Hypercharge Networks Corp.

Management Discussion and Analysis
For the three- and six- months ended September 30, 2024
(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- and six-months ended September 30, 2024, (the "Interim Financial Statements") and the Company's audited consolidated financial statements for the year ended March 31, 2024 (the "Financial Statements") and the Company's annual information form ("2024 AIF"), available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca. This MD&A is dated as of November 26, 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 2024 AIF have been prepared in accordance with IFRS Accounting 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

Overview

Hypercharge is a leading provider of electric vehicle ("EV") charging solutions in Canada and the United States. The Company’s mission is to accelerate the adoption of EVs and facilitate the transition towards a carbon-neutral economy by offering comprehensive networked charging solutions.

The Company began revenue-generating operations in April 2022.

The Company’s primary segments are: residential markets including multi-unit residential buildings (“MURB”) and single-family dwellings; commercial markets including workplace, retail and hospitality; public sector including municipalities, universities, healthcare facilities, government services and transit, fleet operators including last-mile delivery, service and automotive dealerships and other commercial trucks.

The Company generates one time and recurring revenue through multiple streams including, without limitation:

- The sale and leasing of EV charging stations, sourced from third-party manufacturers, resulting in a capital-light business model
- Charging-as-a-service (CaaS) models, providing customers with access to charging infrastructure without the upfront capital expenditure
- Subscription-based software services for EV site and charging station management
- Transaction fees on charging sessions
- Energy management hardware and software
- Professional services consulting
- Comprehensive service and warranty packages
- Carbon credit management services

Business Highlights

During the three months ended September 30, 2024, Hypercharge recognized its highest quarterly revenue to date and demonstrated significant momentum in its growth trajectory with three consecutive quarters of year-over-year revenue growth. The Company generated total revenues of $1,378,443, an increase of $456,660 (50%) compared to the three months ended September 30, 2023 and grew its sales backlog by $966,206 (12%) over the three months ended June 30, 2024.

During the three months ended September 30, 2024, the Company's sales backlog increased to a total value of $8,712,878, up $6,112,846 (235%) from the same period in 2023.

As at September 30, 2024, the Hypercharge mobile applications serve over 19,000 registered users, an increase of approximately 170% compared to September 30, 2023. This growth in user engagement underscores the effectiveness of Hypercharge's digital platform in enhancing the EV charging experience for drivers and site hosts alike.

Milestones

During the three months ended September 30, 2024, the Company achieved the following milestones:

- The Company delivered 615 charging ports, an increase of 330 (116%) from the quarter ended September 30, 2023.
- The Company achieved the highest quarterly revenue in its history, with recognized revenue of $1,378,443, an increase of $456,660 (50%) compared to three months ended September 30, 2023.
- Increased the sales backlog to $8,712,878 as of September 30, 2024, an increase of $6,112,846 (235%) compared to September 30, 2023.
- The Company’s operating expenses of $1,571,601 decreased by $551,381 (26%) compared to the three months ended September 30, 2023.
- The Company’s net loss per share, basic and diluted, was $0.016 per share, compared to $0.026 per share in the comparative period, a decrease of 39% compared to the three months ended September 30, 2023.
- The Company entered into an exclusive master pipeline agreement with Dawson & Sawyer Developments Ltd., a real estate developer with over 50 years of experiences having built over 2,000 homes and developed over 175 acres of land across British Columbia.
- The Company furthered its partnership with a Western Canadian energy infrastructure provider with an executed order to supply 76 DC fast charging ports for use by their operational fleet. Worth an estimated value of $3M-$4M, delivery of the order is expected in the Company’s third fiscal quarter of 2024 and revenue is to be recognized by the Company upon delivery of charging stations.
- Increased the number of drivers using the Hypercharge mobile app by 3,693 (23%) compared to September 30, 2023, to a total of 19,855 users.
- The Company operates EV charging ports across eight (8) provinces/territories in Canada, and thirteen (13) states in the United States.

- The Company advanced its partnership with Precise ParkLink Inc. through the activation of EV charging functionality within the Parkedin™ mobile app, powered by the Company's proprietary software platform, Eevion™.

Strategic Growth Strategies

The Company's growth strategy is anchored by our core competitive strengths: our commitment to customer experience; focus on innovation; and our belief in solving critical charging expansion with a capital efficient, integrated business model.

Our execution plan is focused on three growth pillars:

1. Rapid Network Growth: increase the number of charging stations on the network across North America by leveraging a robust channel partner network and talented direct sales team.

2. Technology Innovation: develop proprietary EV charging station management software, mobile applications, application integration capabilities and energy management solutions.

3. Customer Excellence: make it easy, make it work – streamline installation, maintenance and lifecycle management through comprehensive professional services capabilities.

Customer Growth

Hypercharge engages customers through a direct sales team and a robust, growing partner network of 65 affiliate sales and installation organizations across North America. They facilitate entry into new markets and provide advice and expertise on EV charging implementations across industries, including property development and property management, real estate investment trusts, auto dealer groups, hospitality and hotels, parking lot management, fleets, municipalities, and utilities.

As of June 30, 2024, Hypercharge operated in eight provinces/territories in Canada. The Company also made initial sales into the United States market and delivered stations to thirteen states, including key markets of California, New York, and Texas. During the three months ended September 30, 2024, the Company expanded its EV charging network into Washington DC and North Carolina.

As of September 30, 2024, the Company signed 59 new customers growing its customer base to 341, sold over 4,150 charging ports in total and delivered 615 charging ports in the quarter and delivered 3,000 networked charging ports. This expansion has been instrumental in establishing Hypercharge as a leading player in the Canadian market.

Technology Innovation

Driving technological innovation remains a core strategic objective for Hypercharge and is fundamental to Hypercharge's market share growth. As charging infrastructure becomes more ubiquitous across North America, Hypercharge continues to innovate beyond hardware by developing new proprietary solutions which integrate the EV charging experience into closed ecosystems such as parking management systems and building access control systems. Hypercharge also develops and offers software to integrate EV charging into the in the broader energy management space, including developing and commercializing dynamic load management, demand response, multiple-feed (solar, battery, grid) management, and ISO 15118 ("Plug and Charge") solutions.

In 2023, the Company further developed its cloud-based software platform and mobile applications for both iOS and Android, significantly enhancing the user experience for site owners and EV drivers.

The Company released its proprietary software solution, Eevion™, enabling seamless integration of EV charging controls within third-party software platforms including loyalty program apps, third-party applications, parking management ecosystem apps, and building controls platforms. This focus on innovation ensures that Hypercharge remains a technology leader in the EV charging market.

Carbon Credits and Professional Services

To better serve customers and increase overall revenue, in fiscal Q3 ending December 31, 2023, Hypercharge launched a new carbon credit management program enabling customers and Hypercharge to earn low carbon fuel credits. Hypercharge manages all administrative tasks to ensure a seamless experience for customers as the program aggregates energy usage across all enrolled sites to maximize credit accumulation and secure better prices per credit. This initiative is anticipated to offer a profitable revenue stream for Hypercharge through the management and sale of accumulated carbon credits. No revenue was recognized in connection with this program in the Company's Interim Financial Statements.

During the quarter ended March 31, 2024, Hypercharge introduced a comprehensive professional service program to further serve customers and generate incremental revenue. This program provides site design, installation, project management and premium support services, aimed at providing customers with expert guidance and support throughout their EV charging station deployment and maintenance. It is anticipated that professional services will increase overall customer satisfaction and grow revenue.

Creating Competitive Advantage through Customer Experience

Hypercharge is a leading provider of turnkey EV charging solutions, recognized for its robust platform that delivers an outstanding charging experience to residential, commercial, and fleet customers. With a focus on expansion opportunities among existing clients, Hypercharge boasts a significant number of repeat customers. The strategy to engage more public and private segments allows for consistent revenue growth and increased market penetration. The Company has a steadfast commitment to delivering an exceptional customer experience at every stage of the customer journey.

Recent Corporate Developments

On November 15, 2024, the Company announced that Navraj Dosanjh has resigned as Chief Financial Officer of the Company, effective January 10, 2025.

On November 15, 2024, the Company announced that it had delivered one (1) DC fast charger and three (3) Level 2 charging stations to the Prince Rupert Port Authority in Prince Rupert, British Columbia.

On October 23, 2024, the Company net settled 60,000 restricted share units of the Company ("RSUs"), which had previously vested, by issuing 48,682 Common Shares in the capital of the Company ("Common Shares").

On October 28, 2024, the Company announced that it had completed delivery from its sales backlog and recognized revenue for an additional 577 Level 2 charging stations and 1 dual-port DC fast charging station for PCI Developments' King George Hub development in Surrey, British Columbia.

On September 24, 2024, the Company announced it has entered into a Master Pipeline Agreement with Dawson + Sawyer. Pursuant to the terms and subject to the conditions of the Master Pipeline

Agreement, the Company has agreed to be the exclusive EV charging provider for two of Dawson + Sawyer's developments currently under construction in Surrey, British Columbia. Delivery of Level 2 EV charging stations commenced in November 2024.

On September 5, 2024, the Company announced an additional order of 58 DC fast charging ports from a Western Canadian energy infrastructure provider for use by their operational fleet, with delivery anticipated to commence in Winter of 2024 and revenue to be recognized by the Company upon delivery of the charging stations.

On September 4, 2024, the Company announced that it will provide six (6) level 2 charging stations and one (1) DC fast charger to Capilano Volkswagen in North Vancouver, British Columbia, with delivery completed in September 2024.

On August 21, 2024, the Company announced it will provide Level 2 EV charging stations to SEAandSKY by Bosa Properties Inc., a community in Squamish, British Columbia, with delivery completed in August 2024.

On August 15, 2024, the Company announced that it had signed an agreement with Qaulex-Landmark Living Inc. to install 20 Level 2 charging stations at Seasons, a new rental community in Coquitlam, British Columbia, with installation completed in October 2024.

On August 1, 2024, the Company announced an order to supply 18 DC fast charging ports to a Western Canadian energy infrastructure provider for use by their operational fleet. Delivery has commenced and revenue is to be recognized by the Company upon delivery of the charging ports.

On July 30, 204, the Company announced it has signed a master product agreement with Mattamy Homes Limited ("Mattamy") to supply EV charging stations to multifamily developments currently under construction by Mattamy's GTA Urban Division in the Greater Toronto Area. Mattamy placed an initial order for 323 Level 2 EV charging stations with deliveries scheduled to being starting in the Summer of 2024 and continuing over a two-year period.

On July 25, 2024, the Company announced it had delivered from its sales backlog and recognized 200 of 778 charging stations for PCI Developments' King George Hub development in Surrey, British Columbia. The Company began phased delivery in Spring of 2024 and completed delivery of all charging stations in October 2024.

On August 16, 2024, the Company net settled 11,570 RSUs, which had previously vested, by issuing 10,722 Common Shares.

On July 24, 2024, the Company issued 75,000 common shares upon the vesting of 75,000 previously issued RSUs.

On July 17, 2024, the Company net settled 125,000 performance share units of the Company ("PSUs"), which had previously vested, by issuing 75,000 Common Shares.

On July 17, 2024, the Company net settled 208,125 RSUs, which had previously vested, by issuing 167,527 Common Shares.

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.

Partnership with Target Park Group Inc.

On August 5, 2021, the Company entered into a collaboration agreement (the "Target Park 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 its mission to accelerate the adoption of EVs and support the shift towards a carbon neutral economy. The Target Park 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 Target Park 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. As at the date of this MD&A, the deployment milestone of 2,500 EV charging stations within the 36-month period has not yet been achieved.

On August 5, 2024, three years from the date of the Target Park Agreement, 200,000 Target Park Performance Warrants vested remained unexercised and therefore expired in accordance with their terms. Additionally, certain milestones related to the 1,880,000 Target Park Performance Warrants were not met, and as a result, were forfeited in accordance with their terms.

<u>Performance</u>

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 2024 AIF. The key measures used to evaluate the performance of the business and the execution of the Company's strategy are set forth below:

<u>Revenue</u>. 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 software-as-a-service ("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. Revenue from the Company's carbon credit management program is recognized when the regulatory incentives are transferred to the Company.

<u>Sales Backlog</u>. The Company's sales backlog is comprised of the value of signed sales contracts and current and non-current deferred revenues. In accordance with IFRS 15, the Company recognizes

revenue from sales contracts with customers upon delivery of charging ports, at which point the Company's performance obligation is satisfied. The current and non-current deferred revenues include customer deposits, prepaid software subscriptions, extended warranty plans and other services, and are recognized as revenue on a straight-line basis during the Company's ongoing obligation to deliver such 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 September 30, 2024, the Company had not achieved profitable operations and has an accumulated deficit of $25,133,951 since inception (March 31, 2024 - $22,576,217). 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.

Set out below is a comparison of the results of operations for the three months ended September 30, 2024 and three months ended September 30, 2023:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Change
Revenue	$ 1,378,443	$ 921,783	$ 456,660
Cost of sales	(947,635)	(630,544)	(317,091)
Gross profit	430,808	291,239	139,569
Operating expenses	(1,571,601)	(2,122,982)	551,381
Other income	10,219	36,031	(25,812)
Net loss	(1,130,574)	(1,795,712)	665,138

Other comprehensive income (loss)		1,060		(2,980)		4,040
Net and comprehensive loss	$	(1,129,514)	$	(1,798,692)	$	669,178

The decrease in net loss of $669,178 (37%) during the three months ended September 30, 2024, compared to the same period in the prior year was primarily the result of the following:

- Total revenues of $1,378,443 represented an increase of $456,660 (50%) compared to $921,783 during the prior year comparative period. In addition to recognized revenue, the sales backlog grew by $966,206 (12%) during the quarter compared to growth of $506,483 (24%) in the prior year comparative period.

- EV charging equipment revenue of $1,254,013 increased by $454,886 (57%) over the comparative period attributable to product mix across a range of customer types. 615 EV charging ports were delivered during the three months ended September 30, 2024, representing an increase of 330 (116%) EV charging ports delivered over the comparative period.

- Installation revenue was $53,927 (82%) lower than the comparative period due to differences in project scopes and timelines. Gross margin on installation revenue increased to 40%, compared to 3% in the prior year comparative period.

- SaaS revenue of $55,938 increased by $30,625 (121%) over the comparative period, which reflects a significant increase in new SaaS subscriptions and associated recurring revenue as result of the increase in EV charging ports deployed

- Other revenue of $56,578 increased by $25,076 (80%) over the comparative period as a result of increased EV charging utilization from the number of EV charging stations deployed, increased EV charging station activation revenue and increased extended warranty service plans.

- The Company recorded cost of sales of $947,635 compared to $630,544 during the comparative period. The increase in cost of sales is attributed directly to the 57% increase in EV charging revenue over the comparative period.

- Gross profit increased by $139,569 (48%) due primarily to increased sales volume of EV charging equipment, and increased contribution from other revenues and higher new SaaS subscriptions and recurring SaaS revenues.

- Gross margin decreased from 32% to 31%. Gross margin decreased over the comparative period as a result of the Company's product mix. In the three months ended September 30, 2024, the Company's gross margin on EV charging equipment decreased to 30%, compared to 34% in the prior year comparable period. Gross margin on the Company’s installation revenue, SaaS revenue, and other revenue increased significantly to 42% compared to 19% in the prior year comparable period.

- Operating expenses of $1,571,601 decreased by $551,381 (26%) over the comparative period. Operating expenses are comprised of general and administrative expenses, sales and marketing expenses, and research and development. The decrease in operating expenses in the three months ended September 30, 2024 relative to the comparative period is primarily a result of $407,497 (28%) lower general and administrative expenses.

- General and administrative expenses decreased by $407,497 (28%) over the comparative period. Consulting and professional fees decreased by $284,677 (38%) related to certain non-recurring expenses offset by a $99,579 (65%) increase in office and administration expenses related partially to the Company's non-cash expected credit loss provision. Other non-cash expenses decreased by $149,116, comprised of decreased share-based payments of $161,097 (57%), offset by increased depreciation and amortization of $11,981 (20%) related to the Company's property and equipment and right-of-use assets. Wages and benefits decreased by $73,282 (36%).

- Sales and marketing expenses decreased by $120,457 (26%) over the comparative quarter driven by optimized sales processes and improved selling systems.

- Research and development costs decreased by $23,427 (12%) over the comparative quarter, primarily related to decreased Eevion related product design costs incurred in the prior year comparative period.

Set out below is a comparison of the results of operations for the six months ended September 30, 2024 and six months ended September 30, 2023:

	Six months ended September 30, 2024	Six months ended September 30, 2023	Change
Revenue	$ 2,276,692	$ 1,422,807	$ 853,885
Cost of sales	(1,610,083)	(902,228)	(707,855)
Gross profit	666,609	520,579	146,030
Operating expenses	(3,445,518)	(4,548,881)	1,103,363
Other income	38,196	43,393	(5,197)
Net loss	(2,740,713)	(3,984,909)	1,244,196
Other comprehensive income (loss)	715	(2,418)	3,133
Comprehensive loss	$ (2,739,998)	$ (3,987,327)	$ 1,247,329

The decrease in net loss of $1,244,196 (31%) during the six months ended September 30, 2024, compared to the same period in the prior year was primarily the result of the following:

- Total revenues of $2,276,692 represented an increase of $853,885 (60%) compared to $1,422,807 during the prior year comparative period. The sales backlog grew by $2,411,397 (38%) during the six months ended September 30, 2024 compared to growth of $820,037 (46%) in the prior year comparative period.

- EV charging equipment revenue of $2,045,379 increased by $813,494 (66%) over the comparative period attributable to an increase of DC fast charging station deliveries. 1,047 EV charging ports were delivered during the six months ended September 30, 2024, representing an increase of 441 (73%) EV charging ports delivered over the comparative six-month period.

- Installation revenue was $74,619 (81%) lower than the comparative period due to differences in project scopes and timelines. Gross margin on installation revenue during the six months ended September 30, 2024 increased to 35%, compared to 3% in the prior year comparative period. Gross margin improvement on installation revenue was attributable to the Company's expansion of in-house professional services capabilities.

- SaaS revenue of $105,316 increased by $60,432 (135%) over the comparative period, which reflects a significant increase in new SaaS subscriptions and associated recurring revenue as a result of the increase in EV charging ports deployed.

- Other revenue of $108,145 increased by $54,578 (102%) over the comparative period as a result of increased EV charging utilization from the number of EV charging stations deployed, increased EV charging station activation revenue and increased extended warranty service plans.

- The Company recorded cost of sales of $1,610,083 compared to $902,228 during the comparative period. The increase in cost of sales is attributed directly to the 83% increase in EV charging equipment sales and changes in the Company's product mix in the quarter over the comparative period.

- Gross profit increased by $146,030 (28%) due primarily to increased sales volume of EV charging equipment, and increased contribution from other revenues and new SaaS subscriptions and recurring SaaS revenues.

- Gross margin decreased from 37% to 29%. Gross margin decreased over the comparative period as a result of the Company's product mix. In the six months ended September 30, 2024, the Company's product mix included sales of lower gross margin Level 3 direct current (DC) fast chargers, whereas in the comparative period, sales were compromised of higher gross margin Level 2 alternating current (AC) chargers.

- Operating expenses of $3,445,518 decreased by $1,103,363 (24%) over the comparative period. Operating expenses are comprised of general and administrative expenses, sales and marketing expenses, and research and development. The decrease in operating expenses in the six months ended September 30, 2024 relative to the comparative period is primarily a result of $1,067,265 (32%) lower general and administrative expenses.

- General and administrative expenses decreased by $1,067,265 (32%) over the comparative period. Consulting and professional fees decreased by $819,442 (49%) related to certain non-recurring expenses offset by a $182,739 (50%) increase in office and administration expenses related partially to the Company's non-cash expected credit loss provision. Other non-cash expenses decreased by $378,320, comprised of decreased share-based payments of $408,177 (55%), offset by increased depreciation and amortization of $29,857 (26%) related to the Company's property and equipment and right-of-use assets. Wages and benefits decreased by $52,241 (12%) due to a reduction in headcount as part of the Company's efforts to optimize operational efficiency.

- Sales and marketing expenses decreased by $100,857 (11%) over the comparative period driven by optimized sales processes and improved selling systems.

- Research and development costs increased by $64,759 (21%), primarily related to additional headcount and costs related to the development of the Company's proprietary software applications and product development costs.

Other expenses (income), net

		Three months ended September 30, 2024		Three months ended September 30, 2023		Change
Foreign exchange loss (gain)	$	2,370	$	(1,852)	$	4,222
Interest income, net		(11,948)		(33,683)		21,735
Other income		(641)		(496)		(145)
Other expenses (income)	$	(10,219)	$	(36,031)	$	25,812

The Company's other income amounted to $10,219 during the three months ended September 30, 2024, compared to $36,031 during the same period in the prior year. This increase is due to a longer period during which the Company earned interest income on its cash on hand (in the current period relative to the comparative period).

		Six months ended September 30, 2024		Six months ended September 30, 2023		Change
Foreign exchange loss (gain)	$	3,006	$	(75)	$	3,081
Interest income, net		(40,249)		(42,402)		2,153
Other income		(953)		(916)		(37)
Other expenses (income)	$	(38,196)	$	(43,393)	$	5,197

The Company's other income amounted to $38,196 during the six months ended September 30, 2024, compared to $43,393 during the same period in the prior year. This increase is due to a longer period during which the Company earned interest income on its cash on hand (in the current period relative to the comparative period).

Summary of Quarterly Results

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

		September 30, 2024		June 30, 2024		March 31, 2024		December 31, 2023
Revenue	$	1,378,443	$	898,249	$	1,067,478	$	581,822
Total comprehensive loss		(1,129,514)		(1,610,484)		(1,591,381)		(2,425,372)
Loss per share, basic and diluted		(0.02)		(0.02)		(0.02)		(0.04)
Total assets		4,409,106		5,418,379		6,000,677		7,384,703
Total liabilities		3,325,148		3,321,857		2,495,572		2,249,723

		September 30, 2023		June 30, 2023		March 31, 2023		December 31, 2022[1]
Revenue	$	921,783	$	501,024	$	752,673	$	1,235,334
Total comprehensive loss		(1,798,692)		(2,188,633)		(1,990,489)		(2,461,421)

Loss per share, basic and diluted	(0.03)	(0.03)	(0.03)	(0.04)
Total assets	9,148,612	10,490,211	6,404,576	7,926,572
Total liabilities	2,483,738	2,239,037	1,900,988	1,911,883

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.* During the three months ended September 30, 2024, the Company recognized revenue of $1,378,443, marking it the highest revenue generation quarter to date. The Company delivered 615 charging ports (a 116% increase in charging ports delivered as compared to the three months ended September 30, 2023). The Company expanded its sales backlog by $966,206 in the quarter to $8,712,878, which is expected to be delivered within the next 12-18 months. This highlights a strong upward trend in its growth trajectory.

- *Total Net Loss and Comprehensive Loss.* 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:

  - The Company's total comprehensive losses, net of non-cash expenses for the three months ended September 30, 2024, was $1,129,514, a quarter-over-quarter improvement of $480,970 (30%). During the three months ended September 30, 2024, the Company's total operating expenses, net of non-cash share-based payments and depreciation and amortization expenses decreased by $208,984 (13%) from the three months ended June 30, 2024, and decreased $402,265 (23%) compared to the three months ended September 30, 2023. Relative to the three months ended June 30, 2024, the decrease in operating expenses is a result of $148,152 (12%) lower general and administrative expenses, a decrease of $29,771 (15%) research and development expenses, and a decrease of $124,393 (26%) sales and marketing expenses. The decrease in general and administrative expenses is primarily attributable to $115,689 (47%) lower wages and benefits, and $90,288 (43%) lower share-based payments, offset by $102,638 (28%) higher consulting and professional fees. Decreased sales and marketing expenses are primarily related to $78,231 (86%) lower consulting and professional fees.

  - During the three months ended June 30, 2024, total comprehensive losses, net of non-cash expenses were $1,326,077, a quarter-over-quarter improvement of $170,747 (11%). During the three months ended June 30, 2024, the Company's total operating expenses losses, net of non-cash expenses decreased by $235,055 (13%) from the three months ended March 31, 2024. The decrease is a result of $210,611 (16%) lower general and administrative expenses, a decrease of $125,694 (109%) research and development expenses, offset by an increase of $101,250 (22%) sales and marketing expenses. The decrease in general and administrative expenses is primarily attributable to $149,358 (38%) lower wages and benefits, and $99,681 lower consulting and professional fees, offset by $38,428 (15%) higher office and administration expenses. Decreased research and development expenses include $135,512 (47%) lower wages and benefits offset by an increase of $10,196 (24%) consulting and professional fees. Increased sales and marketing expenses include $57,785 (18%) higher employee compensation related primarily to selling commissions and hiring sales employees in strategic markets as part of the Company's growth objectives and $50,997 (158%) higher advertising and promotional expenses.

- During the three months ended March 31, 2024, the Company’s total operating expenses decreased by $720,957 (27%) from the three months ended December 31, 2023. The decrease is a result of $630,906 (34%) lower general and administrative expenses, a decrease of $192,454 (34%) sales and marketing expenses, offset by an increase of $102,403 (45%) research and development expenses. The decrease in general and administrative expenses is primarily attributable to $912,751 (97%) lower share-based payments, offset by $122,585 (91%) higher office and administrative expenses and $309,352 (351%) in wages and benefits. Increased research and development expenses include $143,990 (102%) higher employee compensation related to both product development and the development of the Company's proprietary software. Increased sales and marketing expenses include higher employee compensation related primarily to selling commissions and hiring sales employees in strategic markets as part of the Company's growth objectives. During the three months ended March 31, 2024, the Company proactively initiated measures to reduce certain recurring operating expenses by 20%, which are expected to yield positive results in the upcoming fiscal year.

- 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 United States 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 United States 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 United States 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 and employee compensation, which includes share-based compensation, as a result of the Company's increasing activities to scale the business.

- *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 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.* As at September 30, 2024, the Company’s total liabilities of $3,325,148 remain materially unchanged from June 30, 2024. Changes in total liabilities is mainly comprised of a $322,927 (19%) increase in accounts payable and accrued liabilities offset by a decrease in deferred revenue of $269,831 (19%). As at June 30, 2024, the Company’s total liabilities increased to $3,321,857 (up 33% from March 31, 2024). The increase in total liabilities is mainly comprised of a $759,396 (172%) increase in deferred revenue. Accounts payable and accrued liabilities increased to $123,251 (up 8% from March 31, 2024) in connection with increased sales activity, payroll liabilities and other accrued liabilities. As at March 31, 2024, the Company’s total liabilities increased to $2,495,572 (11%) from December 31, 2023. The increase in total liabilities is mainly comprised of $353,470 (29%) increase in accounts payable and accrued liabilities, offset by a $72,396 (22%) decrease in lease liabilities. The accounts payable and accrued liabilities include trade payables in connection with increased sales activity, year-end payroll liabilities and other accrued 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.

Liquidity and Capital Resources

The Company's working capital was $876,702 as at September 30, 2024 compared to $3,328,143 as at March 31, 2024. The Company had cash and cash equivalents of $1,248,155 as at September 30, 2024 compared to cash and cash equivalents of $2,497,063 as at March 31, 2024.

Cash used in operating activities for the six months ended September 30, 2024, was $1,098,986 compared to $2,823,526 during the six months ended September 30, 2023. Cash used in operating activities for the six months ended September 30, 2024 was the result of a net loss of $2,740,713 and working capital adjustments for prepaid expenses and other current assets of $329,215 and holdbacks payable of $10,203 offset by non-cash adjustments for share-based payments of $329,876, depreciation and amortization of $145,606 and non-cash interest of $3,902 along with working capital adjustments for accounts receivable of $480,979, inventory of $105,551, accounts payable and accrued liabilities of $434,334 and deferred revenue of $480,897. Cash used in operating activities during the six months ended September 30, 2023 was the result of a net loss of $3,984,906 and a working capital adjustment to accounts receivable of ($583,641), offset by non-cash adjustments for share based payments of $738,050, depreciation and amortization of $115,749 and non-cash interest of $15,482 as well as working capital adjustments to inventory of $35,097, prepaid expenses and other current assets of $214,510, accounts payable and accrued liabilities of $460,222 and deferred revenue of $165,911.

Cash used in investing activities for the six months ended September 30, 2024, was $53,983, compared to cash provided by investing activities of $14,821 during the six months ended September 30, 2023. Cash flows used in investing activities during the six months ended September 30, 2024, was comprised of purchases of equipment of $92,008 offset by payments received from a sublease of office space of $38,025. Cash flows provided by investing activities during the six months ended September 30, 2023, was comprised of payments received from a sublease of office space of $76,050 offset by purchases of equipment of $61,229.

Cash used in financing activities was $98,544 during the six months ended September 30, 2024, compared to cash provided by financing activities of $5,347,713 during the six months ended September 30, 2023. Cash used in financing activities of $98,544 during the six months ended September 30, 2024 was the result of repayments of the Company’s lease liabilities. Cash provided by financing activities of $5,347,713 during the six months ended September 30, 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 $154,134 of payments in connection with the Company’s lease liability for its office space.

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 markets is hindered. The Company has sufficient cash to meet its current liabilities as at September 30, 2024. 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.

All proceeds from the LIFE Financing had been expended as at June 30, 2024.

Subscription Receipt Private Placement

On June 1, 2022, the Company completed a Subscription Receipt Private Placement (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 September 30, 2024, the Company has committed to the following undiscounted minimum lease payments:

Year ended March 31:		
2025	$	88,534
2026		80,910
Total	$	169,444

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 and CFO. 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 Plan. The compensation paid to key management personnel is as follows:

	Six months ended September 30, 2024	Six months ended September 30, 2023

Wages and benefits	$	353,869	$	129,007
Share-based payments		264,415		520,080
Balance end of period	$	618,284	$	649,087

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, determination of incremental borrowing rate for lease, valuation of the Company's accounts receivable and inventory.

New Accounting Pronouncements

The following accounting standards and amendments issued by the IASB were adopted during the six months ended September 30, 2024:

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

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

The following accounting standard and amendments have been issued by the IASB that are not yet effective as of the date of the Company’s consolidated Financial Statements. The Company intends to adopt such standards upon the mandatory effective date.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies’ financial performance for better investment decisions.

1. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

2. Requirement for companies to disclose explanations of management-defined performance

measures ("MPMs”) that are related to the income statement.

3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its consolidated 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 September 30, 2024, there was one customer with an amount outstanding exceeding 10% of the Company’s trade accounts receivable that totaled 28% in aggregate. As at March 31, 2024, there were two customers with amounts outstanding that exceed 10% of the Company’s trade accounts receivable that totaled 57% in aggregate (Customer A – 43%; Customer B – 14%). The Company assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s liquidity and operating results may be adversely affected if its access to the capital markets is hindered. The Company has sufficient cash to meet its current liabilities at September 30, 2024. 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.

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 United States 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 share-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 70,823,745 Common Shares issued and outstanding, 4,141,667 performance warrants, 3,705,926 options, 2,380,947 warrants, 1,146,619 RSUs and 1,860,000 PSUs issued and outstanding.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the three- and six-months ended September 30, 2024 and this accompanying MD&A (together, the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at www.sedarplus.ca.

Other MD&A Requirements

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