ENERGY PLUG TECHNOLOGIES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended March 31, 2024

(Unaudited – Prepared by Management)

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORT

The accompanying unaudited condensed consolidated interim financial report of Energy Plug Technologies Corp. (the "Company") has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report.

ENERGY PLUG TECHNOLOGIES CORP.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note		March 31, 2024		June 30, 2023
ASSETS					
Current assets					
Cash		$	109,857	$	711,179
Sales tax recoverable			61,376		22,283
Prepaid expenses and deposits			69,533		107,325
Inventory	5		146,079		-
			386,845		840,787
Non-current assets					
Intangible asset	6		28,126		25,536
Total assets		$	414,971	$	866,323
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payables and accrued liabilities	7	$	109,555	$	101,813
Amounts due to related party	8		-		1,285
Total liabilities			109,555		103,098
Equity					
Share capital	9		6,313,234		4,900,084
Reserves	10		2,261,273		890,000
Deficit			(8,269,091)		(5,026,859)
Total equity			305,416		763,225
Total liabilities and equity		$	414,971	$	866,323

Nature of operations and going concern (Note 1)

Events after the reporting period (Note 15)

The financial statements were authorized for issue by the board of directors on May 30, 2024 and were signed on its behalf by:

"Broderick Gunning" Director   *"Adam Morand"* Director

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

ENERGY PLUG TECHNOLOGIES CORP.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
EXPENSES					
Accounting and audit	8	$ 26,000	$ -	$ 46,811	$ -
Consulting fees	8	65,108	17,391	169,973	33,098
Depreciation	6	3,309	-	9,463	-
Investor relations and promotion		19,645	2,944	149,709	7,410
Legal fees		14,574	-	23,021	(811)
Management fees	8	50,500	39,000	175,000	117,000
Marketing	8	33,660	-	106,978	-
Office and miscellaneous		26,490	707	47,951	3,310
Research and development	8	38,000	33,412	98,265	86,790
Share-based payments	10	-	-	480,440	5,375
Transfer agent and regulatory filing fees		10,186	7,374	33,685	27,119
Travel		28,656	-	48,759	-
		(316,128)	(100,828)	(1,390,055)	(279,291)
OTHER EXPENSE					
Loss on acquisition of assets		-	-	(1,852,177)	-
Loss and comprehensive loss for the period		$ (316,128)	$ (100,828)	$ (3,242,232)	$ (279,291)
Basic and diluted loss per common share	9	$ (0.01)	$ (0.00)	$ (0.05)	$ (0.01)

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

ENERGY PLUG TECHNOLOGIES CORP.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Reserves	Deficit	Total equity
Balance, June 30, 2023		52,377,780	$ 4,900,084	$ 890,000	$ (5,026,859)	$ 763,225
Shares issued for asset acquisition	4, 9	8,000,000	960,000	-	-	960,000
Warrants issued for asset acquisition	4, 9	-	-	890,833	-	890,833
Exercise of warrants	4, 9	4,831,500	453,150	-	-	453,150
Share-based payments	10	-	-	480,440	-	480,440
Loss for the period		-	-	-	(3,242,232)	(3,242,232)
Balance, March 31, 2024		65,209,280	$ 6,313,234	$ 2,261,273	$ (8,269,091)	$ 305,416

	Note	Number of Shares	Share capital	Reserves	Deficit	Total equity
Balance, June 30, 2022		35,807,780	$ 4,048,055	$ 1,257,694	$ (4,795,509)	$ 510,240
Share-based payments	10	-	-	5,375	-	5,375
Adjustment on cancellation of stock options		-	-	(73,372)	73,372	-
Loss for the period		-	-	-	(279,291)	(279,291)
Balance, March 31, 2023		35,807,780	$ 4,048,055	$ 1,189,697	$ (5,001,428)	$ 236,324

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

ENERGY PLUG TECHNOLOGIES CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
NINE MONTHS ENDED MARCH 31
(Unaudited – Prepared by Management)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (3,242,232)	$ (279,291)
Items not affecting cash:		
Depreciation	9,463	-
Loss on acquisition of assets	1,850,833	-
Share-based payments	480,440	5,375
Changes in non-cash working capital items:		
Sales tax recoverable	(39,093)	8,862
Prepaid expenses	37,792	(13,533)
Inventory	(146,079)	-
Accounts payables and accrued liabilities	7,742	(30,733)
Amounts due to related parties	(1,285)	18,802
Net cash used in operating activities	(1,042,419)	(290,518)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures on intangible	(12,053)	-
Net cash used in investing activities	(12,053)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	453,150	-
Net cash provided by financing activities	453,150	-
Change in cash during the period	(601,322)	(290,518)
Cash, beginning of the period	711,179	545,881
Cash, end of the period	$ 109,857	$ 255,363

There are no significant non-cash transactions during the nine month periods ended March 31, 2024 and 2023.

1. NATURE OF OPERATIONS AND GOING CONCERN

Energy Plug Technologies Corp. (the “Company”) 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 battery energy storage systems (“BESS”). The Company also, through its wholly-owned subsidiary, investigates opportunities in commercializing scientific advancements and developing products and services for long-term hydrogen businesses aligned with global energy policy objectives. The Company’s common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol “PLUG”, on the OTCQB under the symbol “PLGGF”, and on the Frankfurt Stock Exchange under the symbol “6GQ”.

Going concern of operations

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred losses since inception in the amount of $8,269,091 and has not yet achieved profitable operations. The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so 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.

These consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic from March 2020, and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company’s business or ability to raise capital.

2. BASIS OF PREPARATION

Statement of compliance

These condensed unaudited interim consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

2. BASIS OF PREPARATION (cont'd…)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Greentech Hydrogen Innovations Corp. ("Greentech") and True North Battery Storage Corp. ("True North"). All inter-company transactions, balances, income and expenses are eliminated on consolidation.

The Company owns 49 Class A common shares of Malahat Battery Technologies Corp. ("MBTC"), representing a 49% equity interest. The Company accounts for its investments in MBTC using the equity method.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Significant estimates and assumptions

The preparation of these 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 and agent's warrants using option pricing models, require the input of highly subjective assumptions, including the expected 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.

Significant judgments

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's financial statements include the assessment of the Company's ability to continue as a going concern, which involves judgment regarding future funding available for its operations and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out in the Company's audited annual consolidated financial statements for the year ended June 30, 2023 were consistently applied to all the periods presented unless otherwise noted below.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost includes the purchase cost plus landing costs. Cost is determined using the first in first out method. Net realizable value represents the estimated selling price for inventory less all estimated costs necessary to make the sale.

Inventory is written down to net realizable value when the cost of inventory is determined not to be recoverable. When the circumstances that previously caused the inventory to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed, limited to the amount of the original write-down.

New or revised accounting standards not yet adopted

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. ACQUISITION TRANSACTION

On September 14, 2023, the Company completed an acquisition of all of the issued and outstanding securities of True North Battery Storage Corp. ("True North"), a non-related Canadian based company. In consideration for all outstanding securities of True North, the Company issued 8,000,000 common shares and 8,000,000 share purchase warrants of the Company to the existing shareholders of 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 fair value of the common shares issued to the True North's shareholders was determined to be $960,000 based on the fair value of the consideration shares on the date of issuance. The fair value of the consideration warrants was determined to be $890,833 using the Black Scholes Option Pricing Model based on the following assumptions: stock price volatility - 245.28%, risk-free interest rate - 4.69%, stock price of $0.12, and an expected life of 2 years.

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. True North holds a Letter-of-Intent for Cooperation ("LOI") with C-Life Technologies Inc., 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. The intangible assets identified in the transaction did not meet the recognition criteria under IFRS; therefore, the excess of the consideration paid over the fair value of the monetary assets and liabilities assumed was expensed.

(EXPRESSED IN CANADIAN DOLLARS)

4. ACQUISITION TRANSACTION (cont'd…)

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

Total consideration		
8,000,000 common shares measured at a fair value of $0.12 per share	$	960,000
8,000,000 share purchase warrants		890,833
	$	1,850,833
Net identifiable liabilities assumed		
Due to related party	$	(1,344)
Loss on acquisition of assets	$	1,852,177

5. INVENTORY

As at March 31, 2024, the Company's inventory consisted of finished goods with a value of $146,079 (June 30, 2023 - $nil). Finished goods inventory includes electric vehicle chargers, inverters, and lithium battery available for sale.

6. INTANGIBLE ASSET

	March 31, 2024			June 30, 2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Patent	$ 42,410	$ 14,284	$ 28,126	$ 30,357	$ 4,821	$ 25,536

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	March 31, 2024	June 30, 2023
Trade payables	$ 109,555	$ 75,693
Accrued liabilities	-	26,120
	$ 109,555	$ 101,813

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to inventory purchases and general operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

(EXPRESSED IN CANADIAN DOLLARS)

8. RELATED PARTY TRANSACTIONS

Included in amounts due to related parties are $nil (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 nine month periods ended March 31 is as follows:

		2024		2023
Accounting	$	41,000	$	-
Management fees		175,000		117,000
Consulting fees		40,873		19,245
Marketing		25,097		-
Research and development		54,500		76,500
Share-based payments		227,893		5,342
Total	$	564,363	$	218,087

9. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At March 31, 2024, the Company had 65,209,280 common shares outstanding (June 30, 2023 - 52,377,780).

Share issuance

During the nine months ended March 31, 2024, the Company:

i) Issued 8,000,000 common shares of the Company with a fair value of $960,000 pursuant to the True North acquisition transaction (Note 4).

ii) Issued 3,631,500 common shares at $0.10 per share from the exercise of warrants for gross proceeds of $363,150.

iii) Issued 1,200,000 common shares at $0.075 per share from the exercise of warrants for gross proceeds of $90,000.

9. SHARE CAPITAL (cont'd…)

During the year ended June 30, 2023, the Company:

a) Completed a non-brokered private placement of 15,900,000 units at a price of $0.05 per unit for gross proceeds of $795,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 12 months at an exercise price of $0.075. No proceeds was allocated to the warrants based on the residual method. The Company incurred filing and other expenses of $9,971 in connection with the private placement. Related Parties subscribed to 600,000 units for proceeds of $30,000.

b) Issued 670,000 common shares at $0.10 per share from the exercise of warrants for gross proceeds of $67,000.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ended March 31, 2024 was based on the loss attributable to common shareholders of $3,242,232 (2023 - $279,291) and a weighted average number of common shares outstanding of 59,492,660 (2023 - 35,807,780).

At March 31, 2024, 3,550,000 stock options (2023 - 2,075,000) and 22,700,000 warrants (2023 - 25,418,860) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

10. SHARE-BASED PAYMENTS

Stock options

The Company has a rolling stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the Plan, the Company may issue aggregate stock options totaling up to 10% of the issued and outstanding common stock of the Company. Further, the Plan calls for the exercise price of each option to be equal to the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant.

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

Stock options (cont'd…)

Stock option transactions are summarized as follows:

	Number of options		Weighted Average Exercise Price
Balance, June 30, 2022	2,500,000	$	0.17
Granted	150,000		0.15
Cancelled	(2,250,000)		0.18
Balance, June 30, 2023	400,000	$	0.10
Granted	3,350,000		0.16
Cancelled	(200,000)		0.17
Balance, March 31, 2024	3,550,000	$	0.15
Exercisable at March 31, 2024	3,550,000	$	0.15
Weighted average fair value of options granted during the period	$ 0.14		(2023 - $0.04)

The fair value calculated for stock options granted during the nine months ended March 31, 2024 was $480,440 (2023 - $5,375) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2024	2023
Risk-free interest rate	4.79%	3.78%
Expected life of options	2 Years	2 Years
Annualized volatility	247.40%	219.23%
Dividend rate	Nil	Nil

As at March 31, 2024, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
150,000	$ 0.150	December 6, 2024
250,000	$ 0.075	February 3, 2025
2,800,000	$ 0.170	September 19, 2025
100,000	$ 0.075	November 22, 2025
250,000	$ 0.055	December 5, 2025
3,550,000		

(EXPRESSED IN CANADIAN DOLLARS)

10. SHARE-BASED PAYMENTS (cont'd…)

Warrants

Warrants are issued as private placement incentives and measured using the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes Option Pricing Model.

	Number of Warrants		Weighted Average Exercise Price
Balance, June 30, 2022	26,642,860	$	0.10
Granted	15,900,000		0.08
Exercised	(670,000)		0.10
Expired	(1,224,000)		0.10
Balance, June 30, 2023	40,648,860	$	0.09
Granted	8,000,000		0.10
Exercised	(4,831,500)		0.09
Expired	(21,117,360)		0.10
Balance, March 31, 2024	22,700,000	$	0.08

As at March 31, 2024, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
14,700,000	$ 0.075	May 16, 2024 (Note 15)
8,000,000	$ 0.100	September 14, 2025
22,700,000		

11. FINANCIAL INSTRUMENTS

The carrying amount of cash, 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 March 31, 2024, the Company has current assets of $386,845 and current liabilities of $109,555. 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. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. Liquidity risk is assessed as high.

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.

12. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

13. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment being the development of application technology in one geographic region being Canada.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue its business goals and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers the components of shareholders' equity as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue additional shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

15. EVENTS AFTER THE REPORTING PERIOD

Subsequent to March 31, 2024,

i) The Company issued 1,700,000 common shares from the exercise of warrants for gross proceeds of $127,500.

ii) The Company issued 1,450,000 share purchase warrants pursuant to a warrant exercise incentive program (the "Program"). Under the Program, the Company offered, to each holder of Eligible Warrants who exercises the Eligible Warrants on and before the expiry date of May 16, 2024, the issuance of one-half common share purchase warrant for each Eligible Warrant exercised (each, a half "Incentive Warrant"). Each whole Incentive Warrant entitles the Warrant Holder to purchase one common share of the Company for a period of 12 months from May 16, 2024, at a price of $0.075 per Share. The 13,000,000 Eligible Warrants that remained unexercised expired on May 16, 2024, their original expiry date.