Hypercharge Networks Corp.

Management Discussion and Analysis

For the seven months ended March 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 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.sedar.com. This MD&A is dated as of June 29, 2023, unless otherwise indicated.

Unless otherwise indicated and as hereinafter provided, all financial information contained in this MD&A, 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 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 an 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 seven months ended March 31, 2023, the Company achieved the following milestones:

- Sold and delivered 489 EV charging stations across eight provinces in Canada.
- As part of the US growth objective, the Company closed the first four sales orders for customer sites in five states in the U.S., which include Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island..
- Developed a growing sales backlog highlighted by completion of three significant sales orders in British Columbia for 748, 128, and 110 Level 2 charging stations. The Company expects to begin phased delivery of these projects in early 2024.
- Announced its first roaming agreement with Electric Circuit, owned and operated by Hydro-Quebec, enabling both networks’ users to access over 4,250 public charging stations.
- Delivered the first Level 3 direct current ("DC") fast charging stations in Alberta and British Columbia.
- Recruited 5 additional employees in sales, engineering, operations and finance.
- Activated 18 new partners that help Hypercharge enter into new markets, sell the Company's products, and assist with installation of chargers. This more than doubled the Company’s total number of partnerships (to a total of 37).
- Completed an initial public offering of common shares of the Company (the "Common Shares") listed for trading on the NEO Exchange Inc. ("NEO") under the symbol “HC” in Canada, following which the Common Shares were listed on the Frankfurt Stock Exchange and the OTCQB Venture Market (the "OTCQB") under the symbols, “PB7” and “HCNWF”, respectively.

Recent Corporate Developments

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 million. Each Unit is comprised of one Common Share and one half of one Common Share purchase warrant (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.

On February 23, 2023, the Common Shares began trading on the OTCQB.

On January 13, 2023, the Company issued 200,000 common shares upon the vesting of 200,000 previously issued restricted share units (“RSUs”).

On January 9, 2023, the Company appointed Navraj Dosanjh as Chief Financial Officer of the Company

("CFO"). In connection with Mr. Dosanjh's appointment, Kara James resigned as CFO and the Company granted Mr. Dosanjh 200,000 Options and 100,000 RSUs. The Options are exercisable over a three (3) year term at an exercise price of $0.50 per Common Share. The RSUs vest over a one (1) year period.

On December 31, 2022, the Company issued 125,000 common shares upon the vesting of 125,000 previously issued performance share units ("PSUs").

On December 6, 2022, Trent Kitsch was appointed to the board of directors of the Company (the "Board"). In connection with his appointment, Mr. Kitsch replaced Liam Firus on the Company's Audit Committee and the Company's Compensation and Corporate Governance Committee. The Company also granted Mr. Kitsch 300,000 Options with an exercise price of $0.58 per Common Share for a three (3) year term and 300,000 RSUs. The Options and the RSUs vest over a two (2) year period.

On November 24, 2022, the Company changed its financial year-end from August 31st to March 31st.

On November 16, 2022, the Common Shares began trading on the NEO under the symbol "HC".

On November 16, 2022, the Company issued 7,000 common shares upon the vesting of 7,000 previously issued PSUs.

On September 27, 2022, the Company issued 41,666 common shares as a corporate finance fee in connection with the Offering (as defined below).

On September 27, 2022, the Company issued 10,000,000 common shares upon the automatic exercise of the 10,000,000 Subscription Receipts (defined below) that were issued on June 1, 2022, which had been recorded as an obligation to issue shares at August 31, 2022. The proceeds from the issuance of the Subscription Receipts were released from escrow following satisfaction of certain escrow release conditions.

On September 1, 2022, the Company granted 1,050,000 performance warrants to a consultant of the Company. Each performance warrant granted the holder the right to purchase one (1) common share of the Company at an exercise price of $0.60 per share. The performance warrants vest in seven (7) tranches upon the consultant meeting certain thresholds with respect to charging ports delivered and invoiced. The performance warrants expire five (5) years following the date of grant.

On July 21, 2022, the Company filed a preliminary long form prospectus in conjunction with the Company's initial public offering and anticipated listing on the NEO.

On July 8, 2022, the Company announced that it had adopted a new Board charter and majority voting policy and constituted a Compensation and Corporate Governance Committee.

On July 8, 2022, the Company appointed Vitaly Golomb and Shahab Samimi to the Board. Concurrently, Sion Jones resigned from his position as a director of the Company. The Company granted an aggregate of 310,000 stock options (an "Option") to Mr. Golomb and Mr. Samimi with an exercise price of $0.60 per Common Share for a three (3) year term and 300,000 RSUs to Mr. Golomb, each of which entitles the holder to receive, once vested, one (1) Common Share. The RSUs vest over a two (2) year period.

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 Subscriptions Receipts at a price of $0.60 per Subscription Receipt (the "Issue Price") for aggregate gross proceeds to Hypercharge of $6,000,000 (the "Offering"). Following full exercise of the over-allotment option granted to the Agents (as defined herein), 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 issued and outstanding shares of CoSource Information Technology Services Inc. ("CoSource") in exchange for: (i) 3,800,000 Common Shares of the Company (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 of the Company 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 the "plug-and-charge" ("PAC") software 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 of the acquisition agreement respecting 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. The Company is in advanced discussions with two commercial partners to deliver PAC with the Company's broader EV charging services, which the Company is aiming to complete in the second half of 2023. The Company continues to invest in PAC's development, including incurring monthly costs for software developer payroll, project manager payroll, a user-interface design consultant, cloud hosting expenses, and administrative costs related to licensing agreement development. The Company also incurs sales or business development costs each month and is undertaking a branding investment in PAC as part of its anticipated use as a fully commercialized platform by the Company's customers.

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 of the Company ("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 four months ended December 31, 2022, the Company settled the remaining notes payable balance of $86,647 through the issuance of 154,725 common shares of the Company's share capital at a loss of $7,735. There were no notes payable outstanding balance as at March 31, 2023 (August 31, 2022 - $86,647).

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 this MD&A. 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 DC fast charging EV charging equipment for MURBs, commercial locations and fleet operators. Recurring SaaS revenue from subscriptions 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 over time on a straight-line basis as the Company has an ongoing obligation to deliver such services. Other services include charging station activation revenue and 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 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 PAC, the Company’s proprietary software, and development and maintenance of its charging network and other software.

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 March 31, 2023, the Company had not achieved profitable operations and has an accumulated deficit of $14,600,366 since inception (August 31, 2022 - $10,349,458). 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 periods for the three and seven months ended March 31, 2022, are unaudited.

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

		Three months ended March 31,				
		2023 (unaudited)		2022 (unaudited)		Change
Revenue	$	**752,673**	$	51,097	$	701,576
Cost of goods sold		**(576,928)**		(28,712)		(548,216)
Gross profit		**175,745**		22,385		153,360
Operating expenses		**(2,160,025)**		(1,199,884)		(960,141)
Other expenses		**(6,209)**		(29,977)		23,768
Net and comprehensive loss	$	**(1,990,489)**	$	(1,207,476)	$	(783,013)

The increase in net and comprehensive loss of $783,013 during the three months ended March 31, 2023, compared to the same period in the prior year was primarily the result of the following:

- Total revenues of $752,673 were $701,576 (1,373%) higher compared to $51,097 during the same period in the prior year.
- EV charging equipment revenue of $669,694 increased $619,809 (1,242%) over the comparable period as a result of the Company delivering significantly more EV charging equipment to its customers following increased sales activity.
- Installation revenue was $66,450, and nil in the comparable period.
- SaaS revenue of $12,136 increased $11,524 (1,883%) over the comparable period, which reflects a significant increase in new SaaS subscriptions as result of the increase in EV charging station deployment.
- Other revenue of $4,393 increased $3,793 (6,32%) over the comparable period as a result of increased EV charging utilization from increased EV adoption and the number of EV charging stations deployed.
- The Company recorded cost of sales of $576,928 compared to $28,712 during the same period in the prior year. The increase in cost of sales over the comparable period is attributed to increased sales activity.
- The Company's gross profit increased by $175,745 (up 685% over the comparable period) due to increased sales volume. Gross margin decreased from 44% to 23% as a result of the Company's product mix. In the three months ended March 31, 2023, the Company's product mix included sales of lower gross margin Level 3 DC fast chargers, whereas in the comparable period, sales were compromised of higher gross margin Level 2 AC chargers.

- Operating expenses were $2,160,025 and increased by $960,041 (80%) over the comparable period. Operating expenses were comprised of general and administrative expenses, sales and marketing expenses, and research and development. The lower operating expenses during the three months ended March 31, 2022, are attributable to the Company's early stages of business and its sales of EV charging solutions, which resulted in lower direct and variable costs during the period.
- General and administrative expenses increased $706,272 (66%) over the comparable period as a result of increased non-cash expenses from share-based payments $346,641 (152%), depreciation and amortization $21,477 (57%) related to the Company's right-of-use assets, increased office expenses primarily as a result of increased activities of $121,280 (147%), and provision for credit loss allowance of $345,925, offset by lower consulting and professional fees of $58,532 (10%).
- Sales and marketing expenses increased $141,108 (112%) over the comparable quarter as a result of hiring key personnel, and advertising and promotional expenses to further enable increasing business efforts to increase sales.
- Increased research and development costs of $112,760, in which there was no comparable expense during the three months ended March 31, 2022.

Other Expense (income), net

	Three months ended March 31,		
	2023 (unaudited)	2022 (unaudited)	Change
Foreign exchange loss (gain)	$ **996**	$ 646	$ 350
Interest expense, net	**5,354**	6,178	(824)
Gain on sale of property and equipment	**-**	(569)	569
Other (income) expense	**(141)**	23,722	(23,863)
	$ **6,209**	$ 29,977	$ (23,768)

The Company's other expense was $6,209 during the three months ended March 31, 2023, compared to $29,977 during the same period in the prior year. Other expense during the three months ended March 31, 2023, was mainly the result of interest expense on the Company's lease liabilities offset by interest income earned during the period on cash equivalents. The Company's other expense of $29,977 during the three months ended March 31, 2022, was primarily the result of a change in fair value of the contingent consideration related to the Spark Acquisition and interest expenses on lease liabilities.

Set out below is a comparison of the results of operations for the seven months ended March 31, 2023 and seven months ended March 31, 2022:

	Seven months ended March 31,		
	2023	2022 (unaudited)	Change
Revenue	$ **1,988,007**	$ 91,647	$ 1,896,360
Cost of goods sold	**(1,542,875)**	(56,842)	(1,486,033)
Gross profit	**445,132**	34,805	410,327
Operating expenses	**(4,921,140)**	(2,357,223)	(2,563,917)
Other income (expenses)	**24,048**	(1,880,889)	1,904,987
Net and comprehensive loss	$ **(4,451,910)**	$ (4,203,307)	$ (248,603)

The increase in net and comprehensive loss of $248,603 (22%) during the seven months ended March 31, 2023, compared to the same period in the prior year was primarily the result of the following:

- Total revenues of $1,988,007 were $1,896,360 (2,069%) higher compared to $91,647 during the comparable period in the prior year.
- EV charging equipment revenue increased $1,741,177 (1,959%) over the comparable period as a result of the Company delivering significantly more EV charging equipment to its customers due to increased sales activity.
- Installation revenue was $117,760, and nil in the comparable period.
- SaaS revenue increased $21,486 (2,493%) over the comparable period, which reflects a significant increase in new SaaS subscriptions resulting from the increase of EV charging station deployment.
- Other revenue increased $15,937 (839%) over the comparable period as a result of increased EV charging utilization from increased EV adoption and growth in the number of EV charging stations deployed.
- The Company recorded cost of sales of $1,542,875 compared to $56,842 during the same period in the prior year. The increase in cost of sales over the comparable period is attributed to increased sales activity and changes in product mix.
- The Company's gross profit increased by $410,327 (up 1,179% over the comparable period) due to increased sales volume. Gross margin decreased from 38% to 22% over the comparable period as a result of the Company's product mix. In the seven months ended March 31, 2023, the Company's product mix included sales of lower gross margin Level 3 DC fast chargers, whereas in the comparable period, sales were compromised of higher gross margin Level 2 AC chargers.
- Operating expenses increased by $2,563,917 (109%) related to hiring key personnel, further support to sales and marketing efforts, research and development, and general and administrative expenses related to professional fees for both audit and legal, regulatory compliance, and corporate issuer fees from the Company's initial public offering. The lower operating expenses during the seven months ended March 31, 2022, are attributable to the Company's initial launch of business and its sales of EV charging solutions, which resulted in lower direct and variable costs during the period.
- Contributing to the increased operating expenses were increased general and administrative expenses of $1,825,016 (88%) over the comparable period. Increased non-cash expenses of $784,965 (181%) reflect higher share-based payments of $733,225 (210%) and depreciation and amortization of $51,740 (61%) related to the Company's right-of-use assets. Increased office expenses primarily as a result of a provision for credit loss allowance and increase in activities were $711,881 (463%) higher than the comparable period, followed by increased payroll costs of $198,578 (69%) to support increased general corporate activity.
- Sales and marketing expenses increased by $519,071 (187%) as a result of increased advertising and promotional expenses of $287,112 (905%) and increased payroll costs of $233,648 (109%) supported the Company's efforts to increase sales.
- Research and development costs increased by $219,832 over the comparable period, in which there were no comparable expenses.

Other Expense (income), net

	Seven months ended March 31, **2023**	2022 (unaudited)	Change
Transaction costs	$ **-**	$ 1,852,468	$ (1,852,468)
Loss on settlement of debt	**7,735**	-	7,735
Gain on sublease arrangement	**(22,149)**	-	(22,149)
Foreign exchange loss (gain)	**(5,583)**	16,345	(21,928)
Interest expense, net	**(3,362)**	12,916	(16,278)
Gain on sale of property and equipment	**-**	(569)	569
Other income	**(739)**	(271)	(468)

	$ **(24,098)**	$ 1,880,889	$ (1,904,987)

The Company's other income was $24,098 during the seven months ended March 31, 2023, compared to other expense of $1,880,889 during the same period in the prior year. Other income during the seven months ended March 31, 2023, was mainly the result of a gain on a sublease arrangement entered into during the period for office space previously used by the Company and net interest income earned during the period on cash equivalents offset by a loss on settlement of debt. The Company's other expense of $1,880,889 during the seven months ended March 31, 2022 was primarily the result of non-cash transaction costs of $1,852,468 related to the 4,219,670 Common Shares issued as an advisory fee in the Spark Acquisition as well as the fair value of 1,000,000 Common Shares to be issued subject to the achievement of specified earn-out conditions.

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Such risks include, without limitation, supply chain disruptions and inflation causing delays and cost increases on direct labour, material and other costs. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. Please see the section titled "*Risks and Uncertainties*" for a discussion of other risks and uncertainties that the Company is subject to.

Selected Annual Information

	Seven months ended March 31, 2023[1]	Year ended August 31, 2022	Year ended August 31, 2021
Revenue	$ **1,988,007**	$ 484,218	$ -
Net and comprehensive loss	**4,451,910**	9,641,448	878,041
Total assets	**6,404,576**	9,302,818	3,284,170
Non-current financial liabilities	**347,180**	90,636	-

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

Fluctuations during the seven-month period ended March 31, 2023, and years ended August 31, 2022, and 2021 include the following, reported in Canadian dollars, the Company's functional currency, and in accordance with IFRS:

- *Revenue.* The Company first earned revenue during the year ended August 31, 2022. Revenues increased during the current fiscal year due to increased sales and marketing efforts to secure additional customer contracts, combined with an increase in inventories available to meet customer demand.

- *Net and Comprehensive Loss.* The Company's losses during the seven-month period ended March 31, 2023, are the result of increased operating expenses from hiring key personnel, professional fees for both audit and legal, regulatory compliance, corporate issuer fees, and investor relation activities. Net and comprehensive loss during the year ended August 31, 2022, compared to the current period are the result of the current period having a duration of seven months compared to the twelve-month year ended August 31, 2022, increased corporate activity, costs of driving revenue, as well as costs associated with the Spark Acquisition completed during the year ended August 31, 2022, of which there was no comparable in the current period.

- *Total Assets.* The Company's total assets decreased during the seven-month period ended March 31, 2023 mainly as a result of the decrease in cash (including escrowed funds from the Offering) that was used to sustain the Company's operations during the seven-month period ended March 31, 2023, offset by an increase in prepaid expenses and other current assets. Additional offsetting items include an increase in accounts receivable, the result of additional credit granted to drive the Company's increased revenue; an increase in right-of-use assets, the result of two additional leases the Company entered into; as well as a lease receivable, the result of a sublease entered into by the Company for office space that is no longer occupied by the Company. The Company's increase in assets during the year ended August 31, 2022, is primarily the result of an increase in cash (including escrowed funds from the Offering) in connection with the Company's non-brokered private placement completed on October 1, 2021, and the Offering**.** Other increases include accounts receivable related to the Company's initial sales during the year ended August 31, 2022, and increases in prepaid expense, inventory, increases in property and equipment from the acquisition of new assets to service the Company's expanding operations and a right-of-use asset from a lease entered into during the year ended August 31, 2022.

- *Non-Current Liabilities.* Non-current financial liabilities have increased as a result of a long-term office space lease entered into during the year ended August 31, 2022 and two additional long-term leases entered into during the seven-month period ended March 31, 2023. The Company was not party to any leases during the year ended August 31, 2021.

Summary of Quarterly Results

	March 31 2023	December 31 2022[2]	August 31, 2022	May 31, 2022
Revenue	$ **752,673**	$ 1,235,334	$ 371,081	$ 68,835
Total comprehensive loss	**(1,990,489)**	(2,461,421)	(3,361,491)	(2,519,632)
Loss per share, basic and diluted	**(0.03)**	(0.04)	(0.07)	(0.05)
Total assets	**6,404,576**	7,926,572	9,302,818	6,643,280
Total liabilities	**1,900,988**	1,911,883	1,338,779	1,192,203

	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021
Revenue	$ 3,002	$ 41,300	$ -	$ -
Total comprehensive loss	(1,075,618)	(2,684,707)	(774,742)	(210,868)
Loss per share, basic and diluted	(0.02)	(0.07)	(0.03)	(0.02)
Total assets	7,526,381	8,810,636	3,284,170	2,774,290
Total liabilities	1,052,233	1,086,965	1,037,275	50,000

(1) The Company's functional currency, including all of its Canadian subsidiaries, is the Canadian dollar. Hypercharge Networks Inc. has U.S. dollar as its functional currency. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted

(2) 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 ramping up sales and marketing efforts to secure additional customer contracts, combined with an increase in inventories available to supply.

- *Total Comprehensive Loss.* The Company's net quarterly losses have shown an overall increase as a result of the Company's initial public offering and increasing activities to scale the business, which has resulted in a corresponding increasing revenue trend. Key in-period amounts include the following:

- 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 related to its initial public offering, $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. Lower operating expenses in the most recent quarter is also attributed to a 3-month quarter ended March 31, 2023 compared to a 4-month quarter ended December 31, 2022.

- 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.

- During the three months ended November 30, 2021, as a result of the Spark Acquisition (see *Business Overview and Overall Performance*), the Company incurred acquisition-related transaction costs of $1,852,468.

- *Total Assets.* Quarter-over-quarter changes in the Company's total assets are a result of the Company's financing transactions in each of October 2021 and June 2022, which resulted in increases to cash at the end of the corresponding quarters, November 2021 and 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.* The Company's total liabilities included a subscription liability at August 31, 2021 associated with subscriptions collected through such date and later made available to the Company upon closing of the Company's initial public offering. Subsequent increases result from increasing working capital requirements to sustain the Company's increasing revenues as well as increases in liabilities due to a lease entered into by the Company during the three months ended November 30, 2021, along with an additional two leases entered into by the Company during the four months ended December 31, 2022. The leases include office space to support the Company's increased headcount as well as inventory storage for the Company's increased inventory on hand. A further increase in total liabilities at March 31, 2023 from December 31, 2022 is a result of an increase in trade payables from an inventory order in the quarter.

Liquidity and Capital Resources

The Company's working capital was $4,296,738 at March 31, 2023 compared to $7,702,246 at August 31, 2022. The Company had cash and cash equivalents of $2,686,157 at March 31, 2023 compared to cash and cash equivalents and cash held in escrow of $6,793,782 at August 31, 2022. The Company's cash held in escrow of $5,674,424 at August 31, 2022 was related to the closing of its brokered private placement dated June 1, 2022, for which the conditions to release the funds from escrow had not yet been met. In September 2022, the conditions to release the funds from escrow were met and the funds were released.

Cash used in operating activities for the seven months ended March 31, 2023, was $3,746,082 compared to $4,574,186 during the year ended August 31, 2022. Cash used in operating activities during the seven months ended March 31, 2023, was the result of a net and comprehensive loss of $4,451,910 and working capital adjustments to accounts receivable of ($325,249), prepaid expenses and other current assets of ($830,149), holdbacks payable of ($19,162) and a non-cash gain of ($22,149) associated with a sublease of office space formerly utilized by the Company. Offsetting such items were working capital adjustments to accounts payable and accrued liabilities of $343,745, inventory of $288,712, and deferred revenue of $23,441, as well as non-cash adjustments of $1,081,932 of share-based payments, depreciation and amortization of $135,876, accretion from lease liabilities of $21,096 and a loss on the settlement of debt of $7,735. Cash used in operating activities of $4,574,186 during the year ended August 31, 2022, was the result of a net and comprehensive loss of $9,641,448 and working capital adjustments to inventory ($968,036) accounts receivable ($482,368), prepaid expenses and other current assets ($369,597). Offsetting such items were working capital adjustments to accounts payable and accrued liabilities of $337,391, deferred revenue of $419,045, holdbacks payable of $29,365, and non-cash transaction expense adjustments of $3,156,066 related to Common Shares issued to the former shareholders of Spark and advisors in connection with the Spark Acquisition, impairment of goodwill of $2,127,955 related to the CoSource Acquisition, share based payments of $641,547 related to the service period of Options and Target Park Performance Warrants payable to a strategic partner, depreciation and amortization of $154,695 from the Company's equipment and right-of-use assets and accretion from lease liabilities of $21,768, offset by a gain on sale of property and equipment of $569).

Cash provided by investing activities for the seven months ended March 31, 2023, was $18,687, compared to cash used in investing activities of $240,071 during the year ended August 31, 2022. Cash flows used in investing activities during the seven months ended March 31, 2023, was comprised of payments received from a sublease of office space of $57,037 offset by purchases of equipment of $38,350. Cash flows used in investing activities of $240,071 during the year ended August 31, 2022, were the result of purchases of equipment of $157,811, pre-acquisition advances to Spark of $159,601, offset by proceeds received upon disposal of equipment of $54,671, cash assumed in the Spark Acquisition of $12,603, and $10,067 from the repayment of a note receivable.

Cash used in financing activities was $380,230 during the seven months ended March 31, 2023, compared to cash provided by financing activities of $8,584,851 during the year ended August 31, 2022. Cash used in financing activities of $380,230 during the seven months ended March 31, 2023 was a result of $228,579 of share issuance costs paid from the cash held in escrow at the beginning of the period, $184,104 associated with payments in connection with the Company's leased office spaces, and $11,271 associated with the repayment of a note payable, offset by $40,000 and $3,724 received from exercises of Options and broker warrants issued in connection with the Company's financing completed in May 2021, respectively. Cash provided by financing activities of $8,584,851 during the year ended August 31, 2022, was the result of Common Shares issued for cash, net of cash transaction costs of $3,348,254, proceeds from subscriptions received of $5,414,673, offset by $125,450 of payments in connection with the Company's lease liability for its lease of office space and repayment of a note payable of $52,626.

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 March 31, 2023. The Company assessed liquidity risk as low.

Historic Use of Proceeds

On June 1, 2022, the Company completed a brokered financing through a syndicate of agents (the "Agents"), issuing 10,000,000 Subscription Receipts at a price of $0.60 per Subscription Receipt for gross proceeds of $6,000,000. 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 Offering that had been held escrow were released to the Company. The Company incurred issuance costs of $630,103 associated with the Offering and issued 554,253 Common Share purchase warrants with a grant date fair value of $183,803 to the Agents.

The following table sets out a comparison of disclosure in the Company's final long form prospectus dated September 23, 2022 (the "Prospectus") about how the Company expected to use its available funds (other than working capital), including the net proceeds from the Offering, 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 Prospectus**	**Approximate amount expended as of March 31, 2023** (September 23, 2022 through March 31, 2023)
Salaries and consulting fees	$2,350,210	$1,366,001(1)
Management fees	$363,965	369,852(2)
Technology and innovation / research and development	$708,022	$219,832(3)
Capital expenditures	$478,558	$36,798(4)
Business Advertising and Marketing	$208,333	$287,111(5)
Investor Relations	$1,000,000	$361,064(6)
General and administrative costs for the next 12 months	$1,004,011	$553,962(7)
Total	**$6,113,099**	**$3,178,823**

Notes:

(1) On a prorated basis, the Company used 10% more than estimated for salaries and consulting expenses incurred in connection with its go public initiative.
(2) On a prorated basis, the Company's used 45% more than estimated for professional fees (audit, legal and accounting) driven by regulatory and compliance related costs as a public company.
(3) Anticipated timing required to achieve certain business objectives related to technology and innovation/ research and development initiatives are project driven in nature resulting in timing differences.
(4) Anticipated timing required to achieve certain business objectives related to capital expenditure investments are project driven in nature resulting in timing differences.
(5) The Company's marketing initiatives were accelerated to generate revenue opportunities from marketing activities (e.g. Google, tradeshows).
(6) The Company's investor relations initiatives are generally prepaid in nature. On a prorated basis, the Company has spent approximately 60% of the amount

estimated in the Prospectus.

(7) On a prorated basis, the Company used 5% less than estimated for general and administrative costs.

The expected use of available funds disclosed in the Prospectus was for the 12-month period subsequent to the date of the Prospectus (the 12-month period ending September 23, 2023). Therefore, most of the variances between the expected use of available funds in the Prospectus and the actual use of available funds as of March 31, 2023 are attributed to the short period of time between the date of the Prospectus and March 31, 2023.

On October 1, 2021, the Company completed a non-brokered private placement of 10,000,000 Common Shares at a price of $0.40 per Common Share for gross proceeds of $4,000,000, of which $816,650 had been received prior to September 1, 2021 and were reclassified from subscription liability to share capital upon share issuance. The Company paid $18,899 in finder's fees associated with the offering.

Commitments

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

Year ended March 31:		
2024	$	309,955
2025		187,078
2026		80,910
Total	$	577,943

Related Party Transactions

Key management personnel include those persons having 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 CFO, Navraj Dosanjh (beginning January 9, 2023) and the now former CFO (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 Company's omnibus equity incentive plan. The compensation paid to key management personnel is as follows:

		Seven months ended March 31, 2023		Year ended August 31, 2022
Wages and benefits	**$**	**320,874**	$	265,544
Share-based payments		**696,167**		306,177
Balance end of period	**$**	**1,017,041**	$	571,721

During the seven months ended March 31, 2023, included within consulting and professional fees is expense of $123,648 (year ended August 31, 2022 - $221,081) 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 of the Company. As at March 31, 2023 - $31,021 (August 31, 2022 - $20,499) was included in accounts payable to 1006098 B.C. Ltd. dba PubCo Reporting. The accounts payable amount is unsecured, non-interest bearing, and had no fixed terms of repayment.

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

During the year ended August 31, 2022, in connection with the Spark Acquisition, the Company assumed a note payable from an entity controlled by close family members of a now former director of Spark, Sion Jones, totaling $7,749. During the seven months ended March 31, 2023, the Company paid the remaining balance of $7,749 through the issuance of 13,837 Common Shares. As at March 31, 2023, there is no remaining balance (August 31, 2022 - $7,749). The note was unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the year ended August 31, 2022, in connection with the Spark Acquisition, the Company assumed a note payable from an entity controlled by a now former director of Spark, Sion Jones, and a close family member totaling $49,771. During the seven months ended March 31, 2023, the Company paid the remaining balance of $49,771 through the issuance of 88,876 Common Shares. As at March 31, 2023, there is no remaining balance (August 31, 2022 - $49,771). The note was unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

During the year ended August 31, 2022, in connection with the CoSource Acquisition, the Company assumed a note payable to a close family member of the CEO totaling $34,771. During the seven months ended March 31, 2023, the Company repaid $11,271 to the noteholder (year ended August 31, 2022 - $23,500). As at March 31, 2023, the remaining balance payable was nil (August 31, 2022 - $11,271). The note was unsecured, non-interest bearing, and due within fifteen (15) days of the completion of an initial public offering.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the 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 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 Financial Statements, include the going concern assumption, acquisitions, determination of lease incremental borrowing rate, valuation of the Company's accounts receivable and inventory and determination of recognition of revenue.

New Accounting Pronouncements Adopted

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

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022. There was no impact to the Financial Statements as a result of the adoption of the amendments.

The following accounting standard and amendments have been issued by the IASB or the International Financial Reporting Interpretations Committee that are not yet effective as of the date of the Financial Statements. The Company intends to adopt such standards upon the mandatory effective date.

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, 2023. The Company is evaluating the impact of the above amendments on its Financial Statements.

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 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. The Company is evaluating the impact of the above amendments on its Financial Statements.

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. The Company is evaluating the impact of the above amendments on its Financial Statements.

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, 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 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%). As at August 31, 2022, there was one customer with a balance outstanding totaling 19% of the Company’s trade accounts receivable. 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 as at March 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 will be competing with other companies in the capital markets for available financing. There is no assurance that the Company will be able to obtain sufficient financing or financing on satisfactory terms, if at all.

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 March 31, 2023, no provision has been recorded.

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and 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.

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 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.

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 68,106,252 Common Shares issued and outstanding, 6,296,667 performance warrants, 2,720,721 Options, 2,380,952 warrants, 2,141,667 RSUs and 1,060,668 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 March 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 March 31, 2023.

Other MD&A Requirements

Additional information relating to our Company may be found on SEDAR at www.sedar.com.