

**EonX Technologies Inc**

**Condensed Interim Consolidated Unaudited Financial  
Statements**

**For the 9 months ended 31 March 2021**

**Unaudited**

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**UNAUDITED CONDENSED INTERIM CONSOLIDATED UNAUDITED 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 March 31, 2021.

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

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**EonX Technologies Inc**

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**31 March 2021**

Unaudited

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**EonX Technologies Inc**  
**Statement of profit or loss and other comprehensive income**  
**For the period ended 31 March 2021**  
Unaudited

	<b>9 month period ended 31 March 2021</b>	<b>3 month period ended 31 March 2021</b>	<b>9 month period ended 31 March 2020 \$</b>	<b>3 month period ended 31 March 2020 \$</b>
<b>Revenue</b>				
Trading revenue	3,752,067	1,109,955	5,445,127	1,036,072
Revenue from government grants	810,600	189,200	36,445	36,445
Research and development tax incentive credits earned	1,856,166	614,199	1,797,726	670,126
Other income	271	-	24,030	4,507
<b>Expenses</b>				
Corporate and administrative expenses	(778,051)	(115,350)	(1,181,522)	(279,875)
Employee expenses	(2,564,277)	(814,848)	(3,151,079)	(976,483)
Research and development and technology expenses	(3,125,064)	(987,952)	(2,649,680)	(1,144,214)
<b>Operating profit/(loss)</b>	(48,288)	(4,796)	321,047	(653,422)
Depreciation and amortisation expense	(127,514)	(42,503)	(140,602)	(46,865)
Finance costs	(105,782)	(30,382)	(74,422)	(47,672)
Transaction costs relating to Share Swap Agreement (Note 10)	(590,903)	(590,903)-	-	-
<b>Profit/(loss) before income tax expense</b>	(872,487)	(668,584)	106,023	(747,959)
Income tax expense	(734,421)	(326,553)	(601,279)	(176,338)
<b>Loss after income tax expense for the period attributable to the owners of EonX Technologies Inc</b>	(1,606,908)	(995,137)	(495,256)	(924,297)
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income/(loss) for the period attributable to the owners of EonX Technologies Inc</b>	(1,606,908)	(995,137)	(495,256)	(924,297)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**EonX Technologies Inc**  
**Statement of financial position**  
**As at 31 March 2021**  
**Unaudited**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 March 2021 \$</b>	<b>30 June 2020 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	5,973,469	2,355,189
Accounts receivable		384,484	394,412
Inventories – gift cards		963,752	572,491
Research and development credits receivable		1,842,596	2,396,968
Other current assets		141,244	58,727
<b>Total current assets</b>		<u>9,305,545</u>	<u>5,777,787</u>
<b>Non-current assets</b>			
Rental bond		91,625	91,625
Property, plant and equipment		89,081	83,746
Right-of-use assets		513,391	634,984
<b>Total non-current assets</b>		<u>694,097</u>	<u>810,355</u>
<b>Total assets</b>		<u>9,999,642</u>	<u>6,588,142</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3	3,194,556	3,632,203
Borrowings	4	268,276	3,719,950
Provision for employee entitlements		212,963	206,439
Contract liabilities		399,645	381,219
<b>Total current liabilities</b>		<u>4,075,440</u>	<u>7,939,811</u>
<b>Non-current liabilities</b>			
Borrowings	5	8,962,799	727,774
<b>Total non-current liabilities</b>		<u>8,962,799</u>	<u>727,774</u>
<b>Total liabilities</b>		<u>13,028,239</u>	<u>8,667,585</u>
<b>Net liabilities</b>		<u>(3,038,597)</u>	<u>(2,079,443)</u>
<b>Equity</b>			
Issued capital		367,240	120
Share-based payments reserve		280,634	-
Accumulated losses		(3,686,471)	(2,079,563)
<b>Total deficiency in equity</b>		<u>(3,038,597)</u>	<u>(2,079,443)</u>

“Andrew Kallen”  
Andrew Kallen

“Anoosh Manzoori”  
Anoosh Manzoori

*The above statement of financial position should be read in conjunction with the accompanying notes*

**EonX Technologies Inc**  
**Statement of changes in equity**  
**For the period ended 31 March 2021**  
**Unaudited**

<b>Consolidated</b>	<b>Issued Capital</b>	<b>Share based Payments reserve</b>	<b>Accumulated Losses</b>	<b>Total deficiency in equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July, 2019	120	0	(2,169,442)	(2,169,322)
Loss for the period	0	0	(495,256)	(495,256)
Other comprehensive income (loss) for the period, net of tax	0	0	0	0
Total comprehensive income(loss) for the period	0	0	(495,256)	(495,256)
Balance at 31 March, 2020	120	0	(2,664,698)	(2,664,578)
Profit for period	0	0	585,135	585,135
Balance at 30 June, 2020	120	0	(2,079,563)	(2,079,443)
Loss for the period	0	0	(1,606,908)	(1,606,908)
Other comprehensive income (loss) for the period, net of tax	0	0	0	0
Total comprehensive income(loss) for the period	0	0	(1,606,908)	(1,606,908)
Impact of Share swap agreement	367,120	280,634	0	647,754
Balance at 31 March, 2021	367,240	280,634	(3,686,471)	(3,038,597)

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**EonX Technologies Inc**  
**Statement of cash flows**  
**For the period ended 31 March 2021**  
**Unaudited**

	<b>Note</b>	<b>Consolidated</b> <b>31 March</b> <b>2021</b> <b>\$</b>	<b>31 March</b> <b>2020</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,814,436	5,959,827
Payments to suppliers and employees (inclusive of GST)		<u>(7,912,161)</u>	<u>(7,326,980)</u>
		(4,097,725)	(1,367,153)
Proceeds from grant income		2,486,417	1,460,747
Payments for finance costs		(85,881)	(74,422)
Interest and finance income		<u>271</u>	<u>24,030</u>
Net cash from/(used in) operating activities		<u>(1,696,918)</u>	<u>43,202</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(11,256)	(9,086)
Cash from Share Swap Agreement		<u>63,004</u>	<u>-</u>
Net cash used in investing activities		<u>51,748</u>	<u>(9,086)</u>
<b>Cash flows from financing activities</b>			
Proceeds / (repayments) of related party loans		529,973	649,714
Lease repayments		(106,806)	(68,677)
Net proceeds from / (repayments of) commercial borrowings		<u>6,128,408</u>	<u>(450,000)</u>
Net cash from financing activities		<u>6,551,575</u>	<u>131,037</u>
Net increase/(decrease) in cash and cash equivalents		4,906,405	165,153
Cash and cash equivalents at the beginning of the financial period		<u>1,067,064</u>	<u>1,973,343</u>
Cash and cash equivalents at the end of the financial period	2	<u><u>5,973,469</u></u>	<u><u>2,138,496</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**EonX Technologies Inc**  
**Notes to the financial statements**

**31 March 2021**

**Unaudited**

**Note 1. Significant accounting policies**

These condensed consolidated financial statements for the interim period ended 31 March 2021 are unaudited.

**Basis of Presentation**

**a) Statement of Compliance**

These condensed interim consolidated unaudited 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 annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period

**b) Basis of presentation - Consolidation.**

The financial statements cover EonX Technologies Inc as a consolidated entity consisting of EonX Technologies Inc and the entities it controlled at the end of, or during, the period. On 23 March 2021, EonX Technologies Inc finalized the acquisition of 100% of the share capital of EonX Services Pty Ltd by issuing 25m ordinary fully paid shares to its shareholders under a Share Swap Agreement. Under accounting rules, the transaction was considered to be a reverse acquisition as the EonX Services Pty Ltd shareholders became the dominant shareholder group following the transaction. As a consequence, the comparative results and equity and profit or loss results brought forward as at 23 March 2021 and represented in these financial statements are those of EonX Services Pty Ltd. The dilutive impact of incorporating the shareholding interests of EonX Technologies Inc under the Share Swap has been recognized as a transaction expense in the Statement of Profit or Loss and Other Comprehensive Income.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**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 financial statements are presented in Australian dollars, which is the presentation currency of the consolidated entity.

**Nature and continuance of Operations.**

EonX Services Pty Ltd. ("EonX") provides Enterprise Clients with a branded web and mobile platform to better engage with their customers using payment and loyalty solutions. The solutions include a payment processor, e-wallets, inventory of online loyalty cards and an online store marketplace. The implementation of the EonX solution allows Enterprise Clients to improve customer satisfaction, reduce customer churn, and build loyalty.

EONX was founded in November 2016 and spent the past three years in R&D and product development. It has developed its platform internally and with the support of 3<sup>rd</sup> party contractors. It has not acquired any 3<sup>rd</sup> party intellectual property or business asset.

EONX has developed a suite of financial technology products including payment processor, e-wallets, identity and security for KYC and AML, loyalty points solutions, and an e-commerce store. EONX refined and expanded the functionality and capability of its product over the past three years. A large investment in engineering staff was made between 2019 and 2020 to upgrade the scalability and functionality of its product. As the core product has been upgraded the Company expects it will be less reliant on hiring engineering staff in 2021.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Financial Reporting Standards ('IFRS') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**

**Note 1. Significant accounting policies (continued)**

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

These interim consolidated financial statements were approved and authorised for issue by the Board of Directors on May 31, 2021

**Note 2. Current assets - Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 March 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<u>5,973,469</u>	<u>2,355,189</u>

*Reconciliation to cash and cash equivalents at the end of the financial period*

The above figures are reconciled to cash and cash equivalents at the end of the financial period as shown in the statement of cash flows as follows:

Balances as above	5,973,469	2,355,189
Bank overdraft (note 4)	-	(1,288,125)
Balance as per statement of cash flows	<u>5,973,469</u>	<u>1,067,064</u>

**Note 3. Current liabilities - Trade and other payables**

	<b>Consolidated</b>	
	<b>31 March 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Trade payables	1,436,572	2,311,898
Accrued expenses	458,195	57,540
State and Federal taxes payable	771,234	866,476
Float monies payable	<u>528,555</u>	<u>396,289</u>
	<u>3,194,556</u>	<u>3,632,203</u>

Float monies payable represent obligations for cash held in trust.

**Note 4. Current liabilities - Borrowings**

	<b>Consolidated</b>	
	<b>31 March 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft	-	1,288,125
Loans payable to related parties	-	1,756,782
Lease liability	268,276	175,043
Optus bank guarantee	<u>-</u>	<u>500,000</u>
	<u>268,276</u>	<u>3,719,950</u>

Loans payable to related parties are unsecured, non-interest bearing and payable at call.

**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**

**Note 4. Current liabilities - Borrowings (continued)**

In the prior year, there was an Optus Bank Guarantee to the value of \$500,000 which represents a performance guarantee held in-relation to a fee and transaction platform established on behalf of Optus. The guarantee was subsequently settled in July 2020.

**Note 5. Non-current liabilities - Borrowings**

	<b>Consolidated</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loans payable to related parties	2,286,755	-
Commercial borrowings	6,104,596	-
Lease liability	571,448	727,774
	<u>8,962,799</u>	<u>727,774</u>

As at 31 March 2021 the consolidated entity held commercial borrowings which were secured over all present and future rights, properties and undertakings of EonX Services Pty Ltd and also is guaranteed by the Company's director.

Loans payable to related parties are not due within 12 months.

**Note 6. Key management personnel disclosures**

*Directors*

The following persons were directors of EonX Technologies Inc during the financial period:

Andrew Kallen  
 Anoosh Manzoori  
 Justin Hanka

*Compensation*

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

	<b>Consolidated</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Directors' fees	<u>200,000</u>	<u>900,000</u>

**Note 7. Contingent liabilities**

Details of bank guarantees as at 31 March 2021 (and 30 June 2020) are disclosed in the Borrowings note. A further guarantee exists over the deposit paid for the rental bond, as disclosed in the Statement of Financial Position. With the exception of these matters, the directors of the consolidated entity are unaware of any material matters that may represent a contingent liability for these financial statements.

**Note 8. Related party transactions**

*Parent entity*

EonX Technologies Inc is the parent entity.

**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**

**Note 8. Related party transactions (continued)**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 6.

*Transactions with related parties*

Transactions with related parties are discussed below in the summary of loans from related parties. Director fee paid to Andrew Kallen is disclosed in note 6.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Transactions from with related parties are as follows:

	<b>Consolidated</b>	
	<b>31 March</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash transactions:		
Purchase of trademark	-	300,000

*Granting of Options*

The following options were granted to the directors of the Company at March 23, 2021:

<b>Entity Options granted to</b>	<b>Number of Options</b>	<b>Related Party</b>
APN Ventures Pty Ltd	1,470,000	Andrew Kallen
Polygon Fund Pty Ltd atf Polygon Fund Unit Trust	147,000	Anoosh Manzoori
Accelerative Investments Pty Ltd aft Hanka Family Trust	147,000	Justin Hanka

*Loans From related parties*

The consolidated entity has a loan from Director, Andrew Kallen as disclosed as a related party in note 5 and note 4. The terms and conditions of the loan are set out in Note 4.

**Note 9. Events after the reporting period**

On 27 May 2021 the consolidated entity's shares commenced trade on the Canadian Securities Exchange.

**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**  
**Unaudited**

**Note 10. Issued capital**

	<b>No. of shares (EonX Inc.)</b>	<b>Consolidated \$</b>
As at incorporation	-	-
Issue of founder share (August 2020 at 1 CAD cents per share)	1	-
Issue of shares (Nov – Dec 2020 at 2 CAD cents per share)	2,999,999	-
Issue of shares (February 2021 at 8 CAD cents per share)	1,400,000	-
Share swap agreement (issue of 25m shares - roll in of EonX Services Pty Ltd capital)	25,000,000	120
Dilutive impact of EonX Technologies Inc. shareholders (4.4m pre-Share Swap shares at 8 cents per share, being fair value of shares as at March 2021)*	-	367,120
	<u>29,400,000</u>	<u>367,240</u>

\*Upon executing the Share Swap Agreement, the consolidated entity absorbed the dilutive impact of 5,872,000 call options over issued shares which were issued to key management personnel and parties transacting with EonX Technologies Inc. prior to and leading up to the transaction. As these took place prior to the Agreement, they do not form part of these financial statements' consolidated results.

The options, which are recorded in equity in the share-based payments reserve have the following terms: granted and issued 23 March 2021, a strike price of 10 CAD cents per share, an exercise period of 3 years and are immediately exercisable with no vesting conditions. They have been valued applying the Black-Scholes option pricing model, which incorporate the following inputs: share price of 8 CAD cents per share, a volatility of 100% and a risk-free rate of 40%.

Options outstanding at March 31 are as follows:

**Options granted March 23:**

<b>Entity Options granted to</b>	<b>Number of Options</b>	<b>Related Party</b>
APN Ventures Pty Ltd	1,470,000	Andrew Kallen
Polygon Fund Pty Ltd atf Polygon Fund Unit Trust	147,000	Anoosh Manzoori
Accelerative Investments Pty Ltd atf Hanka Family Trust	147,000	Justin Hanka
Zagaria Pty Ltd atf Zagaria Trust	588,000	nil
ANA Group Trust	588,000	nil
<b>Total granted at March 23</b>	<b>2,940,000</b>	

**Options granted March 31:**

<b>Entity Options granted to</b>	<b>Number of Options</b>	<b>Related Party</b>
Consultant	580,000	nil

Total Options granted as at March 31, 2021 3,520,000

\*The dilutive impact of the Share Swap Agreement is reconciled to the profit or loss as follows:

**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**  
**Unaudited**

	<b>Consolidated</b> <b>\$</b>
Dilutive impact of issuing shares to EonX Technologies Inc. shareholders	367,120
Dilutive impact of EonX Technologies Inc. options	280,634
Less net tangible assets of EonX Technologies Inc. acquired, as at 23 March 2021	<u>(86,851)</u>
Transaction costs relating to Share Swap Agreement	<u><u>590,903</u></u>

**Note 11            Income Taxes**

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these financial statements and have been offset by a valuation allowance. No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

**Note 12            Management of Capital**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. As at March 31, 2021, the Company had capital resources consisting of all components of shareholders' equity. 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 common shares.

**Note 13            Financial Instruments**

The Company's financial instruments include cash, commercial debt and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Australian dollars. The Company's corporate office is based in Australia and current exposure to exchange rate fluctuations is minimal.

(ii) *Interest rate risk*

The Company has two loan facilities with the National Australia Bank, which are subject to interest rate risk.

Overdraft facility of \$3,700,000.

This facility is subject to the following rates:

Floating rate	2.61%
Business rate	2.06%
Risk Margin	0.55%

Loan facility of \$2,500,000

This facility is subject to the following rates:

Floating rate	2.61%
Risk Margin	1.00%

The Floating and Risk interest rates are subject to a review in 12 months.

An increase in the interest rates above of 1% will result in an increase in interest expense of \$62,000. A reduction in the rates of 1% will result in a decrease in the interest expense of \$62,000.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. As cash balances were held with Tier 1 banks subject to stringent liquidity threshold requirements, the Company had no material exposure to any credit risk.

**EonX Technologies Inc**  
**Notes to the financial statements**  
**31 March 2021**  
**Unaudited**

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and operating activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.