETS			(Unaudited)		(Audited)
Current assets					
Cash and cash equivalents		$	5,222,730	$	2,686,157
Accounts receivable	4		1,408,701		825,060
Current portion of lease receivable	5		102,443		141,096
Prepaid expenses and other current assets			991,637		1,206,147
Inventory	6		956,989		992,086
			8,682,500		5,850,546
Non-Current assets					
Non-current portion of lease receivable	5		-		33,415
Property and equipment	7		144,653		120,121
Right-of-use assets	8		321,459		400,494
			466,112		554,030
Total assets		$	9,148,612	$	6,404,576
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	12	$	1,470,515	$	919,006
Current portion of deferred revenue			434,632		347,836
Current portion of lease liabilities	8		232,126		276,763
Holdbacks payable			10,203		10,203
			2,147,476		1,553,808
Non-Current liabilities					
Deferred revenue			173,765		94,650
Lease liabilities	8		162,497		252,530
			336,262		347,180
Total liabilities			2,483,738		1,900,988
EQUITY					
Share capital	10		22,065,437		17,245,008
Warrants reserve	10		1,879,077		721,002
Share-based payment reserve	10		1,089,250		969,544
Obligation to issue shares	10		218,800		168,400
Accumulated other comprehensive loss			(2,418)		-
Accumulated deficit			(18,585,272)		(14,600,366)
Total shareholders' equity			6,664,874		4,503,588
Total liabilities and equity		$	9,148,612	$	6,404,576

Going concern	1
Commitments and contingency	11
Subsequent events	20

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

Hypercharge Networks Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	Note		Three months ended September 30, 2023		Three months ended August 31, 2022		Six months ended September 30, 2023		Six months ended August 31, 2022
Revenue	15	$	921,783	$	371,081	$	1,422,807	$	439,916
Cost of goods sold	16		(630,544)		(226,717)		(902,228)		(297,012)
Gross profit			291,239		144,364		520,579		142,904
Operating Expenses									
General and administrative	17		1,454,456		1,227,082		3,309,332		2,233,335
Sales and marketing	17		471,155		(35,986)		926,646		210,488
Research and development	17		197,371		71,233		312,900		116,803
Total Operating Expenses			2,122,982		1,262,329		4,548,878		2,560,626
Operating loss			(1,831,743)		(1,117,965)		(4,028,299)		(2,417,722)
Other expenses (income)									
Transaction costs	3		-		118,200		-		1,245,071
Impairment of goodwill	3		-		2,127,955		-		2,127,955
Foreign exchange gain			(1,852)		(6,508)		(75)		(1,504)
Interest (income) expense, net	5 & 8		(33,683)		4,402		(42,402)		10,140
Gain on sale of property and equipment	7		-		-		-		(569)
Other income			(496)		(523)		(916)		(892)
Total other expenses (income)			(36,031)		2,243,526		(43,393)		3,380,201
Net loss			(1,795,712)		(3,361,491)		(3,984,906)		(5,797,923)
Other comprehensive loss:									
Cumulative translation reserve			(2,980)		-		(2,418)		-
Comprehensive loss		$	(1,798,692)	$	(3,361,491)	$	(3,987,324)	$	(5,797,923)
Basic and diluted loss per share		$	(0.03)	$	(0.07)	$	(0.06)	$	(0.13)
Weighted average number of shares outstanding - basic and diluted			68,482,546		50,606,370		66,877,791		43,267,032

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

Hypercharge Networks Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	Note	Share capital	Share-based payment reserve	Warrant reserve	Obligation to issue shares	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
Balance, February 28, 2022		$ 10,300,414	$ 184,438	$ 83,876	$ 495,600	$ -	$ (4,551,535)	$ 6,512,793
Shares issued as advisory success fee	3	76,000	-	-	-	-	-	76,000
Share-based payments	10	-	270,522	116,171	-	-	-	386,693
Shares issued as consulting fee	10	80,000	-	-	-	-	-	80,000
Shares issued for purchase of CoSource	3	1,108,000	-	-	-	-	-	1,108,000
Subscription receipts issued, net of issuance cost	10	-	-	-	6,000,000	-	-	6,000,000
- Issuance cost - cash		-	-	-	(401,524)	-	-	(401,524)
- Issuance cost - warrants		-	-	183,803	(183,803)	-	-	-
Performance Share Units vested	10	165,200	-	-	(165,200)	-	-	-
Net and comprehensive loss		-	-	-	-	-	(5,797,923)	(5,797,923)
Balance, August 31, 2022		$ 11,729,614	$ 454,960	$ 383,850	$ 5,745,073	$ -	$ (10,349,458)	$ 7,964,039

	Note	Share capital	Share-based payment reserve	Warrant reserve	Obligation to issue shares	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
Balance, March 31, 2023		$ 17,245,008	$ 969,544	$ 721,002	$ 168,400	$ -	$ (14,600,366)	$ 4,503,588
Common shares issued	10	5,000,000	-	-	-	-	-	5,000,000
- Issuance cost - cash		(80,564)	-	-	-	-	-	(80,564)
- Issuance cost – advisory		(1,665,671)	-	1,665,671		-	-	-
Share-based payments	10 & 13	-	666,493	71,557	-	-	-	738,050
Stock options exercised	10	194,430	(74,430)	-	-	-	-	120,000
Warrants exercised	10	1,041,564	-	(579,153)	-	-	-	462,411
Performance Share Units vested	10	8,021	(60,400)	-	50,400	-	-	(1,979)
Restricted Share Units vested	10	322,649	(411,957)	-	-	-	-	(89,308)
Net loss		-	-	-	-	-	(3,984,906)	(3,984,906)
Other comprehensive loss		-	-	-	-	(2,418)	-	(2,418)
Balance, September 30, 2023		$ 22,065,437	$ 1,089,250	$ 1,879,077	$ 218,800	$ (2,418)	$ (18,585,272)	$ 6,664,874

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

Hypercharge Networks Corp.
Condensed Consolidated Interim Statements of Cash Flows
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited)

	Note	Six months ended September 30, 2023	Six months ended August 31, 2022
Cash provided by (used in):			
Operating activities:			
Net loss		$ (3,984,906)	$ (5,797,923)
Items not involving cash:			
Share-based payments	10 & 12	738,050	386,693
Depreciation and amortization	7 & 8	115,749	83,430
Non-cash interest, net	8	15,482	10,863
Non-cash transaction expense	3	-	1,220,398
Impairment of goodwill		-	2,127,955
Gain on sale of property and equipment	7	-	(569)
Changes in non-cash working capital items:			
Accounts receivable		(583,641)	(433,694)
Inventory		35,097	(473,658)
Prepaid expenses and other current assets		214,510	21,932
Accounts payable and accrued liabilities		460,222	227,840
Deferred revenue		165,911	68,462
Holdbacks payable		-	29,365
Net cash used in operating activities		(2,823,526)	(2,528,906)
Investing activities:			
Lease payments received	5	76,050	-
Purchase of equipment	7	(61,229)	(59,165)
Proceeds on disposal of equipment	7	-	54,671
Repayment of note receivable	12	-	10,067
Net cash provided by investing activities		14,821	5,573
Financing activities:			
Common shares issued for cash, net of cash transaction costs	10	4,919,436	-
Proceeds from subscriptions received	10	-	5,598,477
Proceeds of stock option exercises	10	120,000	-
Proceeds of warrant exercises	10	462,411	-
Repayment of notes payable	12	-	(23,500)
Repayments of lease liability	8	(154,134)	(68,576)
Net cash provided by financing activities		5,347,713	5,506,401
Increase in cash flows		2,539,008	2,983,068
Net foreign exchange difference		(2,435)	-
Cash and cash equivalents, beginning of the period		2,686,157	3,810,714
Cash and cash equivalents, end of the period		$ 5,222,730	$ 6,793,782

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

1. Entity Information

Hypercharge Networks Corp. (the "Company" or "Hypercharge") was incorporated under the *Business Corporations Act* (British Columbia) on September 5, 2018. The head office of the Company, as well as the registered and records office is located at 1075 W. 1St St., #208, North Vancouver, British Columbia, V7P 3T4. Effective November 16, 2022, the Company's common shares ("Common Shares") began trading on the NEO Exchange Inc. ("NEO") under the symbol "HC", and subsequently on the Frankfurt Stock Exchange under the symbol "PB7", and the OTCQB Venture Market under the symbol "HCNWF".

The Company is in the business of providing electric vehicle (EV) charging equipment and solutions. On November 1, 2021, the Company acquired (the "Spark Acquisition") all the issued and outstanding shares of Spark Charging Solutions Inc. ("Spark") and on April 22, 2022, acquired (the "CoSource Acquisition") CoSource Information Technology Inc. ("CoSource") (see Note 3) to add to its existing business of providing EV charging solutions. The Spark Acquisition combines two established teams with experience in EV technology, software and hardware. Spark supplies and installs EV charging stations across Canada and holds Canadian distribution rights to charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The CoSource Acquisition provides an additional tool to be integrated into the Company's existing operations. The combined team continues to grow as Hypercharge scales strategic operations and support of existing and new clients across North America.

The Company is an early-stage company and is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue its strategic initiatives and the Company may be unable to obtain sufficient financing or financing on satisfactory terms, if at all. Furthermore, there is no assurance that the Company will be profitable. Management intends to finance operating costs over the next twelve months with its cash on hand, and/or additional financing. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These audited condensed consolidated interim financial statements (the "Interim Financial Statements") do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

Concerns about global economic and financial fragmentation have intensified in recent years amid rising geopolitical tensions. The regional conflicts may negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

2. Significant accounting policies

(a) Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these Interim Financial Statements should be read in conjunction with the Company's March 31, 2023 audited annual financial statements and the notes to such financial statements. Certain comparative figures have been reclassified to conform with current period presentation.

On November 24, 2022, the Company changed its financial year-end from August 31st to March 31st. The change of financial year-end better aligns the Company's financial reporting to market comparables. As a result of the change of financial year-end, the Interim Financial Statements report financial results for the three and six months ended September 30, 2023, with the comparative period being the three and six months ended August 31, 2022.

These Interim Financial Statements of the Company for the three and six months ended September 30, 2023, were approved and authorized for issue by the audit committee of the board of directors of the Company (the "Board") on November 14, 2023.

(b) New accounting pronouncements

The following accounting standards and amendments issued by the IASB or the International Financial Reporting Interpretations Committee were adopted during the six months ended September 30, 2023:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. There was no impact to the Interim Financial Statements as a result of the adoption of the amendments.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the Interim Financial Statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. There was no impact to the Interim Financial Statements as a result of the adoption of the amendments.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. There was no impact to the Interim Financial Statements as a result of the adoption of the amendments.

(EXPRESSED IN CANADIAN DOLLARS)

3. Acquisitions

(a) Spark Charging Solutions Inc.

On November 1, 2021 (the "Acquisition Date"), the Company acquired all the issued and outstanding shares of Spark Charging Solutions Inc. ("Spark") pursuant to a share exchange agreement (the "Spark Acquisition"). Spark supplies and installs EV charging stations across Canada and holds Canadian distribution rights to all charging stations manufactured by Oasis Charger Corporation, based in Connecticut, USA. The Spark Acquisition is intended to combine two established teams with experience in EV technology, software and hardware, further enabling the company to scale strategic operations and support of existing and new customers across North America.

The consideration for the Spark Acquisition consisted of: (i) the issuance of 6,000,000 Common Shares (the "Spark Consideration Shares"), and (ii) up to 1,000,000 Common Shares (the "Spark Contingent Shares") based on the Company fulfilling certain milestones as follows: (i) 333,334 Common Shares to be issued upon the deployment of 150 chargers by November 1, 2022; (ii) 333,334 Common Shares to be issued upon hitting a gross revenue threshold of $1,000,000 by November 1, 2022; and (iii) 333,334 Common Shares to be issued upon hitting a gross revenue threshold of $4,000,000 by November 1, 2024. On February 15, 2022, the Company entered into agreements with the holders of the Spark Contingent Shares to exchange 2,000,004 Spark Contingent Shares into 2,000,004 performance share units ("PSUs"). Each PSU is exchangeable for one (1) Common Share. In connection with the Spark Acquisition, the Company is obligated to settle Spark's existing outstanding debt by issuing Common Shares or making future cash payments of up to a total aggregate amount of $191,546 (of which $104,899 had been paid through August 31, 2022). During the seven months ended March 31, 2023, the Company settled the remaining notes payable balance related to the Spark Acquisition of $86,647 through the issuance of 154,725 Common Shares, which resulted in a loss of $7,735 (year ended August 31, 2022 – cash payment of $29,126).

The Spark Consideration Shares are held in escrow and are released in tranches over a 36-month period commencing on November 16, 2022, the date the Company listed on the NEO. Related to the Spark Acquisition, the transaction cost of $1,935,668 consisted of: (i) the issuance of 4,219,670 Common Shares to the advisors valued at $0.40 per Common Share for a fair value of $1,687,868, and (ii) up to 1,000,000 Common Shares, valued at $247,800, to be issued to the advisors over a 36-month period commencing on the Acquisition Date and subject to the same milestone criteria of the Spark Contingent Shares.

The following table summarizes the purchase consideration in connection with the Spark Acquisition:

Fair value of 6,000,000 Common Shares issued	$	1,770,000
Fair value of 1,000,000 Spark Contingent Shares issued		247,800
Total consideration	$	2,017,800

The fair value of the 6,000,000 Common Shares issued was determined based on the share price of the most recent private placement of $0.40 per Common Share, adjusted for a discount of $630,000 using option pricing models to account for the timing of the Common Share releases from escrow over the 36-month period.

(EXPRESSED IN CANADIAN DOLLARS)

The estimated fair value of the Spark Contingent Shares of $247,800 is based on 1,000,000 Common Shares, valued at $0.40 per Common Share, being the most recent private placement price, adjusted for a discount of $152,200, incorporating probability of whether, and when, the milestone threshold would be met, amongst other variability in the outcomes.

The purchase has been accounted for by the acquisition method, with the results of Spark included in the Company's results of operation from the Acquisition Date.

The following table summarizes the fair values of the assets and liabilities as at the date of the Spark Acquisition:

Cash	$	12,603
Accounts receivable		16,305
Notes receivable		10,067
Inventory		302,986
Equipment		54,671
Accounts payable		(14,480)
Notes payable		(115,773)
Notes payable - Hypercharge		(376,534)
Goodwill		2,127,955
Total consideration	$	2,017,800

The fair value of the accounts receivable acquired is $16,305. This consists of the gross contractual value all of which was subsequently collected.

On the Acquisition Date, goodwill of $2,127,955 was recorded as a result of the market synergies expected to arise from the Spark Acquisition. Following the Spark Acquisition, the market synergies ultimately did not materialize as expected due to a shift in product strategy, which led to the decision not to extend an exclusive distribution agreement previously granted to Spark. As a result, since the Spark Acquisition, the Company's strategic product mix evolved to include additional supplier agreements to diversify its product mix and to better meet market demand and increase overall gross margin. During the year ended August 31, 2022, the Company impaired such goodwill and recorded an impairment loss of $2,127,955, writing-down the value of the goodwill to nil.

Management believes the goodwill impairment will have no material impact on the Company's operations. Conversely, the Company anticipates its shift in strategy to diversify its product mix as described above will incrementally improve the Company's operations and future performance.

(b) CoSource Information Technology Services Inc.

On May 13, 2022, the Company acquired (the "CoSource Acquisition") all of the issued and outstanding shares of CoSource Information Technology Service Inc. ("CoSource") in exchange for: (i) 3,800,000 Common Shares (the "CoSource Consideration Shares") and (ii)

1,500,000 performance warrants (the "CoSource Performance Warrants"). Each CoSource Performance Warrant is exercisable into one Common Share at a price of $0.40 per Common Share upon the following vesting schedule: (i) 250,000 CoSource Performance Warrants upon the Company achieving aggregate gross revenue of $1,000,000 within 24 months of May 24, 2022; (ii) 500,000 CoSource Performance Warrants vest upon the Company achieving gross revenue of $2,000,000 or more in a single fiscal year within 36 months of May 24, 2022; and (iii) 750,000 CoSource Performance Warrants vest upon the Company achieving aggregate gross revenue of $8,000,000 within 48 months of May 24, 2022. The CoSource Consideration Shares are subject to voluntary resale restrictions, whereby 10% of the CoSource Consideration Shares were released on the date the Common Shares were listed on the NEO, with the balance being released in six (6) equal installments every six (6) months thereafter.

CoSource is a digital agency specializing in digital innovation, marketing, and software product development. The CoSource Acquisition is intended to further enable Hypercharge to innovate and advance the Company's network and technologies to create a seamless and integrated experience for the Company's existing and new customers.

The CoSource Acquisition was a related party transaction under International Accounting Standard (IAS) 24. In connection with the CoSource Acquisition, the Company issued (i) an aggregate of 2,090,000 CoSource Consideration Shares and 1,500,000 CoSource Performance Warrants to David Bibby, the Company's President, Chief Executive Officer ("CEO"), and director, who was a co-founder and shareholder of CoSource, and (ii) an aggregate of 1,710,000 CoSource Consideration Shares to Denise Howell, the spouse of Mr. Bibby, who was a co-founder and shareholder of CoSource.

At the date of the CoSource Acquisition, the Company determined that CoSource did not constitute a business as defined under IFRS 3, Business Combinations, and accounted for the CoSource Acquisition as an asset acquisition that met the recognition criteria under IFRS. As a result of the acquisition, there were no intangible assets identified that met the recognition criteria under IFRS. The remaining excess of the consideration paid over the fair value of the assets and liabilities assumed was expensed as transaction cost.

As the vesting of the CoSource Performance Warrants is dependent on the continued service requirement of the vendor, the service expense has been accounted for in accordance with IFRS 2 – *Share-based Payments* ("IFRS 2") as a compensation arrangement and not part of the acquisition price.

The fair value of the 3,800,000 aggregate CoSource Consideration Shares issued to the vendors was estimated using $0.40 per Common Share, being the subscription price of the Company's most recent private placement, reduced by a discount of $412,000, estimated using a commonly used option model related to the lack of marketability of the Common Shares from the contractual restriction. The fair value of the 190,000 Common Shares issued as an advisory fee was valued using $0.40 per Common Share, being the subscription price of the Company's most recent private placement.

(EXPRESSED IN CANADIAN DOLLARS)

The following table summarizes the allocation of the purchase consideration to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

Fair value of 3,800,000 Common Shares issued to the vendors	$	1,108,000
Fair value of 190,000 Common Shares issued as an advisory fee		76,000
Transaction costs		24,673
Total acquisition expense		1,208,673
plus: net liabilities assumed		
Accounts receivable		1,138
Accounts payable and accrued liabilities		(2,765)
Notes payable		(34,771)
Net liabilities assumed		(36,398)
Transaction cost	$	1,245,071

4. Accounts receivable

As at		September 30, 2023		March 31, 2023
Trade accounts receivable	$	1,548,279	$	1,045,584
GST/HST receivable		80,681		105,174
Interest receivable		61,416		5,666
Other receivables		-		20,440
		1,690,376		1,176,864
Loss allowance		(281,675)		(351,804)
	$	1,408,701	$	825,060

During the six months ended September 30, 2023 and seven months ended March 31, 2023, the movement of the Company's credit loss allowance recorded in office and administrative expenses is as follows:

For the period ended		September 30, 2023		March 31, 2023
Balance, beginning of period	$	351,804	$	5,879
Provision for loss allowance (recovered) recognized		(70,129)		345,925
Balance, end of period	$	281,675	$	351,804

5. Lease receivable

On October 3, 2022, the Company entered into a sublease agreement associated with leased office space, covering the remaining term of the lease expiring in July 2024. Upon commencement of the sublease, the Company recognized a lease receivable of $230,647, representing the future payments receivable of $247,163 discounted at an annual rate of 9.0%. During the seven months ended March 31, 2023, upon de-recognition of the associated right-of-use asset, the Company recorded a gain on the sublease arrangement of $22,149 representing the difference between the initial lease receivable and the value of the right-of-use asset of $208,498. As of September 30, 2023, the remaining balance receivable was $102,443 (March 31, 2023 - $174,511), of which $102,443 (March 31, 2023 – $141,096) represents the current portion.

(EXPRESSED IN CANADIAN DOLLARS)

Set out below is a reconciliation of the Company's lease receivable as at September 30, 2023 and March 31, 2023:

Balance, August 31, 2022	$	-
Additions		230,647
Interest income		901
Lease payments received, net of interest		(57,037)
Balance, March 31, 2023		174,511
Interest income		3,982
Lease payments received, net of interest		(76,050)
Balance, September 30, 2023	$	102,443

6. Inventory

The Company's inventory consists of EV chargers and components available for sale to customers. During the six months ended September 30, 2023, the Company recorded $760,766 of inventory as an expense of cost of goods sold (six months ended August 31, 2022 – $280,015).

7. Property and equipment

Cost		**Computer equipment**		**Furniture and equipment**		**Leasehold Improvements**		**Charging equipment and demo units**		**Total**
August 31, 2022	$	22,437	$	8,164	$	68,402	$	51,730	$	150,733
Additions		5,968		16,041		-		16,341		38,350
March 31, 2023		28,405		24,205		68,402		68,071		189,083
Additions		13,212		3,913		-		44,104		61,229
Movement in foreign exchange		18		-		-		-		18
September 30, 2023	$	41,635	$	28,118	$	68,402	$	112,175	$	250,330

Accumulated Depreciation		**Computer equipment**		**Furniture and equipment**		**Leasehold Improvements**		**Charging equipment and demo units**		**Total**
August 31, 2022	$	3,943	$	803	$	20,081	$	7,402	$	32,229
Additions		5,280		2,352		15,272		13,829		36,733
March 31, 2023		9,223		3,155		35,353		21,231		68,962
Additions		5,682		2,552		13,090		15,390		36,714
Movement in foreign exchange		1		-		-		-		1
September 30, 2023	$	14,906	$	5,707	$	48,443	$	36,621	$	105,677

(EXPRESSED IN CANADIAN DOLLARS)

Net book value		**Computer equipment**		**Furniture and equipment**		**Leasehold Improvements**		**Charging equipment and demo units**		**Total**
September 30, 2023	$	26,729	$	22,411	$	19,959	$	75,554	$	144,653
March 31, 2023	$	19,182	$	21,050	$	33,049	$	46,840	$	120,121

During the six months ended September 30, 2023, the Company recorded depreciation on its property and equipment of $36,714 within general and administrative expenses (six months ended August 31, 2022 - $22,407). During the six months ended August 31, 2022, the Company sold a vehicle for proceeds of $54,671 at a gain of $569, which is recorded in other (income) expenses.

8. Leases

(a) Right-of-use assets

		Buildings
Balance, August 31, 2022	$	233,925
Additions		474,210
Disposals		(208,498)
Depreciation		(99,143)
Balance, March 31, 2023		400,494
Depreciation		(79,035)
Balance, September 30, 2023	$	321,459

(b) Lease liabilities

Balance, August 31, 2022	$	217,190
Additions		474,210
Interest expense		21,997
Lease payments		(184,104)
Balance, March 31, 2023		529,293
Interest expense		19,464
Lease payments		(154,134)
Balance, September 30, 2023	$	394,623

As of		**September 30, 2023**		**March 31, 2023**
Current	$	232,126	$	276,763
Non-current		162,497		252,530
	$	394,623	$	529,293

(EXPRESSED IN CANADIAN DOLLARS)

The Company has entered into contracts for office and commercial use spaces, of which the terms end between 2024 and 2025. During the six months ended September 30, 2023, the lease liability has been measured by discounting future non-cancellable payments using incremental borrowing rates ranging from 7.8% - 9.3% (six months ended August 31, 2022 – 9.0%)During the six months ended September 30, 2023, the Company recorded interest expense of $19,464 (six months ended August 31, 2022 - $10,863) associated with interest on lease liabilities.

9. Notes payable

In connection with the Spark Acquisition, the Company assumed $115,773 of notes payable (see Note 3), of which $57,520 was due to now former related parties (see Note 12). During the seven months ended March 31, 2023, the Company settled the remaining notes payable balance of $86,647 through the issuance of 154,725 Common Shares, at a loss of $7,735 (year ended August 31, 2022 – cash payment of $29,126).

In connection with the CoSource Acquisition, the Company assumed a $34,771 note payable (see Note 3) due to a related party (see Note 12). During the seven months ended March 31, 2023, the Company repaid the remaining balance of $11,271 to the noteholder (year ended August 31, 2022 - $23,500).

10. Share capital

(a) Authorized

The Company has authorized an unlimited number of Common Shares without par value.

(b) Issued

As at September 30, 2023, there were 68,745,796 (March 31, 2023 – 61,916,325) Common Shares issued and outstanding.

	Number of Common shares		**Share Capital**
Balance, August 31, 2022	51,273,038	$	11,729,614
Common shares issued, net of share issue costs	10,000,000		5,186,094
Shares issued as a corporate finance fee	41,666		-
Performance share units vested	132,000		52,800
Stock options exercised	100,000		62,276
Shares-for-debt	154,725		94,382
Restricted share units vested	200,000		114,182
Warrants exercised	14,896		5,660
Balance, March 31, 2023	61,916,325		17,245,008
Common shares issued, net of share issue costs	4,761,904		3,053,765
Performance share units vested	22,396		8,021
Stock options exercised	255,000		194,430
Restricted share units vested	716,481		322,649

(EXPRESSED IN CANADIAN DOLLARS)

Warrants exercised	1,073,690		1,041,564
Balance, September 30, 2023	68,745,796	$	21,865,437

During the six months ended September 30, 2023, the Company issued 255,000 Common Shares upon the exercise of 255,000 options to purchase Common Shares ("Options") with gross proceeds to the Company of $120,000 (six months ended August 31, 2022 – nil). The weighted average share price at the date of exercise was $1.77.

During the six months ended September 30, 2023, the Company issued 1,073,690 Common Shares upon the exercise of 1,073,690 warrants with gross proceeds to the Company of $462,411 (six months ended August 31, 2022 – nil).

During the six months ended September 30, 2023, the Company issued 22,396 Common Shares upon the net settlement of 25,000 PSUs during the period (six months ended August 31, 2022 – 666,668 Common Shares).

During the six months ended September 30, 2023, the Company issued 716,481 Common Shares upon the vesting of 849,999 restricted share units ("RSUs") during the period (six months ended August 31, 2022 – nil).

On May 17, 2023, the Company closed a non-brokered private placement financing (the "LIFE Financing") of units of the Company (each, a "Unit") through the issuance of 4,761,904 Units at a price of $1.05 per Unit, for aggregate gross proceeds to the Company of approximately $5,000,000. Each Unit is comprised of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant is exercisable into one Common Share at a price of $1.35 for a period of three (3) years from the date of issuance. The Company incurred share issuance costs of $80,564 associated with the LIFE Financing and issued 2,380,952 Warrants with a value of nil calculated using the residual value method. 2,000,000 previously granted advisory warrants (as discussed in Note 10(c)) vested immediately upon closing with a vesting date fair value of $1,665,671, which was recorded as a share issuance cost.

On December 8, 2022, the Company issued 154,725 Common Shares with a fair value of $0.61 per Common Share to the holders of the notes payable assumed in the Spark Acquisition (see Notes 3 and 12) which included settling the remaining balance payable of $86,647.

On June 1, 2022, the Company completed a brokered private placement of 10,000,000 subscription receipts of the Company ("Subscription Receipts") at a price of $0.60 per Subscription Receipt for gross proceeds of $6,000,000. The Company incurred issuance costs of $630,103 associated with the offering and issued 554,253 warrants with a grant date fair value of $183,803 to a syndicate of agents and 41,666 Common Shares as a corporate finance fee payable to the lead agent. The Subscription Receipts were deemed exchanged, without payment of any additional consideration, for one (1) Common Share on September 27, 2022. As of August 31, 2022, $5,674,424 was held in escrow, and was recorded as an obligation to issue Common Shares.

On May 13, 2022, the Company issued 3,800,000 Common Shares, with a fair value of $1,108,000 to the vendors of CoSource in connection with the CoSource Acquisition which closed on May 13, 2022. Upon closing, the Company issued 190,000 Common Shares with a fair value of $76,000 to a consultant as an advisory success fee.

(EXPRESSED IN CANADIAN DOLLARS)

On March 29, 2022, the Company issued 200,000 Common Shares in compensation in connection with a consulting arrangement. During the year ended August 31, 2022, the Company recorded expense of $80,000 in share-based payments associated with the payment of the Common Shares with a value of $0.40 per Common Share.

(c) Warrants

(i) Non-performance warrants

The non-performance warrants continuity schedule for the six months ended September 30, 2023 and August 31, 2022 is as follows:

	Six months ended September 30, 2023			Six months ended August 31, 2022		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Balance outstanding, beginning of the period	665,357	$	0.54	126,000	$	0.25
Granted	2,380,952		1.35	554,253		0.60
Exercised	(665,357)		(0.54)	-		-
Balance outstanding, end of the period	2,380,952	$	1.35	680,253	$	0.54
Warrants exercisable, end of the period	2,380,952	$	1.35	680,253	$	0.54

Details of the non-performance warrants outstanding as at September 30, 2023 are as follows:

Exercise price		Number of warrants outstanding	Expiry date
$	1.35	2,380,952	May 17, 2026

The weighted average remaining contractual life of the non-performance warrants outstanding at September 30, 2023 is 2.63 years (March 31, 2023 – 1.27 years). During the six months ended September 30, 2023, the fair value component related to the warrants of nil (six months ended August 31, 2022 - $183,803) was determined using the Black-Scholes Model using the following assumptions:

	Six months ended September 30, 2023		Six months ended August 31, 2022	
Expected life		-		2.33 years
Expected volatility(*)		-		96.25%
Risk-free rate		-		2.79%
Dividend yield		-		-
Underlying share price	$	-	$	0.60

(EXPRESSED IN CANADIAN DOLLARS)

Strike price	$ -	$ 0.60

(*) – The Company measures its volatility based on a proxy of publicly traded companies that are similar in size and operate in a similar industry. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Warrants or Options is indicative of future trends, which may not necessarily be the actual outcome.

(ii) Performance warrants

The continuity schedule for the performance warrants during the six months ended September 30, 2023 and August 31, 2022 is as follows:

	Six months ended September 30, 2023		Six months ended August 31, 2022	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Balance outstanding, beginning of the period	6,630,000	$ 0.34	4,080,000	$ 0.25
Granted	-	-	1,500,000	0.40
Exercised	(408,333)	(0.25)	-	-
Balance outstanding, end of the period	6,221,667	$ 0.35	5,580,000	$ 0.29
Warrants exercisable, end of the period	2,541,667	$ 0.29	200,000	$ 0.25

Details of the performance warrants exercisable at September 30, 2023 are as follows:

Exercise price	Number of warrants exercisable	Expiry date
$ 0.25	200,000	August 5, 2024
$ 0.25	1,591,667	May 17, 2025
$ 0.40	750,000	May 13, 2027
	2,541,667	

The weighted average remaining contractual life of the performance warrants exercisable as at September 30, 2023 is 2.15 years (March 31, 2023 – 2.89 years). The fair value of the performance warrants, including issuances and revaluations was determined using the Black-Scholes model using the following assumptions:

	Six months ended September 30, 2023	Six months ended August 31, 2022
Exercise life	2.00 - 4.25 years	3.00 - 5.00 years
Expected volatility(*)	74.31% - 91.31%	87.00% - 133.04%
Risk-free rate	3.68% - 4.21%	1.07% - 2.27%
Dividend yield	-	-
Underlying share price	$ 0.74 - 1.15	$ 0.40 - 0.60

(EXPRESSED IN CANADIAN DOLLARS)

Exercise price	$	0.25 - 0.60	$	0.02 - 0.65

(*) – The Company measures its volatility based on a proxy of publicly traded companies that are similar in size and operate in a similar industry. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Warrants or Options is indicative of future trends which may not necessarily be the actual outcome.

Advisory warrants

On August 3, 2021, the Company granted 2,000,000 advisory warrants to an advisor in consideration of completing a future financing transaction. The advisory warrants vested upon the completion of the LIFE Financing, whereby the Company obtained listing on a Canadian stock exchange and conducted a subsequent offering to raise a minimum of $5,000,000. The advisory warrants provide the holder with the opportunity to exercise one (1) warrant for one (1) Common Share at an exercise price of $0.25 per Common Share for a period of two years from the vesting date. The Company has accounted for the transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative fair value represents the best available estimate of the equity instruments expected to vest as at September 30, 2023 and March 31, 2023. The advisory warrants vested on May 17, 2023, upon the closing of the LIFE Financing, and as a result, the fair value component of the warrants, $1,665,671, was recorded as a share issuance cost (March 31, 2023 – nil).

Collaboration warrants

On August 5, 2021, as amended on November 25, 2021, the Company entered into a collaboration agreement (the "Target Park Agreement") with Target to supply, install and maintain EV charging stations. In connection with the Target Park Agreement, the Company issued 2,080,000 performance warrants, 200,000 of which vested immediately with the remaining vesting occurring upon the successful completion of certain milestones during the three years following the commencement of the Target Park Agreement. The performance warrants, when vested, provide the holder with the right to exercise one warrant for one Common Share at an exercise price of $0.25 per Common Share, valid for a period of three years from the date in which such tranche of warrants vested.

The Company has accounted for the Target Park Agreement in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at September 30, 2023 and March 31, 2023. During the six months ended September 30, 2023, the Company recorded share-based payment expense of $24,868 (six months ended August 31, 2022 – $62,561) relating to the share-based payment component of the Target Park Agreement.

CoSource warrants

Pursuant to the CoSource Agreement (see Note 3), the Company issued 1,500,000 performance warrants to the CEO. Each performance warrant is exercisable into one (1) Common Share at a price of $0.02 per Common Share upon the Company's achievement of certain revenue-based milestones. On August 15, 2022, the Company entered into an amended agreement with its CEO in which the exercise price of the performance warrants was raised to an exercise price of $0.40 per Common Share.

(EXPRESSED IN CANADIAN DOLLARS)

Due to the nature of the CoSource Agreement requiring continued service from the CEO for the Performance Warrants to vest, the Company has accounted for the CoSource Acquisition in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at September 30, 2023 and March 31, 2023. During the six months ended September 30, 2023, the Company recorded share-based payment expense of $36,825 (six months ended August 31, 2022 – $53,610) relating to the share-based payment component of the CoSource Agreement.

Consultant warrants

On September 28, 2022, the Company granted 1,050,000 performance warrants to a consultant of the Company, when vested and exercised, provides the holder with one (1) warrant for one (1) Common Share at an exercise price of $0.60 per Common Share. The performance warrants vest in seven (7) tranches conditional upon the Company meeting certain thresholds with respect to charging ports delivered and invoiced.

The Company has accounted for the aforementioned transaction in accordance with IFRS 2 as a share-based payment with a performance condition, and the cumulative expense recorded represents the best available estimate of the equity instruments expected to vest as at September 30, 2023 and March 31, 2023. During the six months ended September 30, 2023, the Company recorded share-based payment expense of $17,496 (six months ended August 31, 2022 – nil) relating to the share-based payment component of this arrangement.

(d) Options

The Company has an equity incentive plan ("Incentive Plan") whereby the Company may grant equity-based incentive awards in the form of Options, PSUs, and RSUs to directors, officers, employees and independent consultants to purchase or receive Common Shares. The terms and conditions of each equity-based incentive award granted under the Incentive Plan are determined by the Board. The number of Common Shares reserved for issuance upon the exercise of Options cannot exceed 10% of the Company's issued and outstanding Common Shares on the date on which an Option is granted. Additionally, there is a maximum of 6,800,000 Common Shares reserved and available for grant and issuance pursuant to RSUs and PSUs under the Incentive Plan, together with any similar performance-based awards under any proposed or established share compensation arrangement.

During the six months ended September 30, 2023, the Company recorded stock-based compensation of $141,868 (six months ended August 31, 2022 – $192,345).

The Option continuity schedule for the six months ended September 30, 2023 and August 31, 2022 is as follows:

	Six months ended September 30, 2023		**Six months ended August 31, 2022**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**

Balance outstanding, beginning of period	2,855,721	$	0.41	1,975,000	$	0.29
Granted	120,000		1.54	460,000		0.53
Exercised	(255,000)		(0.47)	-		-
Forfeited or cancelled	-		-	-		-
Balance outstanding, end of period	2,720,721	$	0.45	2,435,000	$	0.33
Options exercisable, end of period	2,110,429	$	0.36	1,177,500	$	0.30

The following is a summary of the outstanding Options as at September 30, 2023:

Exercise price		Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average remaining vesting period
$	0.25	1,250,000	2.75 years	1,250,000	-
$	0.40	335,000	1.44 years	285,000	0.41 years
$	0.50	200,000	2.28 years	100,000	0.15 years
$	0.58	421,721	2.19 years	105,429	0.69 years
$	0.60	394,000	2.24 years	370,000	1.76 years
$	1.31	100,000	4.51 years	-	2.01 years
$	2.70	20,000	4.53 years	-	2.03 years
		2,720,721		2,110,429	

The fair value of the Options granted during the six months ended September 30, 2023, and August 31, 2022, were estimated using the following Black-Scholes Model assumptions:

	Six months ended September 30, 2023		Six months ended August 31, 2022	
Expected life		5 years		3 years
Expected volatility(*)		93.40% - 93.62%		86.55% - 89.21%
Risk-free rate		2.85% - 3.06%		2.28% - 3.18%
Dividend yield		-		-
Underlying share price	$	1.31 - 2.70	$	0.40-0.60
Exercise price	$	1.31 - 2.70	$	0.40-0.60

(*) – The Company measures its volatility based on a proxy of publicly traded companies that are similar in size and operate in a similar industry. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Warrants or Options is indicative of future trends which may not necessarily be the actual outcome.

(e) PSUs

During the six months ended September 30, 2023, the Company recorded expense of $42,787 (six months ended August 31, 2022 - $52,097) for the PSUs issued to employees. As of September 30, 2023, the Company recorded obligation to issue Common Shares of $53,600 (March 31, 2023 – $3,200) for 134,000 vested PSUs (March 31, 2023 – 8,000) in which

(EXPRESSED IN CANADIAN DOLLARS)

Common Shares had not been issued.

On February 15, 2022, the Company granted 550,000 PSUs to employees of the Company and entered into agreements with the holders of the Spark Contingent Shares (see Note 3) to exchange 2,000,004 Spark Contingent Shares into 2,000,004 PSUs. Each PSU is exchangeable for one (1) Common Share. The PSUs vest upon meeting specific performance targets related to the deployment by the Company of certain numbers of EV chargers on or before specified dates.

Set out below is a reconciliation of the changes in the PSUs as at September 30, 2023 and March 31, 2023:

	# of awards		
	Employee	**Contractor**	**Total**
Balance, August 31, 2022	550,000	1,333,336	1,883,336
Granted	-	-	-
Vested	(140,000)	-	(140,000)
Forfeited	-	(666,668)	(666,668)
Balance, March 31, 2023	410,000	666,668	1,076,668
Granted	-	-	-
Vested	(151,000)	-	(151,000)
Forfeited	-	-	-
Balance, September 30, 2023	259,000	666,668	925,668

The Company's PSUs include a net settlement feature under which the Company, upon request of the holder, may withhold a portion of the shares to settle the tax obligations of the employee. During the six months ended September 30, 2023, the Company net settled 151,000 PSUs (six months ended August 31, 2022 – nil) by withholding the number of shares with a fair value equal to the monetary value of the employees' tax obligations and issued only the remaining shares upon completion of the vesting period. During the six months ended September 30, 2023, the Company withheld 2,604 PSUs with a fair value of $1,979 to settle the employees' tax obligations (six months ended August 31, 2022 – nil PSUs withheld with a fair value of nil).

(f) RSUs

During the six months ended September 30, 2023, the Company recorded expense of $481,838 associated with the service cost of RSUs (six months ended August 31, 2022 – $26,080).

Set out below is a reconciliation of the changes in the RSUs as at September 30, 2023 and March 31, 2023:

	# of awards		
	Employee	**Contractor**	**Total**
Balance, August 31, 2022	300,000	-	300,000
Granted	1,700,000	500,000	2,200,000
Vested	(75,000)	(125,000)	(200,000)

(EXPRESSED IN CANADIAN DOLLARS)

Balance, March 31, 2023	1,925,000	375,000	2,300,000
Granted	-	-	-
Vested	(599,999)	(250,000)	(849,999)
Balance, September 30, 2023	1,325,001	250,000	1,450,001

On February 24, 2023, the Company granted 1,200,000 RSUs to an officer of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest according to the following schedule:

- 366,666 on August 24, 2023;
- 366,667 on each of February 24, 2024 and August 24, 2024; and
- 50,000 on each of February 25, 2025 and August 24, 2025.

On January 9, 2023, the Company granted 100,000 RSUs to an officer of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest each three (3) months in equal tranches over the twelve (12) month service period.

On December 7, 2022, the Company granted 100,000 RSUs to an employee of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest in equal tranches on each of April 1, 2023, April 1, 2024 and April 1, 2025.

On December 6, 2022, the Company granted 300,000 RSUs to a director of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest each six (6) months in equal tranches over the twenty-four (24) month service period.

On October 13, 2022, the Company granted 500,000 RSUs to a consultant of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest as to 25% on each of 3, 6, 9, and 12 months post-issuance.

On July 11, 2022, the Company granted 300,000 RSUs to a director of the Company. Each RSU is exchangeable for one (1) Common Share. The RSUs vest each six (6) months in equal tranches over the twenty-four (24) month service period.

The Company’s RSUs include a net settlement feature under which the Company, upon request of the holder, may withhold a portion of the shares to settle the tax obligations of the employee. During the six months ended September 30, 2023, the Company net settled 599,999 RSUs (six months ended August 31, 2022 – nil) by withholding the number of shares with a fair value equal to the monetary value of the employees’ tax obligations and issued only the remaining shares upon completion of the vesting period. During the six months ended September 30, 2023, the Company withheld 133,518 RSUs with a fair value of $89,308 to settle the employees’ tax obligations (six months ended August 31, 2022 – nil RSUs withheld with a fair value of nil).

(g) Reserves

The share-based payment reserve and warrant reserve record items recognized as share-based compensation expense and other share-based payments until such time that the Options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Upon expiry of Options or warrants, the corresponding amount previously recorded to reserve will be transferred to deficit.

(EXPRESSED IN CANADIAN DOLLARS)

11. Commitments

(a) Commitments

As at September 30, 2023, the Company has committed to the following undiscounted minimum lease payments:

Year ended March 31:		
2024 - remaining	$	155,822
2025		198,778
2026		80,910
Total	$	435,510

(b) Contingency

On April 12, 2022, the Company was notified of a civil claim filed by AddEnergie/Flo for unlawful solicitation of AddEnergie/FLO's prospective customers and business opportunities. The Company believes the claim is without merit and has multiple valid arguments to defend against the claim. Management has assessed the probability of loss as unlikely and the possible damages to be indeterminate. As of September 30, 2023 and March 31, 2023, no provision has been recorded.

12. Related party transactions

Key management personnel include those persons who have authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the CEO, the Company's Chief Financial Officer, Navraj Dosanjh (beginning January 9, 2023) and the now former Chief Financial Officer (the "Former CFO"), Kara James (until January 9, 2023). The Company measures related party transactions at the exchange amount which represents the consideration agreed upon between the Company and the related party.

In addition to cash compensation, the Company also permits participation in the Incentive Plan. The compensation paid to key management personnel is as follows:

		Six months ended September 30, 2023		Six months ended August 31, 2022
Wages and benefits	$	129,007	$	109,120
Share-based payments		520,080		230,336
	$	649,087	$	339,456

During the six months ended September 30, 2023, included within general and administrative expense is $56,756 (six months ended August 31, 2022 - $118,406) incurred for professional fees provided by 1006098 B.C. Ltd. dba PubCo Reporting, an entity significantly influenced by the

(EXPRESSED IN CANADIAN DOLLARS)

Former CFO. As at January 9, 2023, the Former CFO ceased to be a related party to the Company. As at September 30, 2023, $809 (March 31, 2023 - $31,021), was included in accounts payable to 1006098 B.C. Ltd. dba PubCo Reporting. The amount is unsecured, non- interest bearing, and has no fixed terms of repayment.

In connection with the Spark Acquisition (see Note 3) the Company acquired a note receivable from a now former director of Spark, Sion Jones, totaling $10,067. The loan was subsequently collected during the six months ended August 31, 2022, and as at September 30, 2023 and March 31, 2023, there is no remaining balance. The amount was unsecured, non-interest bearing, and had no fixed terms of repayment.

During the six months ended August 31, 2022, in connection with the CoSource Acquisition (see Note 3) the Company assumed a note payable from a close family member of the CEO totaling $34,771, of which $23,500 was repaid during the period and $11,271 was repaid during the period ended March 31, 2023. The note was unsecured, non-interest bearing, and due within fifteen (15) days of the completion of the Company's initial public offering.

13. Management of capital

The Company considers its capital to be comprised of shareholders' equity. 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.

In order to carry out planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of Common Shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

14. Financial instruments

Set out below are categories of financial instruments and fair value measurements:

As at		**September 30, 2023**		**March 31, 2023**
Financial assets at fair value				
Cash and cash equivalents	$	5,222,730	$	2,686,157
Financial assets at amortized cost				
Accounts receivable		1,408,701		825,060
Lease receivable		102,443		174,511
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities		(1,470,515)		(919,006)
Lease liability		(394,623)		(529,293)
Holdbacks payable		(10,203)		(10,203)

(EXPRESSED IN CANADIAN DOLLARS)

	$ 4,858,533	$ 2,227,226

The Company considers that the carrying amount of all its financial assets and liabilities recognized at amortized cost in the Interim Financial Statements approximates their fair value due to the demand nature or short-term maturity of these instruments. The Company's cash and cash equivalent are valued using level one inputs.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents, accounts receivable, and lease receivable. Credit risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. As at September 30, 2023, there were two customers with amounts outstanding that exceed 10% of the Company's trade accounts receivable that totaled 24% in aggregate (Customer A – 12%; Customer B – 12%). As at March 31, 2023, there were three customers with amounts outstanding that exceed 10% of the Company's trade accounts receivable that totaled 58% in aggregate (Customer A – 25%; Customer B – 18%; Customer C – 15%). The Company assessed credit risk as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has sufficient cash to meet its current liabilities at September 30, 2023. The Company assessed liquidity risk as low.

Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(EXPRESSED IN CANADIAN DOLLARS)

15. Revenue

		Six months ended September 30, 2023		Six months ended August 31, 2022
EV charging equipment	$	1,231,885	$	411,575
Installation		92,471		12,001
SaaS		44,884		3,450
Other		53,567		12,890
	$	1,422,807	$	439,916

16. Cost of sales

		Six months ended September 30, 2023		Six months ended August 31, 2022
EV charging equipment	$	760,766	$	280,015
Installation		89,890		10,857
SaaS		25,091		2,296
Other		26,481		3,844
	$	902,228	$	297,012

17. Operating expenses

General and administrative		Six months ended September 30, 2023		Six months ended August 31, 2022
Consulting and professional fees	$	1,655,928	$	1,296,799
Wages and benefits (note 12)		432,962		293,980
Share-based payments (note 12)		738,053		386,693
Office and administration		366,643		172,433
Depreciation and amortization		115,749		83,430
	$	3,309,332	$	2,233,335

Sales and marketing		Six months ended September 30, 2023		Six months ended August 31, 2022
Wages and benefits	$	756,618	$	258,142
Advertising and promotional (recovery)		150,073		(71,395)
Shipping		19,955		23,741
	$	926,646	$	210,488

(EXPRESSED IN CANADIAN DOLLARS)

Research and development		Six months ended September 30, 2023		Six months ended August 31, 2022
Wages and benefits	$	191,186	$	116,803
Product design		39,283		-
Consulting and professional fees		82,431		-
	$	312,900	$	116,803

18. Segmented reporting

The Company operates in a single segment, the sale of EV charging equipment, software, and maintenance contracts. During the six months ended September 30, 2023, the Company recognized 30% of its revenue from 3 customers (Customer A – 11%, Customer B – 10% and Customer C – 9%). During the six months ended August 31, 2022, the Company recognized 42% of its revenue from 3 customers (Customer A – 22% and Customer B – 13% and Customer C – 7%). The Company’s property and equipment are located in North America and its right-of-use assets are located in Canada. All of the Company’s customers are located within North America.

(EXPRESSED IN CANADIAN DOLLARS)

19. Supplemental cash flow information

Set out below is a reconciliation of the Company's liabilities arising from investing and financing activities.

	March 31, 2023	Cash flows from financing activities	Non-cash adjustments: Acquisitions	Additions	Accretion	September 30, 2023
Lease liabilities	$ 529,293	$ (154,134)	$ -	$ -	$ 19,464	$ 394,623
	$ 529,293	$ (154,134)	$ -	$ -	$ 19,464	$ 394,623

	February 28, 2022	Cash flows from financing activities	Non-cash adjustments: Acquisitions	Additions	Accretion	August 31, 2022
Notes payable	$ 86,647	$ (23,500)	$ 34,771	$ -	$ -	$ 97,918
Lease liabilities	274,903	(68,576)	-	-	10,863	217,190
	$ 361,550	$ (92,076)	$ 34,771	$ -	$ 10,863	$ 315,108

During the six months ended September 30, 2023, the Company paid interest of nil (six months ended August 31, 2022 - nil) and income taxes of nil and nil, respectively.

Components of cash and cash equivalents at September 30, 2023 and March 31, 2023 are as follows:

	September 30, 2023	March 31, 2023
Cash	**$ 2,147,730**	$ 1,636,157
Cash equivalents	**3,075,000**	1,050,000
Cash and cash equivalents	**$ 5,222,730**	$ 2,686,157

20. Subsequent events

On October 12, 2023, the Board approved equity issuances to its directors, officers, employees, and consultants, which include a total of 850,000 Options at an exercise price of $0.54 for a 5-year term, a total of 1,050,000 RSUs, and a total of 1,485,000 PSUs. The Board also approved annual compensation to directors, with issuances commencing November 16, 2023, at exercise prices based on the close of trading on each anniversary, which include a total of 200,000 Options and a total of 70,000 RSUs, both for 5-year terms. Each RSU and PSU entitles the holder to receive, once vested, one Common Share of the Company. The number of Common Shares earned upon the vesting of the PSUs will be determined by the performance of each holder.