



**FEYEFI GROUP TECHNOLOGIES INC.**  
**NEWS RELEASE**

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**EYEFI COMPLETES MAJOR RESTRUCTURE AND LAYS THE FOUNDATION FOR GROWTH**

**June 30, 2023 – Toronto, Canada – EYEFI Group Technologies Inc. (CSE: EGTI) (OTC: EGTTF) (Frankfurt: 5OV) (“EGTI” or the “Company”).** The partnership with AXIS Communication was first announced in August 2022 with no material sales reported since the announcement was made. Despite best efforts, management has not been able to convert its reseller channel into sales. In May 2023, the Company also announced the loss of a major customer. There are over \$1.1 million in liabilities in EYEFI Pty Ltd (“EYEFI”), the Australian subsidiary of the Company. The video hosting and IOT products averaging an annual loss of \$1.3 million.

The Company is pleased to report it has made the following changes.

- (i) The Company’s assets, consisting of the Sparc Algorithms and Sparc Patents (“IP”) have been assigned from the subsidiary, EYEFI, to EGTI.
- (ii) Thereafter, pursuant to a share purchase agreement dated June 28, 2023 and effective June 30, 2023 Melbourne, Victoria Australia local time, EGTI sold its shares of EYEFI to a group of six shareholders led by the former CEO and director, Simon Langdon (the “Buyers”) for a purchase price of **\$5,042,659** including the transfer to the Company of the Buyer’s **18,951,061 shares** of the Company plus a deferred consideration of CAD **\$2,200,000**. These shares will be returned to the Company’s treasury and then cancelled.

As a result, the issued share capital is reduced from **28,045,600** to **9,094,539**. With the cancellation of the 14,921,478 Shares held indirectly by Simon Langdon, no person will hold 20% or more of the Shares.

- (iii) Simon Langdon resigned as CEO and director, Ben Melin resigned as CFO and co-corporate secretary, Anoosh Manzoori was appointed CEO, John Dinan was appointed CFO and Anthony Haberfield was appointed a non-executive Director.
- (iv) EYEFI was granted a license of the SPARC IP. In the event EYEFI needs to use the SPARC technology in the future for any new customer, it must pay 10% of the license fee to EGTI on commercial terms.

**Sale terms include:**

- (i) A Deferred Cash Consideration of CAD **\$2,200,000** in the event EYEFI Pty Ltd is sold, or divests part or all its assets, or undertakes a capital raise or is in default.
- (ii) A registered security charge over the assets of EYEFI until the \$2,200,000 is paid in full to the Company.
- (iii) A promissory note of \$2,200,000 issued by EYEFI to the Company.
- (iv) EYEFI is responsible for all liabilities and accounts payables of the Company up to and including the close of the transaction.
- (v) The Company has assigned a fully drawn loan facility (dated 29 November 2022) of CAD **\$222,578** to EYEFI. The loan has 10% interest and 15% penalty interest. The **592,105** Warrants issued to the investor with an exercise price of CAD\$0.40 and expire on 25 November 2024 have also been cancelled.



- (vi) Simon Langdon has agreed to a Restrictive Covenant from being employed by or working as a contractor for any person or entity that is a competitor of EGTI or EYEFI for one year.

The Intellectual property and source code includes a portfolio of 7 patents called Spatial Predictive Approximation and Radial Convolution or SPARC has been transferred from EYEFI Pty Ltd to EYEFI Group Technologies Inc and not included in the sale of EYEFI. The patents are registered in the United States, Canada, Japan, South Korea, China, Australia, and New Zealand.

***The divestment of the unprofitable video hosting and IOT business will eliminate over \$1 million in liabilities and accounts payable including a \$222,578 investor loan. Also, an end to the aggressive cash burn, averaging \$1.3 million per year. The cancellation of 18,951,061 EGTI shares will return immediate value to shareholders, and the retention of the SPARC intellectual property will allow the new board to focus on commercializing the SPARC technology. The Deferred Cash Consideration covered by the security charge will protect shareholders and when the CAD\$2,200,000 is received by the Company, the board plans to distribute these funds, subject to working capital requirements, as a dividend to EGTI shareholders.***

SPARC is a predicative set of algorithms allowing one to determine the location of any object without the need for satellite, GPS or internet connection. The ability to predict locations of distant objects and combined with Big Data and Artificial Intelligence (AI) is a powerful tool that can be used in Generative AI applications that are integrated into cameras, sensors and electronic systems.

The SPARC registered patents include a set of proprietary algorithms that calculates a camera xyz coordinates combined with the earth's terrain model to predict the location of distant objects that may be hundreds of meters away. The technology is covert and lightweight and can be installed on any camera device from drone cameras to large surveillance systems. The Company's sole focus is on strategic partnering to license the SPARC technology. The Company plans to license SPARC to generate high margin recurring revenue and avoid the need for large capex investment into long and expensive product development activities as seen by the previous board and management of the Company.

The Company is also pleased to announce that it intends to change its name from EYEFI GROUP TECHNOLOGIES INC to **SPARC AI INC.**

Executive Director, Anoosh Manzoori said "Having been on the board for the past 5 months I discovered the missed opportunity with the commercialization of SPARC. As an investor in the Company, I have been disappointed by the historical financial performance of the Company, but I believe we now have a path forward to create shareholder value. Moving forward we plan to run a tight fiscal policy to manage costs including the use of strategic partners for both sales and technical integration works. I will also provide regular shareholder updates and welcome any feedback and comments at any time."

Stock options are being granted to the board and the new CFO: 300,000 options each to Anoosh Manzoori and Justin Hanka and 50,000 options each to Anthony Haberfield and John Dinan. The options have an exercise price of 15 cents and expire on 1 July 2025.

The Company requires some working capital and in the interest of not diluting shareholders, the directors have provided a working capital loan of \$200,000 to the Company. The loan is unsecured and comes with no interest, fees or penalties. A total of 520,000 warrants will be issued in connection to the loan, expiring in 2 years with an exercise price of \$0.15.



## **EGTI Board of Directors**

### **Anoosh Manzoori (Executive Director)**

Anoosh has extensive investment banking experience across many verticals. His transactional experience includes equity capital markets, M&A, and private placements. With over 25 years of transactional experience, he has advised several cross-border transactions between Australia and Canada and USA. He has completed several private placements for many public companies, completed private to public M&A between Australia and Canada and the United States, and has also taken several companies public in North America. Anoosh also has extensive public company and board experience and serves as a director of 5 public companies. Prior to starting his investment banking career, he was awarded the 'Entrepreneurial Scholarship' sponsored by Ernst & Young, The American Chamber of Commerce and Playford Capital before founding one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to the largest listed software company in Australia, MYOB Limited in 2008. Anoosh holds a Bachelor of Science degree and a Postgraduate Degree of Business Enterprise and is also a member of the Australian Institute of Company Directors.

### **Justin Hanka (Non-Executive Director & Chairman)**

Justin is an experienced investment banking professional with expertise in local and cross border mergers and acquisitions and capital markets transactions. With over 25 years helping early-stage disruptive companies grow and achieve their exit objectives, Justin was previously CEO and senior executive of a number of high growth early stage companies that have achieved exits for founders and investors such as iSelect.com.au (ASX: ISU) which debuted on the ASX with a \$480 million market cap, and Helpmechoose sold to Mortgage Choice, now (ASX: REA). Justin has industry expertise in the health and pharmaceutical sector and working with fintechs, insurance and ecommerce companies.

### **Anthony Haberfield (Non-Executive Director)**

Anthony brings 25+ years of international experience in developing organisational strategy and executing large transformations in the Financial Services sector across the Asia Pacific region. He brings extensive capability in Strategy development, Project management, Procurement, Commercial management and driving simplification of complex businesses via emerging technology. Anthony holds a Bachelor of Business (Accounting) and an MBA from Deakin University. He is currently a Director on the Strategic Advisory Board for Latrobe Business School.

### **John Dinan (CFO)**

Mr Dinan has held positions as CFO and Company Secretary of listed and unlisted financial services entities as well as Infrastructure investment groups. He has also been the chair of Australia's largest superannuation trustee company and also been the Chief risk officer of a major listed trustee company. In this capacity, he ran the Risk and compliance committees and implemented the frameworks that ensured compliance with the many ASIC and APRA Licenses. Mr Dinan has also been a member of several consortiums that have bided for public offered infrastructure assets, typically heading up the finance and tax streams of the consortiums. A Fellow of the Australian CPAs, Mr Dinan resides in Melbourne and is currently the CFO of a private family office as well as the company secretary of a number of entities listed on the Canadian Stock Exchange

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On behalf of the board of directors of  
**EYEFI GROUP TECHNOLOGIES INC.**

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**FORWARD LOOKING INFORMATION**

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information.

The forward-looking statements are based on the reasonable assumptions, estimates, opinions and analyses of management made in light of its experience and perception of historical trends in the delivery of services through its Cloud, current conditions, expected future developments and other factors management of EYEFI believes are appropriate, relevant and reasonable in the circumstances at the date that such statements are made. All of these assumptions, estimates and opinions will necessarily be subject to change due to future events and other circumstances outside the control of EYEFI, including the effect of the Covid 19 virus. EYEFI has based the forward looking information on various material assumptions, including: despite the threat of the Covid 19 virus, EYEFI will sustain or increase profitability although on a slower projection than previously planned, and will be able to fund its operations with existing capital and projected revenue from its current agreements with its Channel Partners; EYEFI will be able to attract and retain key personnel in future if required; the general business, economic, financial market, regulatory and political conditions in which EYEFI operates will remain positive as its services can be provided in EYEFI's Cloud although delivery of its hardware may be affected by supply chain disruptions; that the general regulatory environment will not change in a manner adverse to the business of EYEFI; the tax treatment of EYEFI and its subsidiary will remain constant and EYEFI will not become subject to any material legal proceedings; the economy generally; competition, and anticipated and unanticipated costs.

Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors, assumptions and exclusions is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.