

EYEfi Group Technologies Inc

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2020

(Unaudited)

(expressed in Canadian Dollars)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the nine months ended September 30, 2020.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

TABLE OF CONTENTS

Condensed consolidated statements of financial position	3
Condensed consolidated statements of profit or loss and other comprehensive income / (loss)	4
Condensed consolidated statements of changes in equity	5
Condensed consolidated statements of cash flows	6
Notes to the condensed consolidated interim financial statements	7

EYefi Group Technologies Inc
Condensed interim consolidated statements of financial position
As at September 30, 2020 and 2019
Expressed in Canadian Dollars
(Unaudited)

	Note	September 30, 2020 \$	December 31, 2019 \$
Assets			
Current assets			
Cash at banks		896,844	111,053
Trade and other receivables		34,888	42,359
Amounts receivable for the issue of preference shares	3	-	419,612
Investment tax credit receivable	10	152,695	-
Income tax receivable		43,298	-
Total current assets		<u>1,127,725</u>	<u>573,024</u>
Non-current assets			
Plant and equipment		39,880	48,596
Right-of-use assets		97,960	119,152
Intangibles		<u>49,157</u>	<u>47,817</u>
Total non-current assets		<u>186,997</u>	<u>215,565</u>
Total assets		<u>1,314,722</u>	<u>788,589</u>
Liabilities			
Current liabilities			
Trade and other payables		46,345	40,566
Lease liabilities		32,823	36,698
Provision for income tax		-	4,485
Employee benefits provisions		186,340	150,711
Income in advance	2	321,437	307,192
Convertible preference shares	3	-	912,200
Total current liabilities		<u>586,945</u>	<u>1,451,852</u>
Non-current liabilities			
Facility loan payable	12	839,960	-
Lease liabilities		<u>67,012</u>	<u>85,709</u>
Total non-current liabilities		<u>906,972</u>	<u>85,709</u>
Total liabilities		<u>1,493,917</u>	<u>1,537,561</u>
Net assets / (liabilities)		<u>(179,195)</u>	<u>(748,972)</u>
Equity			
Issued capital	5	3,649,090	2,378,763
Reserve of exchange differences on translation		(75,180)	(106,721)
Accumulated losses		<u>(3,753,105)</u>	<u>(3,021,014)</u>
Total shareholder equity / (deficiency in equity)		<u>(179,195)</u>	<u>(748,972)</u>
“Simon Langdon”			
Simon Langdon			
“James Hope”			
James Hope			

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

EYefi Group Technologies Inc
Condensed interim consolidated statements of profit or loss and other comprehensive income (loss)
For the nine-month periods ended September 30, 2020 and 2019
Expressed in Canadian Dollars
(Unaudited)

		3 Months Ended September 30,		9 Months Ended September 30,	
		2020	2019	2020	2019
	Note	\$	\$	\$	\$
Revenue					
Sales from rendering services		42,967	10,407	139,075	183,811
Cost of sales		(34,416)	(34,939)	(89,235)	(37,321)
Gross profit		8,551	(24,532)	49,840	146,490
Other income		-	-	6,292	2,030
Government subsidies	10	61,665	-	148,666	-
Research and development tax credits	10	50,777	334,454	152,695	416,026
Expenses					
Administration		(168,056)	(58,939)	(380,765)	(133,411)
Listing expenses	4	-	-	(326,879)	-
Depreciation and amortization		(7,000)	(10,336)	(39,742)	(13,999)
Employee benefits expense		(97,047)	(40,579)	(274,241)	(136,606)
Marketing		(12,220)	(67,807)	(45,873)	(162,532)
Share based payments	5	-	(72,783)	(22,083)	(72,784)
Profit/(loss) from ordinary activities before debt forgiveness expense		(163,330)	(59,478)	(732,090)	45,214
Debt forgiveness expense		-	-	-	(104,735)
Profit/(loss) before income tax benefit / (expense)		(163,330)	(59,478)	(732,090)	(59,521)
Income tax benefit / (expense)		-	-	-	-
Profit/(loss) after income tax benefit / (expense)		(163,330)	(59,478)	(732,090)	(59,521)
Exchange differences on translation		(10,011)	2,653	31,541	3,812
Total comprehensive income / (loss) for the year to date		(173,341)	62,131	(700,549)	(55,709)
Basic earnings (loss) per share		(0.01)	0.00	(0.04)	0.00
Diluted earnings (loss) per share		(0.01)	0.00	(0.04)	0.00

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

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

	Number of shares	Issued capital \$	Reserve of exchange differences on translation \$	Accumulated losses \$	Total deficiency in equity \$
Balance, January 1, 2019	2,500,014	2,378,763	-	(2,817,625)	(438,862)
Profit/(loss) after income tax (expense)/benefit for the period	-	-	-	(337,267)	(337,267)
Other comprehensive income/(loss) for the period, net of tax	-	-	14,419	-	14,419
Balance, September 30, 2019	<u>2,500,014</u>	<u>2,378,763</u>	<u>14,419</u>	<u>(3,154,892)</u>	<u>(761,710)</u>

	Number of shares	Issued capital \$	Reserve of exchange differences on translation \$	Accumulated losses \$	Total equity \$
Balance, January 1, 2020	2,500,014	2,378,763	(106,721)	(3,021,014)	(748,972)
Share-based compensation	46,249	22,083	-	-	22,083
Issue of share capital	12,501	18,196	-	-	18,196
Conversion of preference shares	625,003	909,800	-	-	909,800
Adjustment to reflect the shares issued to former shareholders of EYefi	(3,183,767)	-	-	-	-
Shares issued to former shareholders of EYefi	19,002,500	-	-	-	-
EYEFi common shares issued and outstanding	4,003,100	320,248	-	-	320,248
Profit/(loss) after income tax (expense)/benefit for the period	-	-	-	(732,090)	(732,090)
Other comprehensive income/(loss) for the period, net of tax	-	-	31,541	-	31,541
Balance, September 30, 2020	<u>23,005,600</u>	<u>3,649,090</u>	<u>(75,180)</u>	<u>(3,753,105)</u>	<u>(179,195)</u>

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

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

	September 30, 2020 \$	September 30, 2019 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	109,332	215,715
Payments to suppliers and employees (inclusive of GST)	(644,387)	(644,325)
Finance costs	(3,236)	(8,276)
Receipts from government grants	-	277,746
Government subsidies	123,929	
Other revenue	6,364	-
	<u>(407,998)</u>	<u>(159,140)</u>
Net cash used in operating activities (see note 13)		
Cash flows from investing activities		
Payments for intangible assets	(4,595)	-
	<u>(4,595)</u>	<u>-</u>
Net cash from investing activities		
Cash flows from financing activities		
Proceeds for issue of ordinary shares	18,196	-
Lease payments	(26,952)	(8,898)
Cash acquired from acquisitions	23,815	-
Facility loan (see note 12)	805,736	
Interest paid on Facility loan (see note 12)	(80,574)	
Proceeds for issue of preference shares	421,180	427,617
	<u>1,161,401</u>	<u>-</u>
Net cash provided by financing activities		
Net Increase/(decrease) in cash	748,808	259,579
Effect of exchange rate changes on cash	36,941	(11,365)
Cash at the beginning of the financial period	111,095	11,408
	<u>896,844</u>	<u>259,622</u>
Cash at the end of the financial period		

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

Note 1. Nature and Continuance of Operations, Basis of Presentation and Significant Accounting Policies

Nature and Continuance of Operations

EYefi Group Technologies Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on October 4, 2018. The Company's registered office and principal place of business are: #390-825 Homer Street, Vancouver BC, V6B 2W2 Canada and Unit 1, 255-257 Wellington Street, Collingwood, Victoria 3066 Australia respectively. The Company became a Reporting Issuer on November 10, 2020.

The Company's principal business activity is a software and engineering entity that has developed, patented and commercialized an innovative spatial, predictive, approximation and radial convolution technology called SPARC and associated product suite that turns any sensor, camera or smartphone device (fixed, mobile, airborne, portable or handheld) into a target co-ordinate acquisition system. SPARC solves critical problems for government and industry customers operating in infrastructure and asset management, emergency management and incident response markets. It has also developed an Industrial Internet of Things (IIoT) hardware sensor (EYefi Sensor) product and Cloud application called smart waste for waste bins and Smart Drain for storm water pits and is rolling out this technology in Australia and New Zealand.

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project activities, cash flows and liquidity.

Basis of Presentation

a) Statement of compliance

These condensed interim consolidated financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2019.

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 27, 2020.

b) Basis of consolidation

The condensed interim consolidated financial statements include the consolidated results of all entities considered to be part of the Consolidated entity due to their underlying common shareholding interest. These entities include EYefi Group Technologies Inc. ("EYEFI") as a Consolidated Entity with its wholly owned subsidiaries, EYefi Pty Ltd ("EYefi") and Conxsme Pty Ltd ("Conxsme"). EYEFI was Consolidated by a reverse takeover ("RTO") on May 27, 2020 and Conxsme was Consolidated on June 30, 2020. The financial statements are presented in Canadian Dollars, which is EYEFI's functional and presentation currency. All intercompany transactions and balances are eliminated on consolidation.

c) Measurement basis

These condensed interim consolidated financial statements have been prepared on the historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

Significant Accounting Policies

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of September 30, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Income in advance / unearned income

Income in advance (refer to Consolidated Statements of Financial Position) represents deferred revenue relating to server licenses of EYefi's Spatial Video/SPARC platform deployed in Telstra Corporation Limited ("Telstra") data centre, which have not yet been activated or configured for customer use. There is further configuration required once Telstra starts connecting cameras and customers (subscriptions) to those servers. This activity, when it occurs, will take less than a week and will be a one-off exercise. The Company has the resources to finish this configuration work and does not expect there to be significant costs associated with completing this work.

Functional and presentation currency

These condensed consolidated financial statements are presented in Canadian Dollars. References to \$ are to Canadian Dollars, unless otherwise stated.

Effective January 1, 2020, the Company changed its presentation currency to Canadian Dollars from Australian Dollars. The financial statements as of September 30, 2020 and for the year ended December 31, 2019, have been translated into Canadian Dollars in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", as follows:

- Assets and liabilities presented and previously reported in Australian Dollars have been translated into Canadian Dollars using the period-end-exchange rate of 0.9545;
- Statements of profit or loss and other comprehensive income or loss have been translated using average exchange rates prevailing during the reporting period of 0.9528 for quarterly average and 0.9156 for year to date year average
- Shareholders' equity balances have been translated using historical exchange rates in effect on the date that transactions occurred; and
- Resulting exchange differences have been recorded to the reserve of exchange differences account on translation.

Significant events and transactions

The Company will be affected by operational disruptions caused by the COVID-19 virus which is causing disruption to international and national financial markets and the operations of many businesses.

COVID-19 virus disruption

The respiratory illness COVID-19 (also referred to as the "coronavirus") has resulted in a widespread health crisis that has already adversely affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment; all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk.

Despite the COVID-19 disruptions, the directors still believe the Company is a going concern due to the position of the Company's working capital (excluding preference shares and deferred revenue), and its ability to capture and fulfil its order book. Also refer to Note 12 of these condensed consolidated financial statements which describe additional financing obtained by the Company during the quarter. The Company's major customers have not been significantly disrupted by COVID-19 nor have they altered their contracts with the Company, as such the Company does not expect significant COVID-19 financial or operational disruptions. COVID-19 disruptions have not had a material impact on the Company's September 2020 quarter operations.

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

Note 3. Convertible preference shares

	Consolidated	
	September	December
	30, 2020	31, 2019
	\$	\$
Preference shares	-	912,200

On August 12, 2019, the Company issued 1 million convertible preference shares with a par value of AUD\$1 per share, of which:

- AUD\$460,000 was paid on issue date;
- AUD\$460,000 was deferred, and received on January 9, 2020 (AUD\$325,000) and January 15, 2020 (AUD\$135,000); and
- The remaining AUD\$80,000 as non-cash share-based payments earned by corporate advisors for services rendered.

Conversion date of preference shares to ordinary shares is 3 years from the date of agreement or at any time before that date subject to the following:

- Either EBITDA or Revenue of the Company is equal to or greater than 75% of AUD\$7,395,267 or AUD\$11,329,217 respectively, such that the total of all ordinary shares held by new shareholders is equal to 20% of the total ordinary shares in the Company.
- Both EBITDA and Revenue of the Company are each less than 75% of AUD\$7,395,267 or AUD\$11,329,217 respectively, such that the total of all ordinary shares held by the new shareholders is equal to 25% of the total ordinary shares in the Company; or
- The Company completes a fundraising act on or before conversion date, with the Company or business being valued (immediately before the fundraising act) at:
 - Greater than or equal to \$5 million (on an equity-based valuation), such that the total of all ordinary shares held by new shareholders is equal to 20% of the total ordinary shares in the Company subsequent to the fundraising act; or
 - Less than \$5 million (on an equity-based valuation), such that the total of all ordinary shares held by new shareholders is equal to 25% of the total ordinary shares in the Company subsequent to the fundraising act.

These convertible preference shares have no cash redemption requirements.

Pursuant to the Share Swap Agreement dated March 4, 2020, the reverse takeover of EYefi was completed on May 27, 2020 with the Company becoming the wholly owned subsidiary of EYefi Group Technologies Inc. On this date, the \$909,800 preference shares were converted to ordinary shares in accordance with the Agreement.

Note 4. Reverse take-over

Cost of acquisition

Shares of the resulting Issuer issued to shareholder of EYEFI (see note 5)	320,248
	320,248

Cost allocated as follows:

Net assets acquired

Cash and cash equivalents	23,815
Other assets	35,032
Total net assets of EYEFI acquired	58,847

RTO expense*

Transactional cost	261,401
Total listing cost	65,478
	326,879

*EYEFI did not constitute a business as defined by IFRS 3. Accordingly, the excess of the consideration paid was recorded as share based payment under IFRS 2.

EYEFi Group Technologies Inc
Notes to the condensed consolidated financial statements
For the nine months ended September 30, 2020 and 2019

Note 5. Share reconciliation after merger

	Number of shares pre share swap	Number of shares (Restated)	Amount \$
Balance, December 31, 2019	2,500,014	14,921,480	2,378,763
Share-based compensation	46,249	276,040	22,083
Issue of share capital	12,501	74,613	18,196
Conversion of preference shares	625,003	3,730,367	909,800
Adjustment to reflect the shares issued to former shareholders of EYEFi	(3,183,767)	(19,002,500)	-
Shares issued to former shareholders of EYEFi	19,002,500	19,002,500	-
EYEFi common shares issued per RTO	4,003,100	4,003,100	320,248
Balance, September 30, 2020	23,005,600	23,005,600	3,649,090

Share capital in EYEFi

2,500,014 EYEFi shares as at December 31, 2019 are restated to be 14,921,480 Company shares given the share swap agreement and conversion at a ratio of 5.9686:1.

Issue of new share capital in EYEFi

On May 27, 2020, EYEFi issued 33,750 shares to DLK Investments Group Pty Ltd ('DLK'). 33,750 EYEFi shares are restated to be 201,439 Company shares, given the share swap agreement and conversion at a ratio of 5.9686:1.

DLK paid \$18,196 for 12,501 EYEFi shares (74,613 based on the post-consolidation ratio). 21,249 shares (126,826 based on the post consolidation ratio) were issued for professional services and were valued at the fair value of the equity given up of \$10,146.

On May 27, 2020, EYEFi issued 25,000 shares to an employee as part of remuneration package at the total value of \$11,937. 25,000 EYEFi shares are restated to be 149,214 Company shares (at \$0.08 per share) given the share swap agreement and conversion at a ratio of 5.9686:1.

Conversion of preference shares in EYEFi

On May 27, 2020, 625,003 preference shares at the total value of \$909,800 were converted to EYEFi ordinary shares, as disclosed in note 3. The 625,003 EYEFi shares are restated to be 3,730,367 Company shares (at \$0.24 per share) given the share swap agreement and conversion at a ratio of 5.9686:1.

Share capital in the Company

Issue of new share capital per financing

The Company completed the RTO on May 27, 2020 and issued 4,003,100 shares at share price of \$0.08 based on equity raised by EYEFi Group Technologies Inc. immediately prior to the RTO.

Note 6. Operating segments

The Company has one operating segment: software and electronics engineering services. In identifying the operating segment, management generally follows the Company's service line representing Spatial Video Platform and IIoT Sensor Cloud services. The Company aims to solve critical problems for government and industry customers operating in infrastructure and asset management, emergency management and incident response markets. The Company operates in the Oceania region, which is situated in the Asia-Pacific region.

The operations of the segment are monitored by the Company's Chief Operating Decision Maker and strategic decisions are made based on reporting results. During the nine-month period ended September 30, 2020, there have been no changes from prior periods to measurement methods used to determine the segment's profit or loss.

Major customer

During the period ended September 30, 2020, at least 90% (2019: At least 90%) of the Company's service revenue was derived from Telstra. Telstra is an Australian telecommunications company which builds and operates telecommunications networks and markets voice, mobile, internet access, pay television and other products and services.

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

Note 7. Contingent liabilities

The Company had no significant contingent liabilities as at September 30, 2020.

Note 8. Related party transactions

Conxsme Pty Ltd, a related party previously owned by Simon Langdon, joined the EYEFI Consolidated Group on June 30, 2020. Conxsme was originally set up for the purposes of research and development and has been dormant since the IIoT Sensor Cloud intellectual property was legally transferred to EYEFI on December 31, 2019 in accordance with the Preference Share Agreement dated August 12, 2019.

On May 27, 2020, EYEFI issued 33,750 shares to DLK Investments Group Pty Ltd ('DLK'). 33,750 EYEFI shares are restated to be 201,439 Company shares, given the share swap agreement and conversion at a ratio of 5.9686:1.

DLK paid \$18,196 for 12,501 EYEFI shares (74,613 based on the post-consolidation ratio). 21,249 shares (126,826 based on the post consolidation ratio) were issued for professional services and were valued at the fair value of the equity given up of \$10,146.

Note 9. Key management personnel remuneration

The aggregate compensation made to directors and key management personnel of the Consolidated entity is set out below:

	3 Months Ended September 30,		9 Months Ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Simon Langdon				
<i>Benefits</i>				
Salaries	39,158	21,927	110,793	53,448
Annual leave	3,313	6,356	12,205	12,794
Long-service leave	734	581	8,397	16,989
Long-term benefits	3,720	2,083	10,525	5,078
Total benefits	46,925	30,947	141,920	88,309

Note 10. Investment tax credit receivable and other Government grants

Government grants

Government grants are recognised in the profit or loss on a systematic basis over the periods in which the Consolidated entity recognises, as expenses, the related costs for which the grants are intended to compensate. The Consolidated entity uses the income approach and presents R&D grant income separately as part of the profit or loss as "research and development tax credits". The Consolidated entity has been lodging research and development applications with the Australian governing bodies since 2014 and has reasonable assurance that all of the expenditures qualify for the grants and that all conditions have been met when they are recorded. There are no unfulfilled conditions or other contingencies attached to these grants.

The research and development expenditures are permitted as established by AusIndustry, the Australian government body that reviews and approves research and development claims. In considering this, the directors considered the methodology used in assessing such expenditures as qualifying expenditures to be consistent with the methodology applied to like-for-like claims it has lodged in previous years since 2014. The directors also considered the expertise and experience of the research and development consultant contracted to assist in the formulation and lodgement of those claims.

The Consolidated entity also received other one-off COVID-19 grants during the nine months ended September 30, 2020 which have been disclosed as Government subsidies in the profit and loss.

	September 30, 2020	December 31, 2019
	\$	\$
Investment tax credit receivable	152,695	-

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

Note 11. Earnings (loss) per share

	Quarter ended September 30, 2020	Quarter ended September 30, 2019	Year to date ended September 30, 2020	Year to date ended September 30, 2019
Basic earnings (loss) per share				
Total basic earnings (loss) per share attributable to the ordinary equity of shareholders of the Company	(0.01)	0.00	(0.04)	(0.00)
Diluted earnings (loss) per shares				
Total diluted earnings (loss) per share attributable to the ordinary equity of shareholders of the Company	(0.01)	0.00	(0.04)	(0.00)
Reconciliation of earnings (loss) used in calculation of earnings per share				
Earnings (loss) used	(173,341)	62,131	(700,549)	(55,709)
Weighted average number of shares used as denominator				
Weighted average number of ordinary shares used as the denominator in calculating both basic earnings (loss) per share and diluted earnings (loss) per share	23,005,600	14,921,480	18,638,995	14,921,480

Accounting policy

Basic earnings (loss) per share

Basic earnings per share is calculated by dividing the profit/loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings (loss) per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Note 12. Facility loan payable

In July 2020, EYefi received the following funds as “escrow agent” for EYefi Group Technologies Inc relating to loan facility agreements, with an interest rate of 10% and a term of 2 years:

- Loan with Shape Capital Pty Ltd., in the amount of AUD\$80,000
- Loan with Chajasa Pty Ltd. (as trustee for Lorback Family Trust 2), in the amount of AUD\$200,000
- Loan with Gilkat Pty Ltd., in the amount of AUD\$100,000
- Loan with 958 Consulting Pty Ltd., in the amount of AUD\$100,000
- Loan with Simon Langdon, in the amount of AUD\$100,000
- Loan with Cheryl Hargrave-Hill, in the amount of AUD\$300,000

EYefi Group Technologies Inc.
Notes to the condensed interim consolidated financial statements
For the nine months ended September 30, 2020 and 2019
Expressed in Canadian Dollars (Unaudited)

Note 13. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	September	September
	30, 2020	30, 2019
	\$	\$
Profit/(loss) after income tax expense for the year	(732,090)	(337,267)
Adjustments for:		
Depreciation and amortisation	39,742	13,999
Share based payments	-	72,784
Change in operating assets and liabilities:		
Decrease / (increase) in trade receivables and other receivables	427,083	(391,171)
(Decrease) / increase in trade creditors and other payables	52,216	194,981
Movement in income taxes payable	(200,479)	248,273
Movement in provisions	13,058	52,656
Effect of exchange rate changes on cash	(7,528)	15,293
Net cash from / (used in) operating activities	<u>(407,998)</u>	<u>(159,140)</u>