Hypercharge Networks Corp.

Management Discussion and Analysis
For the three- and nine- months ended December 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Hypercharge Networks Corp. (the "Company" or "Hypercharge") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months and nine months ended December 31, 2023, (the "Interim Financial Statements"), the Company's audited consolidated financial statements for the seven months ended March 31, 2023 (the "Financial Statements") and the Company's annual information form ("2023 AIF"), available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedarplus.ca. This MD&A is dated as of February 14, 2024, unless otherwise indicated.

Unless otherwise indicated and as hereinafter provided, all financial information contained in this MD&A, the Interim Financial Statements, the Financial Statements and the 2023 AIF have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted in this MD&A, all monetary amounts are expressed in Canadian dollars, and "we", "us" and "our" refer to the "Company" or "Hypercharge" including each of its subsidiaries.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. The "*Caution Regarding Forward-looking Statements*" section in this MD&A should be carefully reviewed and readers should not place undue reliance on any such forward-looking statements.

The Company exists under the *Business Corporations Act (British Columbia)*. Its head office and registered office is located at 1075 West 1st Street, Suite 208, North Vancouver, British Columbia, Canada V7P 3T4.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events, plans, strategic initiatives, future liquidity, and planned capital investments, including the steps involved to realize on such opportunities and the timeline in which such opportunities may be realized.

Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management. Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including but not limited to assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that such estimates, beliefs and assumptions will prove to be correct.

The forward-looking statements made herein are subject to a variety of risk factors and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. Readers are cautioned that forward-looking statements are not guarantees of future performance. Specific reference is made to the most recent annual information form on file with the Canadian provincial securities' regulatory authorities (and available on SEDAR) for a more detailed discussion of some of the factors underlying forward-looking statements and the risks that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this MD&A.

The Company's actual results, programs, and financial position could differ materially from those expressed in or implied by the forward-looking statements made herein, and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or that, if any of them do so, what benefits the Company will derive therefrom. The forward-looking statements made herein are made as of the date of this MD&A unless otherwise stated and are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

Business Overview and Overall Performance

The Company is a leading electric vehicle ("EV") charging solutions provider, accelerating the shift to electric mobility by providing networked charging solutions in Canada and the USA across three customer verticals; multi-unit residential buildings ("MURB"), commercial locations (retail, workplace, hospitality, parking, municipal), and fleet operators (last mile delivery, service and logistics).

The Company provides turnkey EV charging solutions primarily for light and medium duty EVs through a managed charging network of EV charging stations, a cloud-based software platform which operates site-owner and Company owned charging stations, and offers iOS and Android mobile applications to drivers.

During the three months ended December 31, 2023, the Company achieved the following milestones:

- Pursuant to the terms of the Supply Agreement (as defined below), processed a sales order with a Canadian energy infrastructure provider for up to twelve (12) DC fast charging stations to be deployed in Western Canada, worth an estimated $2,000,000-$3,000,000.
- Processed sales orders for 276 charging ports and over 2,800 charging ports since June 2021.
- Sold and delivered 307 charging ports and over 1,650 charging ports since June 2021.
- Increased EV charging sites under management by 48, to a total of 271, an increase of 167 (161%) year over year.
- Increased the number of drivers using the Hypercharge mobile app in the quarter by 2,370, to over 9,600.
- Activated three (3) new strategic partnerships assisting with installation of chargers to facilitate entry into new markets. This increases the Company's total number of strategic partnerships to 57.
- Received the Greater Vancouver Board of Trade Business Distinction Award for Business Growth under $5,000,000 in revenue.
- Expanded its product offering through the launch of a series of three (3) new innovative offerings to the marketplace, which include its Carbon Credit Program (as defined below), the Company's innovative software stack of Eevion™, ProactEV™, and QuantEV™, and the launch of Hypercharge Home (as defined below), its new residential Level 2 EV charging station for at-home use, sold direct to consumers, marking a new sales channel for the Company.
- Reduced general and administration expenditures, net of non-cash expenses, by $275,575 (24%) and $499,574 (37%) compared to the three months ended September 30, 2023 and June 30, 2023, respectively. As such, the Company strategically reallocated these resources

and investment in sales and marketing initiatives and research and development efforts over the same period.

Recent Corporate Developments

On January 29, 2024, the Company filed a short-form base shelf prospectus in connection with expected financing initiatives over the next two years.

On January 11, 2024, the Company issued 75,000 common shares of the Company (each, a "Common Share) upon the vesting of 75,000 previously issued restricted share units of the Company ("RSUs").

On January 9, 2024, the Company net settled 25,000 RSUs , which had previously vested through the issuance of 19,347 Common Shares.

On January 8, 2024, the Company issued 666,668 Common Shares upon the vesting of 666,668 previously issued performance share units of the Company ("PSUs") in connection with the Company's acquisition of Spark Charging Solutions. The PSUs vested upon the Company achieving a gross revenue milestone of $4,000,000 by November 1, 2024.

On January 8, 2024, the Company issued 9,000 Common Shares upon the vesting of 9,000 previously issued PSUs.

During the three months ended December 31, 2023, the Company net settled 405,000 RSUs and 134,000 PSUs, which had previously vested through the issuance of 285,768 and 109,049 Common Shares, respectively.

On December 22, 2023, the Company received a purchase order from a Canadian energy infrastructure provider to supply 12 Level 3 EV direct current fast charging stations pursuant to the terms and conditions of the Supply Agreement.

On December 20, 2023 the Company entered into a non-exclusive supply agreement (the "Supply Agreement") in respect of the Project (as defined below). Pursuant to the terms and conditions of the Supply Agreement, the Company shall supply the Canadian energy infrastructure provider with Level 3 EV direct current fast charging stations, at a price determined in accordance with the terms of the Supply Agreement, and as more specifically described in each purchase order for such charging stations provided to the Company by the Canadian energy infrastructure provider from time to time during the term of the Supply Agreement. The term of the Supply Agreement expires on December 31, 2026.

On November 24, 2023, the Company launched Hypercharge Home, its new residential Level 2 EV charging station for at-home use ("Hypercharge Home"). Hypercharge Home will be sold direct to consumers, marking a new sales channel for the Company in addition to the existing business-to-business sales channels, and is expected to be delivered through specialized home installers.

On November 22, 2023, the Company received condition approval for a project with a Canadian energy infrastructure provider located in Western Canada to provide for up to 12 Level 3 EV direct current fast charging stations to be deployed in Western Canada, worth an estimated $2,000,000-$3,000,000 (the "Project"). The Project is anticipated to commence in the second half of 2024, subject to certain conditions, including but not limited to, sufficient infrastructure buildout, including the development or expansion of certain physical facilities, and sufficient project financing. The Project is expected to continue through 2025.

On November 16, 2023, the Company granted annual compensation of 70,000 RSUs to certain directors of the Company and 200,000 Options to certain directors of the Company. Each RSU is exchangeable for one (1) Common Share and each Option entitles the holder to purchase one (1) Common Share at an exercise price of $0.18 per Common Share, exercisable over a five (5) year term. The RSUs vest in equal tranches every three (3) months during the twelve (12) month service period and the Options vest in equal tranches every three (3) months during the twelve (12) month service period.

On November 1, 2023, the Company launched its carbon credit program the ("Carbon Credit Program"), which is designed to grow the earning potential of select commercial properties and MURBs equipped with Hypercharge EV charging stations by administering carbon credits earned as drivers utilize the charging station. The Carbon Credit Program is currently available in British Columbia and the Company expects to expand the Carbon Credit Program across certain areas of North America in 2024.

On October 12, 2023, the Company's Board of Directors approved equity issuances to its directors, officers, employees, and consultants, which includes a total of 850,000 Options of the Company 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 of Directors also approved annual compensation to directors, which includes a total of 200,000 Options and a total of 70,000 RSUs, both exercisable over a for 5-year term. The issuance of Options and RSUs to directors is expected to commence on November 16, 2023, and vest over 12-months, with the stock option exercise price based on the share price, when granted, at close of trading each year on November 16. The exercise price of the RSUs is based on the closing price of the Common Shares on the date the RSUs vest. Each Option and RSU entitles the holder thereof to receive, once vested, one Common Share. The number of Common Shares earned upon the vesting of the PSUs will be determined by the performance of each holder in accordance with the terms and conditions of each PSU.

On October 10, 2023, the Company launched its cloud-based platform, Eevion, offering drivers the ability to pay for their parking and EV charging session in one seamless transaction. The software integrates the Hypercharge EV charging network into any app, platform or system, offering a unified and seamless charging experience for users of parking apps, fleet management, loyalty programs, building management and other interfaces. Access to the Eevion platform is expected to be available in fiscal Q4 2023 in collaboration with ParkCo and Precise ParkLink Inc. ("Precise Parklink"). Eevion, formerly known as the "plug-and-charge" ("PAC") software, was obtained in the acquisition of CoSource Information Technology Services Inc. while it was in the early development phase.

On August 24, 2023, the Company issued 254,325 Common Shares upon the vesting of 366,667 previously issued RSUs.

On July 13, 2023, the Company issued 6,396 Common Shares upon the vesting of 9,000 previously issued PSUs.

On July 13, 2023, the Company issued 225,000 Common Shares upon the vesting of 225,000 previously issued RSUs.

On July 6, 2023, the Company issued 78,823 Common Shares upon the vesting of 100,000 previously issued RSUs.

On June 26, 2023, the Company entered into a strategic partnership with Precise ParkLink.

On May 31, 2023, the Company was added to the MSCI Canada Index.

LIFE Financing

On May 17, 2023, the Company closed a non-brokered private placement 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 (the "LIFE Financing"). Each Unit is comprised of one (1) Common Share and one-half of one (½) Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one (1) Common Share at a price of $1.35 for a period of three (3) years from the date of issuance.

Subscription Receipt Private Placement

On June 1, 2022, the Company closed a brokered private placement of subscription receipts (the "Subscription Receipts"), consisting of the issuance of an aggregate of 10,000,000 Subscription Receipts at a price of $0.60 per Subscription Receipt (the "Issue Price") for aggregate gross proceeds to Hypercharge of $6,000,000 (the "Subscription Receipt Private Placement"). Following full exercise of the over-allotment option granted a syndicate of agents (the "Agents"), an additional 1,666,667 Subscription Receipts were issued at the Issue Price for gross proceeds to the Company of $1,000,000.

Acquisition of CoSource Information Technology Services Inc.

On May 13, 2022, the Company acquired (the "CoSource Acquisition") 100% of the issued and outstanding shares of CoSource Information Technology Services 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 (1) Common Share at a price of $0.40 per share upon vesting as follows (subject to the voluntary resale restrictions described below): (i) 250,000 of the CoSource Performance Warrants were to vest upon the Company achieving aggregate gross revenue of $1,000,000 within 24 months of the commencement date of May 24, 2022; (ii) 500,000 CoSource Performance Warrants were to 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 will 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, where 10% of the Consideration Shares were released on the date the Common Shares were listed on a Canadian securities exchange (which was November 16, 2022), with the balance of the Consideration Shares being released in six (6) equal 15% installments every six (6) months thereafter.

The CoSource Acquisition was a related party transaction under International Accounting Standard (IAS) 24. In consideration for 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 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. The CoSource Acquisition was unanimously approved by all directors of the Company other than Mr. Bibby, who abstained in accordance with applicable corporate laws. The consideration paid in connection with the CoSource Acquisition was determined through discussions among the board of directors (without Mr. Bibby present) and through negotiations led by CoSource's co-founder and shareholder, Ms. Howell.

At the date of the CoSource Acquisition, and as reflected in the Company's interim financial statements for the three and nine months ended May 31, 2022 (the "Q3 2022 Financial Statements"), 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, recognizing $66,000 as the fair value of the intangible assets received.

The remaining excess of the consideration paid over the fair value of the assets and liabilities assumed was expensed as transaction cost. In the Company's audited financial statements for the year ended August 31, 2022 (the "2022 Financial Statements"), the Company determined that PAC was in the development stage and had not yet been commercialized as at the valuation date and that the fair value of such assets could not be reliably measured at such date. As a result, the Company determined that there were no intangible assets identified that met the recognition criteria under IFRS; therefore, the $66,000 initially recognized as an intangible asset in the Q3 2022 Financial Statements was expensed as a transaction expense in the 2022 Financial Statements.

Notwithstanding that the Company ultimately expensed the consideration paid in the CoSource Acquisition as transaction cost, on the date of entry into the acquisition agreement in respect of the CoSource Acquisition, the Company determined that the value to the Company of the CoSource Acquisition exceeded the purchase price paid and was, accordingly, reasonable from a business perspective. In reaching this determination, the Company employed a discounted cash flow model, which considered the estimated net present value of additional development costs of the PAC software and the incremental cash flows from the CoSource Acquisition over a 5-year horizon and assumed that the addition of CoSource's software technology to the Company's existing platform and EV charging operations would give the Company an incremental competitive advantage for each of MURB, commercial, and fleet customers, and that all charging units sold by the Company would have a corresponding software-as-a-service ("SaaS") revenue stream. A discussion of the features and benefits of CoSource's technology, which helped inform the Company's valuation of the acquisition, follows in the paragraphs below.

At the time of the CoSource Acquisition, CoSource was in the early stages of developing a proprietary software called PAC. PAC is an EV-specific middleware cloud service designed to connect parking-related mobile applications, fleet management systems and building management platforms to any EV charging network without integrating the EV charging network into the application itself. This benefits parking lot owners/operators, third party technology providers and EV charging providers, as it provides a seamless, standardized connection to these various services, which otherwise would not be able to integrate with each other. The PAC software, when fully developed and commercialized, is expected to be a value-added software service that the Company can offer as part of, and integrate into, the broader Hypercharge platform, thereby adding value to its customers, improving the Company's competitive position, and acting as a differentiator, especially to strategic channel partners.

Prior to the CoSource Acquisition, CoSource had completed initial product research for the PAC software and developed a minimum viable product. Since the CoSource Acquisition, the Company has completed the development and integration of PAC with the Company's broader technology platform. The Company has also created sales collateral and marketing materials for PAC and is actively carrying out customer outreach regarding PAC as part of the sales process of the Company's platform. As discussed above in *Recent Corporate Developments*, the Eevion platform is commercially available, with access for drivers beginning in fiscal Q4 2023 in collaboration with ParkCo and Precise ParkLink. With the power of Eevion, users of the ParkCo GO and Parkedin apps have the ability to pay for their parking and charging session in one seamless transaction.

Acquisition of Spark Charging Solutions Inc.

On November 1, 2021, the Company acquired (the "Spark Acquisition") the issued and outstanding shares of Spark Charging Solutions Inc. ("Spark") pursuant to a share exchange agreement dated November 1, 2021. The consideration for the transaction consisted of: (i) issuance of 6,000,000 Common Shares ("Spark Consideration Shares") to the vendors, and (ii) the issuance of up to 1,000,000 contingent shares ("Spark Contingent Shares") based on the following milestones: (i) 333,334 shares to be issued upon the deployment of 150 chargers by November 1, 2022; (ii) 333,334 shares to be issued upon the Company hitting a gross revenue threshold of $1,000,000 by November 1, 2022, and

(iii) 333,334 shares to be issued upon the Company hitting a gross revenue threshold of $4,000,000 by November 1, 2024. The Company was also required to settle Spark's existing outstanding debt by issuing shares or making future cash payments of $191,546. 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.

On the date of the Spark Acquisition, goodwill of $2,127,955 was recorded as a result of the market synergies expected to arise from the business combination. Following the Spark Acquisition, the market synergies from the Spark Acquisition 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, 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.

Partnership with Target Park Group Inc.

On August 5, 2021, the Company entered into a collaboration agreement with Toronto-based parking operator Target Park Group Inc. ("Target Park"), to initially deploy 2,500 EV charging stations across North America over the next 36 months. Through the Partnership, the Company is poised to provide its turnkey charging solutions to the growing EV driver market across Canada and the US, furthering their mission to accelerate the adoption of EVs and support the shift towards a carbon neutral economy. The collaboration agreement with Target Park is not on schedule to meet deployment milestones in part due to Target Park's reduced focus on EV charging infrastructure, and in part due to the Company's shift in its strategic focus to better meet the market demand and the opportunities in the MURB segment. Notwithstanding the deployment milestone schedule, the collaboration agreement provides for the issuance of up to 2,080,000 performance warrants (the "Target Park Performance Warrants") on the deployment of 2,500 EV charging stations within the 36-month period, ending August 5, 2024.

Performance

The Company's overall performance is associated with certain industry factors including, but not limited to, improving economics of EV ownership, supporting EV adoption rates, and growth in demand for EV charging station networks and infrastructure. The Company believes that these market trends are favourable for its business and operations.

The Company's performance and results of operations depend on several factors that carry inherent uncertainty and risk. For additional information regarding risk factors that could cause the Company's results to differ materially from management's expectations see the "*Risks and Uncertainties*" section of the 2023 AIF. The key measures used to evaluate the performance of the business and the execution of the Company's strategy are set forth below:

Revenue. The Company provides EV charging solutions through the supply of EV charging equipment, through a managed charging network of EV charging stations and a cloud-based software platform. Revenues are generated from selling and managing EV charging stations, which include a range of Level 2 alternating current ("AC") and Level 3 direct current fast charging EV charging equipment for MURBs, commercial locations and fleet operators. Recurring SaaS revenue from subscription to the

Company's cloud-based software platform and other services including extended maintenance service plans, which are typically multi-year subscriptions, are recognized as revenue on a straight-line basis during the Company's ongoing obligation to deliver such services. Other services include charging station activation revenue and EV charging related fees from drivers using charging sites owned and operated by the Company, net of payment processing fees and other professional services.

Gross Profit. Gross profit is equal to revenue less cost of sales. Cost of sales are related to the cost of inventories sold during the relevant period, including but not limited to: EV charging equipment and ancillary products related to their operation, costs incurred related to EV charging station installations performed by licensed third-party electrical contractors, direct costs related to its SaaS operations, and other cost of sales. Other cost of sales includes costs associated with EV charging at the location where the EV chargers are installed, extended warranties, and other services.

General and Administrative Expenses. General and administrative expenses consist of wages and benefits, consulting and professional fees, share-based payments, office and administration, which include occupancy costs related to the Company's leased offices and warehouse, and depreciation and amortization.

Sales and Marketing Expenses. Sales and marketing expenses are direct costs related to selling efforts and include wages, commission and benefits, advertising and promotional expenses, and shipping costs.

Research and Development Expenses. Research and development expenses include wages and benefits, consulting and professional fees related to the development of Eevion, formerly known as PAC, the Company's proprietary software, development and maintenance of its charging network and other software, and product design and development.

Results from Operations. Results from operations consist of the Company's gross profit less general and administrative expenses, selling expenses, and research and development expenses.

Results of Operations

As at December 31, 2023, the Company had not achieved profitable operations and has an accumulated deficit of $21,013,404 since inception (March 31, 2023 - $14,600,366). The Company has not paid any cash dividends on its Common Shares, nor does it have any present intention of paying cash dividends on its Common Shares as it anticipates that all available funds for the foreseeable future will be invested to finance its business activities.

As a result of the Company's change in year-end, the comparative period reflects the three and nine months ended November 30, 2022.

Set out below is a comparison of the results of operations for the three months ended December 31, 2023 and three months ended November 30, 2022:

	Three months ended December 31, 2023	Three months ended November 30, 2022	Change
Revenue	$ 581,822	$ 1,123,071	$ (541,249)
Cost of goods sold	(403,164)	(951,060)	547,896
Gross profit	178,658	172,011	6,647
Operating expenses	(2,640,079)	(1,882,276)	(757,803)
Other income	33,289	47,900	(14,611)

Net loss		(2,428,132)		(1,662,365)	(765,767)
Other comprehensive income		2,760		-	2,760
Net and comprehensive loss	$	(2,425,372)	$	(1,662,365)	$ (763,007)

The increase in net loss of $765,767 during the three months ended December 31, 2023, compared to the three months ended November 30, 2022 was primarily the result of the following:

- Total revenues of $581,822 represented a decrease of $541,249 (48%) compared to $1,123,071 during the prior year comparative period.
- EV charging equipment revenue of $443,688 decreased $635,752 (59%) over the comparable period attributable to product mix. EV charging equipment sales in the quarter were comprised of AC chargers, whereas equipment sales in the comparative period included DC fast chargers. 307 EV charging ports were delivered during the three months ended December 31, 2023, representing an increase of 97 EV charging ports delivered (46%) over the comparable period.
- Installation revenue of $79,893 was $48,793 (157%) higher compared to $31,100 during the comparable period due to a rise in installation service attachments on increased EV charging equipment sales volume.
- SaaS revenue of $29,089 increased $22,879 (368%) over the comparable period, which reflects a significant increase in new SaaS subscriptions and associated revenue as result of the increase in EV charging ports deployed.
- Other revenue of $29,152 increased $22,831 (361%) over the comparable period as a result of increased EV charging utilization from the number of EV charging stations deployed and increased extended warranty service plans.
- The Company recorded cost of sales of $403,164 compared to $951,060 during the comparative period. The decrease in cost of sales is attributed to product mix. EV charging equipment cost of sales in the quarter were comprised lower cost, higher gross margin AC chargers, whereas equipment sales in the comparative period included higher cost, lower gross margin DC fast chargers.
- Gross profit increased $178,658 (4%) due primarily to increased sales volume of higher margin AC chargers and increased contribution from higher SaaS and installation revenues.
- Gross margin increased from 15% to 31% as a result of the Company's product mix. EV charging equipment sales were comprised of high margin AC chargers, whereas equipment sales in the comparative period were comprised of AC chargers and lower margin DC fast chargers. Additionally, relative to the comparable period, gross margins improved on new SaaS subscriptions and recurring SaaS revenues.
- Operating expenses of $2,640,079 increased by $757,803 (40%) over the comparable period. Operating expenses are comprised of general and administrative expenses, sales and marketing expenses, and research and development.
- General and administrative expenses increased $351,363 (23%) over the comparable period. Non-cash expenses increased $581,959, comprised of increased share-based payments of $558,078 (147%), and increased depreciation and amortization of $23,881 (55%) related to the Company's property and equipment and right-of-use assets. Wages and benefits decreased $122,734 (42%), related to the Company's change in fiscal year end, and office expenses decreased $151,062 (53%) in connection with the Company's public listing costs incurred in the comparable period. Additionally, consulting and professional fees increased by $43,200 (8%), notwithstanding that $105,280 of such fees incurred in the quarter were non-recurring.
- Sales and marketing expenses increased by $241,591 (74%) over the comparable quarter as a result of hiring key personnel in order to meet the Company's business objectives and increase sales.

- Research and development costs increased by $164,849 (265%), primarily related to additional headcount and costs related to the development of the Company's proprietary software, Eevion.

Set out below is a comparison of the results of operations for the nine months ended December 31, 2023 and nine months ended November 30, 2022:

		Nine months ended December 31, 2023		Nine months ended November 30, 2022		Change
Revenue	$	2,004,629	$	1,562,987	$	441,642
Cost of goods sold		(1,305,392)		(1,248,072)		(57,320)
Gross profit		699,237		314,915		384,322
Operating expenses		(7,188,957)		(4,442,902)		(2,746,055)
Other income (expenses)		76,682		(3,332,301)		3,408,983
Net loss		(6,413,038)		(7,460,288)		1,047,250
Other comprehensive income		3,322		-		3,322
Comprehensive loss	$	(6,409,716)	$	(7,460,288)	$	1,050,572

The decrease in net loss of $1,047,249 during the nine months ended December 31, 2023, compared to the nine months ended November 30, 2022 was primarily the result of the following:

- Total revenues of $2,004,629 were $441,642 (28%) higher compared to $1,562,987 during the comparative period. In connection with the growth in total revenues, the Company's installation, SaaS and other revenue channels provided 16% of total revenues compared to 5% in the comparable period.
- EV charging equipment revenue of $1,675,573 increased $184,558 (12%) over the comparable period as a result of the Company delivering 472 (107%) more charging ports to customers following increased sales activity.
- Installation revenue of $172,364 was $129,263 (300%) higher compared to $43,101 during the comparable period due to a rise in installation service attachments to EV charging equipment sales.
- SaaS revenue of $73,973 increased $64,313 (666%) over the comparable period, which reflects a significant increase of 580 (266%) new SaaS subscriptions and associated revenue as result of the increase in EV charging ports deployed.
- Other revenue of $82,719 increased $63,508 (331%) over the comparable period as a result of increased EV charging utilization and increased extended warranty service plans following an increase in the number of EV charging stations deployed.
- The Company recorded cost of sales of $1,305,392 compared to $1,248,072 during the comparable period. The increase in cost of sales over the comparable period is attributed to greater traction in the market in which the Company operates.
- The Company's gross profit increased by $384,322 (122%) due primarily to increased sales volume across each revenue channel and from higher gross profit dollars earned on sales of DC fast chargers compared to the prior year comparative period.
- Gross margin increased from 20% to 35% as a result of the Company's product mix. EV charging equipment sales were primarily comprised of high margin AC chargers. Additionally, gross margin on new SaaS subscriptions and recurring SaaS revenues increased by 41%, compared to 31% in the comparative period.
- Operating expenses of $7,188,957 increased by $2,746,055 (62%) over the comparable period. Operating expenses are comprised of general and administrative expenses, sales

and marketing expenses, and research and development. The increased operating expenses during the nine months ended December 31, 2023 are attributable to the Company's early stages of business in the comparable period, which resulted in increased direct and variable costs.

- General and administrative expenses increased $1,427,360 (38%) over the comparable period. Non-cash expenses increased $965,639 (108%), comprised of increased share-based payments of $909,438 (119%) and increased depreciation and amortization of $56,201 (44%) related to the Company's property and equipment and right-of-use assets. Consulting and professional fees increased $402,324 (21%), which includes non-recurring consulting and professional fees of $419,937. Wages and benefits increased $16,248 (3%) moderately over the comparable period and office expenses were $43,147 (9%) higher primarily related to increased software subscriptions and insurance costs.
- Sales and marketing expenses increased by $957,749 (179%) over the comparable period as a result of hiring key personnel, and advertising and promotional expenses in order to meet the Company's business objectives and increase sales.
- Research and development costs increased by $360,946 (202%), primarily related to additional headcount and costs related to both product development and the development of the Company's proprietary software, including Eevion.

<u>Other (income) expenses, net</u>

	Three months ended December 31, 2023	Three months ended November 30, 2022	Change
Foreign exchange gain	$ 11,009	$ (4,770)	$ 15,779
Interest income, net	(43,561)	(14,241)	(29,320)
Other income	(737)	(6,740)	6,003
Gain on sublease arrangement	-	(22,149)	22,149
Other income, net	$ (33,289)	$ (47,900)	$ 14,611

The Company's other income was $33,289 during the three months ended December 31, 2023, compared to $47,900 during the three months ended November 30, 2022. Other income during the three months ended December 31, 2023 was mainly the result of interest income earned on cash equivalents offset by interest expense on the Company's lease liabilities. The Company's other income of $47,900 during the three months ended November 30, 2022 was primarily the result of interest income earned on cash equivalents and a non-cash gain upon the signing of a sublease arrangement offset by interest expense on the Company's lease liabilities.

	Nine months ended December 31, 2023	Nine months ended November 30, 2022	Change
Transaction costs	$ -	$ 1,245,071	$ (1,245,071)
Impairment of goodwill	-	2,127,955	(2,127,955)
Foreign exchange loss (gain)	10,934	(6,274)	17,208
Interest expense, net	(85,963)	(4,101)	(81,862)
Gain on sale of property and equipment	-	(569)	569
Other income	(1,653)	(7,632)	5,979

Gain on sublease arrangement		-		(22,149)	22,149
Other (income) expense, net	$	(76,682)	$	3,332,301	$ (3,408,983)

The Company's other income was $76,682 during the nine months ended December 31, 2023 compared to other expense of $3,332,301 during the nine months ended November 30, 2022. Other income during the nine months ended December 31, 2023 was mainly the result of interest income earned during the period on cash equivalents offset by interest expense on the Company's lease liabilities. The Company's other expenses of $3,332,301 during the nine months ended November 30, 2022 was primarily the result of an impairment charge on the goodwill recorded from the Spark Acquisition and transaction costs associated with the Company's other acquisitions.

Summary of Quarterly Results

The Company's functional currency, including all of its Canadian subsidiaries, is the Canadian dollar. Hypercharge Networks Inc. has the United States dollar as its functional currency. The Interim Financial Statements are presented in Canadian dollars, unless otherwise noted.

		December 31, 2023		September 30, 2023		June 30, 2023		March 31, 2023
Revenue	$	581,822	$	921,783	$	501,024	$	752,673
Total comprehensive loss		(2,425,372)		(1,798,692)		(2,188,633)		(1,990,489)
Loss per share, basic and diluted		(0.04)		(0.03)		(0.03)		(0.03)
Total assets		7,384,703		9,148,612		10,490,211		6,404,576
Total liabilities		2,249,723		2,483,738		2,239,037		1,900,988

		December 31, 2022(1)		August 31, 2022		May 31, 2022		February 28, 2022
Revenue	$	1,235,334	$	371,081	$	68,835	$	3,002
Total comprehensive loss		(2,461,421)		(3,361,491)		(2,519,632)		(1,075,618)
Loss per share, basic and diluted		(0.04)		(0.07)		(0.05)		(0.02)
Total assets		7,926,572		9,302,818		6,643,280		7,526,381
Total liabilities		1,911,883		1,338,779		1,192,203		1,052,233

Note:

(1) Reflects a four-month period as a result of the Company's change in year-end to March 31st.

Quarter-over-quarter changes in the above periods include the following amounts, reported in Canadian dollars, the Company's functional currency, and in accordance with IFRS:

- *Revenue.* The Company earned its first revenue during the quarter-ended November 30, 2021, and has experienced overall quarterly revenue increases due to investments in sales and marketing personnel to secure additional customer contracts, combined with an increase in inventories available to supply. As of December 31, 2023, the Company's EV charging equipment sales backlog includes orders for 1,153 charging stations, comprised of both AC and DC fast charging stations. Included in the sales backlog is a purchase order received during the three months ended December 31, 2023 from a Canadian energy infrastructure provider to supply 12 DC fast charging stations pursuant to the terms and conditions of the Supply Agreement.

- *<u>Total Comprehensive Loss.</u>* The Company's quarterly total comprehensive losses, net of non-cash expenses, have decreased following the Company's expenditures related to its initial public offering. Key in-period amounts include the following:

  - During the three months ended December 31, 2023, the Company's total operating expenses increased by $517,097 (24%) from the three months ended September 30, 2023. The increase is a result of $392,322 (27%) general and administrative expenses, an increase of $95,140 (20%) sales and marketing expenses and an increase of $29,635 (15%) research and development expenses. The increase in general and administrative expenses is non-cash related and driven by an increase of $657,095 (234%) share-based payments, offset by a decrease of $135,321 (18%) consulting and professional fees and decrease of $117,588 (57%) wages and benefits. Increased research and development expenses include higher employee compensation related to the development and launch of Eevion and other product design and development costs related to the launch of Hypercharge Home. Increased sales and marketing expenses include higher employee compensation related primarily to hiring sales employees in the US as part of the Company's growth objectives.
  - During the three months ended September 30, 2023, the Company's total operating expenses decreased by $302,914 (12%) from the three months ended June 30, 2023, as a result of a decrease of $400,420 (22%) general and administrative expenses, offset by an increase of $81,842 (71%) research and development expenses and an increase of $15,664 (3%) sales and marketing expenses. Increased research and development expenses include higher employee compensation related to the development of Eevion and other product design and development costs. Increased sales and marketing expenses include higher employee compensation related primarily to hiring sales employees in the US as part of the Company's growth objectives.
  - During the three months ended June 30, 2023, the Company's total operating expenses increased by $265,871 (12%) from the three months ended March 31, 2023 as a result of $188,160 (70%) of sales and marketing expenses and $74,942 (4%) of general and administrative expenses. Increased sales and marketing expenses of $149,706 (79%) include higher employee compensation related primarily to hiring sales employees in the U.S. as part of the Company's growth objectives and a $27,651 (36%) increase in advertising expenses. Higher general and administrative expenses are driven primarily by increased consulting and professional fees.
  - During the three months ended March 31, 2023, the Company's total operating expenses decreased $601,090 (22%) from the four months ended December 31, 2022 as a result of $211,005 (28%) lower consulting and professional fees, $382,884 (51%) lower employee compensation, $127,929 (35%) higher office and administrative expenses, $165,551 (216%) lower advertising expenses, and lower depreciation and amortization, offset by $68,842 (14%) higher share-based payments.
  - During the four months ended December 31, 2022, the Company incurred operating expenses of $2,761,115 as a result of increased consulting and professional fees incurred related to its initial public offering, employee compensation, which includes share-based compensation as a result of the Company's increasing activities to scale the business.
  - During the three months ended August 31, 2022, the Company incurred a goodwill impairment loss of $2,127,955 related to the Spark Acquisition (see *Business Overview and Overall Performance*).
  - During the three months ended May 31, 2022, the Company incurred total acquisition expenses of $1,208,673 for the CoSource Acquisition (see *Business Overview and Overall Performance*), the result of the issuance of 3,990,000 Common Shares with an

acquisition- date fair value of $1,215,000, and cash transaction costs of $24,673 in excess of net assets acquired with a fair value of $29,602.

- *Total Assets.* Quarter-over-quarter changes in the Company's total assets are a result of the Company's financing transactions in each of May 2023, June 2022, and October 2021, which resulted in increases to cash at the end of the corresponding quarters, June 2023, August 2022, respectively. As the Company is in early-stage operations with overall negative cash flows from its operations, the corresponding periods thereafter show a decrease in total assets.

- *Total Liabilities.* As at December 31, 2023, the Company's total liabilities decreased to $2,249,723 (9%) from September 30, 2023. The $234,015 decrease in total liabilities is comprised of a $232,965 (16%) decrease in trade payables, a $69,698 (18%) decrease in lease liabilities offset by a $68,378 (11%) increase in deferred revenue from a growing sales backlog. As at September 30, 2023, the Company's total liabilities increased to $2,483,738 (11%) from June 30, 2023. The $244,701 increase in total liabilities is comprised of a $199,601 (16%) increase in trade payables to sustain the Company's increasing revenues and a $113,135 (23%) increase in deferred revenue from a growing sales backlog, offset by a $68,035 (15%) decrease in lease liabilities. As at June 30, 2023, the Company's total liabilities increased to $2,239,037 (18%) from March 31, 2023. The increase in total liabilities is a result of increasing working capital requirements to sustain the Company's increasing revenues and expanding operations in the United States. During the three months ended March 31, 2023, total liabilities increased as a result of trade payables from an inventory order in the quarter. During the four months ended December 31, 2022, total liabilities increased due to two (2) leases entered into by the Company that include office space to support the Company's increased headcount as well as inventory storage for the Company's increased inventory on hand. The Company's total liabilities included a subscription liability at August 31, 2022 associated with subscriptions collected through such date and later made available to the Company upon closing of the Company's initial public offering.

Liquidity and Capital Resources

The Company's working capital was $4,954,866 as at December 31, 2023 compared to $4,296,738 at March 31, 2023. The Company had cash and cash equivalents of $4,367,649 at December 31, 2023 compared to cash and cash equivalents of $2,686,157 at March 31, 2023.

Cash used in operating activities for the nine months ended December 31, 2023, was $3,544,004 compared to $4,404,917 during the nine months ended November 30, 2022. Cash used in operating activities during the nine months ended December 31, 2023 was the result of a net loss of $6,413,038 and a working capital adjustment to accounts receivable of ($82,038), offset by non-cash adjustments for share based payments of $1,676,039, depreciation and amortization of $182,852 and non-cash interest of $19,944 as well as working capital adjustments to inventory of $334,331, prepaid expenses and other current assets of $320,883, accounts payable and accrued liabilities of $182,709 and deferred revenue of $234,314. Cash used in operating activities of $4,404,916 during the nine months ended November 30, 2022, was the result of a net loss of $7,460,287 and working capital adjustments to inventory ($338,614), accounts receivable ($909,399), prepaid expenses and other current assets ($330,545) and deferred revenue ($187,759), and non-cash adjustments related to a gain on the sale of property and equipment ($569) and upon a sublease arrangement ($22,149). Offsetting such items were working capital adjustments to, accounts payable and accrued liabilities of $563,182, holdbacks payable of $29,365, and non-cash transaction expense adjustments of $2,127,955 related to an impairment charge on goodwill arising from the Spark Acquisition, $1,220,398 related to the CoSource Acquisition, share based payments of $766,601 related to the service period of Options, PSUs, and Target Park Performance Warrants payable to a strategic partner, depreciation and amortization of $121,566 from the Company's equipment and right-of-use assets and accretion from lease liabilities of $15,339.

Cash used in investing activities for the nine months ended December 31, 2023, was $48,022, compared to $7,224 during the nine months ended November 30, 2022. Cash flows provided by investing activities during the nine months ended December 31, 2023 was comprised of payments received from a sublease of office space of $114,075 offset by purchases of equipment of $162,097. Cash flows used in investing activities of $7,224 during the six months ended August 31, 2022 were the result of proceeds received upon disposal of equipment of $54,671 and $10,067 from the repayment of a note receivable, offset by purchases of equipment of $71,932.

Cash provided by financing activities was $5,270,414 during the nine months ended December 31, 2023, compared to cash provided by financing activities of $5,262,722 during the nine months ended November 30, 2022. Cash provided by financing activities during the nine months ended December 31, 2023 was a result of net proceeds of an equity financing of $4,919,436, and funds received from the exercises of stock options and warrants of $120,000 and $462,411, respectively, offset by $231,433 of payments in connection with the Company's lease liability for its office space. Cash provided by financing activities of $5,262,722 during the nine months ended November 30, 2022, was the result of net proceeds of an equity financing of $5,369,898 and proceeds from Option exercises of $20,000, offset by a payment of a note related to the CoSource Acquisition of $23,500 and payments in connection with the Company's lease liability for its lease of office space of $103,676.

The Company has not achieved profitable operations and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on the issuance of Common Shares to finance its operating activities since inception, which the Company intends to continue to rely upon to finance its planned operations. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. Management believes the Company will be able to raise additional funds to meet anticipated administrative expenses and pursue future business opportunities.

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

The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has sufficient cash to meet its current liabilities as at December 31, 2023. The Company assessed liquidity risk as low.

Use of Proceeds

LIFE Financing

On May 17, 2023, the Company closed the LIFE Financing. In connection with closing of the LIFE Financing, the Company incurred share issuance costs of $80,564 and issued 2,380,952 Warrants with a value of nil calculated using the residual value method. In addition, 2,000,000 previously granted advisory warrants vested immediately upon closing with a vesting date fair value of $1,665,671, which was recorded as a share issuance cost.

The following table sets out a comparison of disclosure in the Company's amended and restated offering document dated May 15, 2023 (the "Offering Document") about how the Company expected to use its available funds (other than working capital), including the net proceeds from the LIFE Financing, an explanation of variances and the impact of the variances, if any, on the Company's ability to achieve its business objectives and milestones:

Principal Purpose	Estimated amount to be expended per the Offering Document [(1)]	Approximate amount expended as of December 31, 2023 (May 17, 2023 – December 31, 2023)
Salaries and consulting fees	$4,708,861	$1,569,214[(2)]
General and administrative costs for the next 12 months	$1,707,090	$731,974[(3)]
Investor relations	$750,000	$452,660[(4)]
Business advertising and marketing	$414,653	$121,790[(5)]
Capital expenditures	$287,500	$119,609[(6)]
Total	**$7,868,104**	**$2,995,246**

Notes:

1. On August 10, 2023, as per the MD&A for the three months ended June 30, 2023, the Company changed its intended use of available funds through a reallocation of $250,000 from investor relations to general and administrative costs. As a result of the reallocation of funds, the Company will allocate up to $750,000 on investor relations and $1,707,090 on general and administrative costs. The Company is of the view that this reallocation will be more favourable to long-term business development and support of its U.S. expansion initiatives. The change in the use of proceeds will not have any material adverse impact on the operations of the Company.
2. On a prorated basis, the Company expended 20% less than estimated for the period ended December 31, 2023.
3. On a prorated basis, the Company expended 2% more than estimated for general and administrative expenses
4. The Company's investor relations initiatives are generally prepaid in nature. On a prorated basis, the Company expended 44% more than estimated in the offering document.
5. On a prorated basis, the Company expended 30% less than estimated on business advertising and marketing initiatives.
6. Anticipated timing required to achieve certain business objectives related to capital expenditure investments are project driven in nature resulting in timing differences. On a prorated basis, the Company expended 1% less than estimated.

Subscription Receipt Private Placement

On June 1, 2022, the Company completed the Subscription Receipt Private Placement. The Subscription Receipts were held in escrow, pending satisfaction of certain escrow release conditions. On September 26, 2022, the Company issued 10,000,000 Common Shares upon the automatic exercise of the Subscription Receipts and the proceeds from the financing that had been held in escrow were released to the Company following satisfaction of certain escrow release conditions. The Company incurred issuance costs of $630,103 associated with the Subscription Receipt Private Placement and issued 554,253 Common Share purchase warrants with a grant date fair value of $183,803 to the Agents.

As disclosed in the Company's Management's Discussion and Analysis for the three-and-six months ended September 30, 2023, all proceeds from the Subscription Receipt Private Placement had been expended as at September 30, 2023**.**

Commitments

As at December 31, 2023, the Company has committed to the following undiscounted minimum lease payments:

Year ended March 31st:	
2024 - remaining	$78,522
2025	$198,778
2026	$80,910

Total	$358,210

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 ("CFO"), 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:

		Nine months ended December 31, 2023		Nine months ended November 30, 2022
Wages and benefits	$	404,057	$	171,210
Share-based payments		1,197,299		453,074
Balance end of period	$	1,601,356	$	624,284

During the nine months ended December 31, 2023, included within general and administrative expense is $63,284 (nine months ended November 30, 2022 - $185,063) incurred for professional fees provided by 1006098 B.C. Ltd. dba PubCo Reporting, an entity significantly influenced by the Former CFO. As at January 9, 2023, the Former CFO ceased to be a related party to the Company. As at December 31, 2023, $1,562 (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 nine months ended November 30, 2022, and as at December 31, 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 nine months ended November 30, 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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses and the accompanying disclosures.

Based on historic experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the Interim Financial Statements materially and involve a significant level of judgment by management. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Areas requiring a significant degree of estimation and judgment in the Interim Financial Statements, include the going concern assumption, valuation of share-based awards that have not vested, valuation of the Company's accounts receivable and inventory and determination of recognition of revenue.

The Company determines the value of Options and Warrants using the Black-Scholes Option Pricing Model and weighted average assumptions at the time of the grant which includes assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's Common Shares and the expected life. The Company measures its volatility based on a proxy of publicly traded companies that are similar in size and operate in a similar industry. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

The Company determines the value of RSUs and PSUs using the underlying share price on the grant date and a weighted average assumption to determine service expenses in each period, and assumes no forfeitures.

New Accounting Pronouncements

The following accounting standards and amendments issued by the IASB or the International Financial Reporting Interpretations Committee were adopted during the nine months ended December 31, 2023:

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

The amendments to IAS1 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 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.

Financial Instruments and Risk Management

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 and accounts receivable. Credit risk with cash and cash equivalents is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Receivable balances are monitored on an ongoing basis. The Company applied the simplified approach using a provision matrix and determined the lifetime expected credit losses as at December 31, 2023 was $167,413 (March 31, 2023 – $351,804). As at December 31, 2023, there were two customers with amounts outstanding that exceed 10% of the Company's trade accounts receivable that totaled 25% in aggregate (Customer A – 12%; Customer B – 13%). 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%). While the Company is exposed to credit losses due to the non-performance of its counterparties, there are no significant concentrations of credit risk, and as such management does not consider this to be a material risk.

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 manages liquidity risk by monitoring forecasted and actual cash flows and has in place a planning and budgeting process to help determine the funds required to support normal operating requirements and development plans. The Company has sufficient cash to meet its current liabilities as at December 31, 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.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all the other information included in this MD&A, before making an investment decision.

No History of Profitable Operations

The Company has not achieved profitable operations or paid any cash dividends, and it is unlikely to produce profitable earnings or pay dividends in the immediate or foreseeable future.

Availability of Financing

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.

Contingency

On April 12, 2022, the Company was notified of a civil claim filed by AddEnergie Technologies (d/b/a FLO) ("AddEnergie") for unlawful solicitation of AddEnergie 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 at December 31, 2023, no provision has been recorded.

Availability of Rebates, Tax Credits, and Other Financial Incentives

Certain municipalities, provinces, states and federal governments provide incentives to end users and purchasers of EVs and EV infrastructure in the form of rebates, tax credits and other financial incentives, including under the Canadian government's Zero Emission Vehicle Infrastructure Program, Ontario's Electric Vehicle ChargeON Program and British Columbia's CleanBC Go Electric Charger Program administered by BC Hydro. These governmental rebates, tax credits and other financial incentives significantly lower the effective price of EVs and EV infrastructure to customers. Uncertainty about the introduction of, reduction in, or elimination of such incentives, or delays or interruptions in the implementation of favorable federal, provincial, state or municipal laws could substantially increase the cost of the Company's systems to some of its customers, resulting in significant reductions in demand for the Company's products from customers, which would negatively impact its sales. Such incentives take time to be disbursed and to affect actual expenditure decisions. Final grant approval timelines can vary greatly between agencies and projects which creates revenue flow risk to the Company. These incentives may also expire on specified dates, end when the allocated funding is no longer available, or be reduced or terminated as a matter of regulatory or legislative policy. Any reduction in rebates, tax credits or other financial incentives could reduce the demand for EVs and for charging infrastructure, including infrastructure the Company offers.

Economic Conditions

The Company's performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact the Company's operations or its customers' operations. Such conditions and events may adversely affect customer spending on capital expenditures. Deterioration in general economic conditions, including but not limited to any rise in unemployment rates, inflation and increases in interest rates, have adversely affected the Company in the past and may adversely affect customer spending, customer debt levels, and EV adoption rates in the future. The aforementioned economic conditions have adversely affected the Company in the past and may affect the Company's financial performance going forward.

Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom the Company has entered into strategic relationships and upon whom the Company depends in order to operate and grow its business. Uncertain and adverse economic conditions may also lead to increased write-offs of our trade receivables which could adversely affect the business.

Retention of Employees and Directors

The Company's ability to achieve significant growth of future revenue will largely depend upon the effectiveness of the Company's sales and marketing efforts, both in Canada and the U.S. The majority of the sales and marketing efforts are accomplished by Company personnel, and the Company believes the strength of its sales and marketing team is critical to success. The Company has invested and intends to continue to invest meaningfully in expanding its sales force, and consequently, anticipates that headcount will continue to increase as a result of these investments.

The Company's success depends, in part, on the ability to continue to attract and retain highly skilled personnel. The ability to identify, hire, develop, motivate and retain qualified personnel will directly affect its ability to maintain and grow the business, and such efforts will require significant time, expense and attention. The Company's ability to continue to attract and retain highly skilled personnel, specifically employees with technical and engineering skills and employees with high levels of experience in designing and developing software and internet-related services, will be critical to the future success of the Company as demand and competition for such talent is high. The Company is also dependent on its direct sales force to obtain new customers and increase sales to existing customers. There is significant competition for sales personnel with the skills and technical knowledge that the Company requires. The ability to achieve significant revenue growth will depend, in part, on the successful recruiting, training, and retention of a sufficient number of sales personnel to support the Company's planned growth. While the Company has in the past issued, and intends to continue to issue, options, RSUs, PSUs or other equity awards as key components of overall compensation, employee attraction and retention efforts, the Company is required under IFRS to recognize shared-based compensation expense in our operating results for employee share-based compensation under our equity grant programs which may increase the pressure to limit share-based compensation.

Outstanding Share Data

Our share capital consists of an unlimited number of Common Shares without par value. As at the date of this MD&A, the Company has 69,910,628 Common Shares issued and outstanding, 6,221,667 performance warrants, 3,770,721 Options, 2,380,952 warrants, 2,165,001 RSUs and 1,985,000 PSUs issued and outstanding.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Management's Report on Internal Controls Disclosure controls and procedures ("DCP")

DCP have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the CEO and CFO, is responsible for the design and operation of DCP.

Management has evaluated the effectiveness of the Company's DCP and has concluded that they were effective as at December 31, 2023.

Internal control over financial reporting ("ICFR")

The Company's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations ICFR may not prevent or detect all misstatements and fraud. Management will continue to monitor the effectiveness of its ICFR and may make modifications from time to time as considered necessary.

Control Framework Management assesses the effectiveness of the Company's ICFR using the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management conducted an evaluation of the effectiveness of ICFR and concluded that it was effective as at December 31, 2023.

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedarplus.ca.