ENERGY PLUG TECHNOLOGIES CORP.

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended December 31, 2023

The following management discussion and analysis ("MD&A") has been prepared by management of Energy Plug Technologies Corp. ("Energy Plug" or the "Company") as of February 27, 2024, and should be read in conjunction with the unaudited interim consolidated financial statements and related notes of the Company for the six month period ended December 31, 2023, and the audited consolidated financial statements of the Company and related notes for the year ended June 30, 2023. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts are stated in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTES FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "will", "proposes", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" be taken, occur or be achieved. Forward-looking information is based on the current expectations, assumptions or beliefs of the Company based on information currently available to the Company, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The assumptions used to develop forward-looking information include, but not limited to, assumptions about:

- The general business and economic conditions;
- Conditions in the financial markets generally;
- The Company's ability to fund its operations through financings and joint ventures;
- The Company's ability to secure the necessary consulting, technical and related services and supplies on favourable terms;
- The Company's ability to attract and retain key staff;
- The timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned business objectives;
- The nature and location of the Company's plants, and the timing of the ability to commence its business operations;
- The anticipated terms of the consents, permits and authorizations necessary to carry out the planned operations and the Company's ability to comply with such terms on a cost-effective basis; and
- The ongoing relations of the Company with the industry regulators.

Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. The Company does not undertake to revise or update any forward-looking information, except in accordance with applicable laws. Readers should not place undue reliance on forward looking information.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those set forth under "*Risks and Uncertainties*"".

OVERVIEW

Energy Plug Technologies Corp. was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010 and was continued under the laws of British Columbia on March 21, 2018. The Company's head office and registered office is located at Suite 400, 1681 Chestnut Street, Vancouver BC, V6J 4M6, Canada. The Company is an energy technology development company focused on electric vehicle charging systems and battery storage technologies. The Company also, through its wholly-owned subsidiary, Greentech Hydrogen Innovations Corp. ("Greentech"), investigates opportunities in both the science for the purpose of commercialization and the development of products and services addressing the growth in a wide range of long-term hydrogen businesses related to global energy policy objectives and targets. The Company's common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "PLUG", on the OTCQB under the symbol "DVPNF", and on the Frankfurt Stock Exchange under the symbol "6GQ1".

Greentech's Hydrogen-of-Things™ "(HoT") utilizes data collected from clusters of sensors distributed throughout the supply chain and leverages machine learning techniques to output yet unknown energy related findings. In June 2022, Greentech filed for patent provisioning of a novel proprietary "smart" IoT (Internet-of-Things) analytics technology being designed and developed for hydrogen producers, distributors and commercial end-users. The HoT offering has a multi-phased delivery of features and aims to balance a minimum service offering with massive data collection. Collected data is analysed using proprietary algorithms to determine a variety of new metrics such as distributed hydrogen production & availability, carbon impact, buyer/seller matchmaking along with staple metrics like tank temperature, pressure & flow. The platform depicts the data through unique images, charts, animation, infographics and is accessible to subscribers. Greentech intends to offer various levels of data access subscriptions, HoT device sales, licensing opportunities and potential revenue from fuel commissions. Greentech will operate the HoT device assembly, technology development, product distribution, device installation, technology licensing, sales, and support while Energy Plug will be the exclusive network provider for Greentech's cloud analytics monitoring service.

In September 2023, the Company entered into an agreement to acquire all of the issued and outstanding securities of True North Battery Storage Corp. ("True North"), a Canadian based company, by issuing 8,000,000 common shares and 8,000,000 share purchase warrants of the Company to True North. Each common share purchase warrant entitles the holder to purchase one common share of the Company at $0.10 for a period of 24 months from the date of issuance. True North holds a letter-of-cooperation with C-Life Technologies Inc. (clifetech.com), a Taiwan registered company in the business of battery energy storage systems, whereby the parties established a cooperation framework for a proposed lithium battery production enterprise in North America. As part of the value determination for the acquisition, Energy Plug would receive both True North and C-Life Technologies' extensive expertise, technologies, and strong market presence to reinforce its position in the energy storage industry in North America. The intention of this acquisition was to expand the Company's foothold in the energy storage industry.

Established in 2009, C-LiFe has been a leader in the research and development and manufacturing of lithium iron phosphate battery cells and continues to advance the field of battery energy storage systems and products related to electric vehicles. C-LiFe has gained global recognition for its exceptional battery energy storage systems, with a customer base that includes top companies in Taiwan and Japan such as Hitachi, Japan Rail Nissan, Formosa, Nippon Steel, and Delta, demonstrating the trust and confidence industry leaders have placed in their advanced battery energy storage systems. In September 2020, C-LiFe obtained the multi-national patent "Lithium-ion secondary battery with high current discharge capacity" authorized by the Industrial Technology Research Institute (Patent No. I270994 of the Republic of China) and patents such as STOBA®, a high-temperature resistant fast charging material, for R&D and manufacturing Safer and more efficient lithium iron phosphate batteries. In 2022, C-LiFe completed its second-generation battery energy storage system design, and in January 2023, successfully installed a 1 MW energy storage system (20 ft container) at its factory.

The Company has determined that the acquisition of True North is not a significant acquisition because it does not meet the tests prescribed by Section 8.2 of NI 51-102. The acquisition transaction was an arm's length transaction. The purchase price was determined by arm's length negotiations. True North and C-LiFe were also transacted at arm's length. At the date of acquisition, The Company determined that True North did not constitute a business as defined under IFRS 3, Business Combinations, and the acquisition was accounted for as an asset acquisition. The intangible assets identified in the transaction did not meet the recognition criteria under IFRS; therefore, $1,850,833, representing the excess of the consideration paid over the fair value of the monetary assets and liabilities assumed, was expensed. The Company believed that the transaction would enable the Company to expedite its business ambitions, which would have otherwise required a significant amount of time.

Key activities:

- On September 1, 2023, the Company announced that it has entered into an agreement to acquire all of the issued and outstanding securities of True North Battery Storage Corp. ("True North"), a Canadian based company, by issuing 8,000,000 common shares and 8,000,000 share purchase warrants of the Company to True North. Each common share purchase warrant entitles the holder to purchase one common share of the Company at $0.10 for a period of 24 months from the date of issuance. The transaction was closed on September 19, 2023.

- On September 22, 2023, the Company announced an agreement with eParkGo Services Ltd., a smart parking management systems company, for the installation and maintenance electric vehicle (EV) charging stations at the newly developed One Shaughnessy and Two Shaughnessy residential buildings located in Port Coquitlam, British Columbia, Canada.

- On September 26, 2023, the Company announced the appointment of Fred Stearman as President, Chief Executive Officer ("CEO") and a director of the Company.

- On November 8, 2023, the Company announced the appointment of Li Doyle as a member of the board of directors of the Company.

- On December 12, 2023, the Company announced the appointment of Broderick Gunning as President, CEO and a director of the Company.

- On December 15, 2023, the Company announced the appointment of Neil Simmonds as Chief Technology Officer and Cec Primeau as an advisor.

- On December 19, 2023, the Company announced that it is finalizing a joint venture agreement with Malahat First Nation to construct a battery pack assembly facility on the Malahat reserve land.

- On December 29, 2023, the Company announced that it is working with Ximen Mining Corp. for a two-phase clean power storage and generation project to stabilize, support and power the Kenville Gold Mine's infrastructure in Nelson, BC.

- On January 12, 2024, the Company announced the appointment of Neel Singh as Chief Strategy Officer and Peter Schober as a technical advisor. The Company also announced the resignation of Bernard O'Brien as a director.

- On February 20, 2024, the Company announced the appointment of Adam Morand as an independent director and the resignation of Fred Stearman as a director.

DISCUSSION OF OPERATIONS

Three month period ended December 31, 2023

The Company is in its research and development phase and has not yet generated operating revenue. During the three months ended December 31, 2023, the Company reported a net loss of $328,227 compared to a net loss of $98,170 incurred in the three months ended December 31, 2022. The significant increase in loss was attributable to the increase in operating activities, particularly in the development of proposed battery assembly facility with Malahat First Nation and the Kenville Gold Mine project with Ximen Mining Corp. Some of the significant expense items are summarized as follows:

- Consulting fees of $37,833 (2022 - $9,313) relate to services from external business consultants on paralegal, business development, and business strategy work.
- Investor relations and promotion of $32,038 (2022 - $1,050) include costs for investor communications, corporate website maintenance, and news release dissemination.
- Management fees of $75,500 (2022 - $39,000) relate to fees paid to the Company's CEO, CFO and CTO.
- Marketing expenses of $56,818 (2022 - $nil) include fees for marketing consultants. The Company established a marketing team during the quarter to identify potential user markets in the US and Canada for energy storage systems.
- Research and development expenses of $44,965 (2022 - $26,130) include fees paid to technical consultants for the Company's research projects.

Six month period ended December 31, 2023

During the six months ended December 31, 2023, the Company reported a net loss of $2,926,104 compared to a net loss of $178,463 incurred in the six months ended December 31, 2022. The loss for the 2023 period relates primarily to general operating expenses of $1,073,927 (2022 - $178,463) and a loss on the acquisition of assets of $1,852,177 (2022 - $nil). The Company recognized a loss of $1,852,177 on the acquisition of True North because the intangible assets identified in the transaction did not meet the recognition criteria under IFRS.

The general operating expenses excluding share-based payment expenses for the six months ended December 31, 2023 were $593,487, compared to $173,088 in 2022. The increase in general operating expenses is attributed to the increased operating activities related to the development of software capabilities in EV charging stations, the proposed battery assembly facility with Malahat First Nation, and the Kenville Gold Mine project with Ximen Mining Corp. The variance was mainly attributable to:

- Consulting fees of $104,865 (2022 - $15,707) relate to services from external business consultants on paralegal, business development, and business strategy work.
- Investor relations and promotion of $130,064 (2022 - $4,466) include costs for investor communications, news release dissemination, digital marketing services, capital market research, and investor awareness programs provided by marketing firms.
- Management fees of $124,500 (2022 - $78,000) relate to fees paid to the Company's CEO, CFO and CTO.
- Marketing expense of $73,318 (2022 - $nil) include fees for marketing consultants. The Company established a marketing team to identify potential user markets in the US and Canada for energy storage systems.
- Research and development expense of $60,265 (2022 - $53,378) include fees paid to technical consultants for the Company's research projects.

Share-based payment expenses of $480,440 (2022 - $5,375), a non-cash charge, are the estimated fair value of the stock options granted during the period. The Company used the Black-Scholes option pricing model for the fair value calculation.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on December 31, 2023.

	For the Three Months Ended							
	Fiscal 2024		**Fiscal 2023**				**Fiscal 2022**	
	Dec. 31, 2023	**Sept. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**	**Dec. 31, 2022**	**Sept. 30, 2022**	**Jun. 30, 2022**	**Mar. 31, 2022**
	($)	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**	**($)**
Total revenues	-	-	-	-	-	-	-	-
Income (loss) from continuing operations	(328,227)	(2,597,877)	(325,128)	(100,828)	(98,170)	(80,293)	(145,555)	(138,700)
Net income (loss)	(328,227)	(2,597,877)	(325,128)	(100,828)	(98,170)	(80,293)	(145,555)	(138,700)
Income (loss) from continuing operations per share - basic and diluted	(0.01)	(0.05)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net income (loss) per share - basic and diluted	(0.01)	(0.05)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Factors That Affect the Comparability of the Quarterly Financial Data Disclosed Above

The net loss for the quarters was primarily attributed to general operating expenses, which remained relatively consistent for fiscal years 2022 and 2023. The increase in loss for the fourth quarter of fiscal 2023 was attributed to a digital marketing contract. In May 2023, the Company engaged BullVestor Medien GmBH ("BullVestor") to provide digital marketing services at a total cost of $250,000. The significant loss recorded in the first quarter of fiscal 2024 stemmed from two main factors: a loss of $1,852,177 on the acquisition of True North and the recognition of share-based payment expenses totaling $470,380. The general operating expenses have increased in fiscal 2024 due to increased operating activities as the Company ventured into new markets within EV charging and battery storage technologies.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had a cash balance of $48,327, a decrease of $662,852 from the cash balance of $711,179 as at June 30, 2023. During the six months ended December 31, 2023, the Company expanded $698,299 (2022 - $194,778) on operating activities and $12,053 (2022 - $nil) on intangible assets. The Company received $47,500 (2022 - $nil) in net proceeds from the exercise of warrants. Proceeds raised from exercise of warrants were used to fund operations and working capital.

The Company had a working capital of $184,459 as at December 31, 2023 compared to a working capital of $737,689 as at June 30, 2023.

At present, the Company may not have sufficient capital resources to meet its anticipated operating requirements and project research and development for the next 12 months. Subsequent to December 31, 2023, the Company issued 4,231,500 common shares from the exercise of warrants for gross proceeds of $405,650. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to continue to raise adequate financing on reasonable terms and to commence profitable operations in the future. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $815 (June 30, 2023 - $1,285) in advances from a director of the Company. The amounts due to related parties have no specific terms of repayment, are unsecured, and non-interest bearing.

Key management personnel include directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management personnel during the six month periods ended December 31 is as follows:

	2023	2022
Accounting	$ 15,000	$ -
Management fees	124,500	78,000
Consulting fees	26,765	15,707
Marketing	16,771	-
Research and development	16,500	51,000
Share-based payments	227,893	5,342
Total	$ 427,429	$ 150,049

The Company entered into the following related party transactions during the six months ended December 31, 2023:

a) Incurred management fees of $6,500 (2022 - $nil) to the CEO of the Company for management services.

b) Incurred management fees of $40,000 (2022 - $nil) to the former CEO of the Company for management services.

c) Incurred management fees of $48,000 (2022 - $48,000) to a company controlled by the former CEO of the Company for management services.

d) Incurred management fees of $30,000 (2022 - $30,000) and accounting fees of $15,000 (2022 - $nil) to a company controlled by the CFO of the Company for management and accounting services. The Company has entered into a consulting agreement with a company controlled by the CFO for financial management services for a monthly fee of $5,000.

e) Incurred consulting fees of $16,771 (2022 - $nil) to a director of the Company for marketing services. This arrangement is pursuant to a consulting agreement with the director for a monthly fee of US$6,000

f) Incurred consulting fees of $26,765 (2022 - $15,707) to a company controlled by the Corporate Secretary of the Company for paralegal services.

g) Incurred research and development of $16,500 (2022 - $nil) to a company controlled by the CTO of the Company for technical research services.

SUMMARY OF OUTSTANDING SHARE DATA

The Company's issued and outstanding share capital as at the date of this report is as follows:

(1) Authorized: Unlimited common shares without par value.
(2) As at February 27, 2024, the Company has 65,209,280 common shares, 3,550,000 stock options, and 22,700,000 warrants issued and outstanding.

FINANCIAL INSTRUMENTS

The carrying amount of cash, receivables, accounts payable and amounts due to related parties carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments and/or the rate of interest being charged.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, foreign currency exchange risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management monitors and manages these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. The credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at December 31, 2023, the Company has current assets of $320,842 and current liabilities of $136,383. The Company's financial liabilities include accrued expenses and trade and other payables and accrued fees due to related parties which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements and advances from related parties. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Foreign currency exchange risk

Foreign currency exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company funds certain international purchases and operations expenses in the United States and by using US dollars converted from its Canadian bank accounts. Management does not believe the Company is exposed to material foreign currency risk. The Company does not hedge its foreign exchange risk.

Interest rate risk

The Company is exposed to interest rate risk arising from cash held in Canadian financial institutions. The interest rate risk on cash is not considered significant due to its short-term nature and maturity. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of the fair value of stock options using stock option pricing models, requires the input of highly subjective assumptions, including the expected share price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.

ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

RISKS AND UNCERTAINTIES

The following is a description of important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the forward-looking statements set forth in this report relating to its financial results, operations and business prospects. Except as required by law, the Company undertake no obligation to update any such forward-looking statements to reflect events or circumstances after the date of this MD&A. These risks include, but are not limited to the following:

Lack of profitability concerns

The Company has incurred substantial losses since its inception and has not generated revenue in excess of its expenses. The Company expects to incur net losses and negative cash flows during its research and development phase, and losses and negative cash flows may continue past this phase as the Company will need to earn significant revenues in order to cover the costs that will arise with commercialization such as production, marketing, and additional personnel expenses. The Company may not ever achieve profitability. Even if the Company does achieve profitability, it may not be able to sustain it.

Inability to Raise Capital

The Company will require significant capital to achieve its business objectives, and there is no assurance that it will be able to raise the necessary funds to do so, or be able to secure financing on favourable terms. The Company's ability to raise money depends on the state of capital markets, its attractiveness as a business compared to its competitors, the amount of funding that the Company is seeking, and its ability to find financiers willing and able to provide such financing. Some of these variables are beyond the Company's control. If The Company fail to raise the required amount of capital at a given time, it may be forced to discontinue certain products or operations, reduce or forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place the Company's business as a going concern into jeopardy.

Even if the Company was able to raise the requisite amount of money when needed, such financings may have undesirable effects. If The Company was to raise money through equity financings, its shareholders' ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect its shareholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting its ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Company raises additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, the Company may have to relinquish valuable rights to its products, future revenue streams, research programs or to grant licenses on terms that may not be favourable.

Loss of key personnel

The Company depends on the services of its key technical, sales, and management personnel as it continues to expand its development activities. The loss of any of these key persons could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may not be able to attract or retain qualified technical, sales, and management in the future due to the intense competition for qualified personnel among software and hardware businesses. If it is not able to attract and retain the necessary personnel to accomplish its business objectives, it may experience constraints that will impede significantly the achievement of its development objectives.

Rapid technological changes

The markets for the Company's products are characterized by rapidly changing technology, evolving industry standards and increasingly sophisticated customer requirements. The introduction of products embodying new technology and the emergence of new industry standards can render the Company's existing products obsolete and unmarketable and can exert price pressures on existing products. The success of the Company is dependent upon its ability to be able to anticipate and react quickly to changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis. The Company cannot give assurance that it will successfully develop new products or enhance and improve its existing products, that new products and enhanced and improved existing products will achieve market acceptance or that the introduction of new products or enhanced existing products by others will not render the Company's products obsolete. The Company's inability to develop products that are competitive in technology and price and that meet end-user needs could have a material adverse effect on the Company's business, financial condition or results of operations.

Supply chain disruptions

The proposed battery assembly facility depends on a global network of suppliers for manufacturing equipment, parts and battery cells. Unexpected changes in business conditions, materials pricing, including inflation of raw material costs, labor issues, wars, trade policies, natural disasters, health epidemics such as the global COVID-19 pandemic, trade and shipping disruptions, port congestions, cyberattacks and other factors beyond our or our suppliers' control could also affect these suppliers' ability to deliver components to us or to remain solvent and operational. The unavailability of any component or supplier could lead to production delays, idle manufacturing facilities, necessitate product design alterations, and jeopardize access to critical technology and tools essential for product production and support, as well as impact our capacity expansion. Any of these occurrences may affect our ability to fulfill customer contracts, potentially delaying our business plans and altering our financial outlook.

Ability to protect the Company's intellectual property

If the Company's intellectual property is not adequately protected, the Company may lose its competitive advantage. The Company's success depends in part on its ability to protect its rights in its intellectual property. The Company relies on various intellectual property protections, including patents, copyright, trademark and trade secret laws and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use the Company's intellectual property without its authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of Canada or the United States. To protect the Company's intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays, materially disrupt the conduct of the

Company's business or adversely affect its revenue, financial condition and results of operations.

Business acquisition risk

A number of risks associated with business acquisition include: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected; (v) increased scope and complexity of the Company's operations; and (vi) loss or reduction of control over certain of the Company's assets. The presence of one or more material liabilities and/or commitments of an acquired company that are unknown at the time of acquisition could have a material adverse effect on the Company's results of operations, business prospects and financial condition. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into its existing operations.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

New accounting standards

There were no new or amended IFRS pronouncements effective July 1, 2023 that impacted the Company's consolidated financial statements.

DISCLOSURE CONTROLS

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification 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.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedarplus.ca and on the Company web site at https://energyplug.com.

APPROVAL

The Board of Directors of Energy Plug Technologies Corp. has approved the contents of this management discussion and analysis on February 27, 2024.