

EonX Technologies Inc.

Interim Report – 30 September 2021

EonX Technologies Inc
Directors' report
30 September 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of EonX Technologies Inc (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the quarter ended 30 September 2021.

Directors

The following persons were directors of EonX Services Pty Ltd during the whole of the quarter and up to the date of this report, unless otherwise stated:

Andrew Kallen
Managing Director (17 November 2016 - Present)
Anoosh Manzoori
Justin Hanka

Principal activities

During the year the principal activities of the Company were the development and sale of white labelled platforms to enterprise clients to help them better improve customer experiences and drive transactions.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,314,101 (September 2020 (\$1,065,635)).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the quarter

There were no subsequent events to the quarter ending 30 September 2021.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

EonX Technologies Inc
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This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Andrew Kallen
Director

29 November 2021

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General information

The financial statements cover EonX Technologies Inc as a consolidated entity consisting of EonX Services Pty Ltd and the entities it controlled at the end of, or during, the quarter. The financial statements are presented in Australian dollars, which is EonX Technologies Inc's functional and presentation currency.

EonX Technologies Inc's registered office and principal place of business are:

Registered office

Level 5 Suite 18, 150 Albert Road
South Melbourne VIC 3205

Principal place of business

1183 Toorak Road
Camberwell VIC 3124

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 November 2021. The directors have the power to amend and reissue the financial statements.

EonX Technologies Inc
Statement of profit or loss and other comprehensive income
For the quarter ended 30 September 2021

		Consolidated	
		3 month period ended 30 Sept 2021 \$	3 Month period ended 30 Sept 2020 \$
	Note		
Revenue			
Trading revenue	2	1,203,356	388,329
Revenue from government grants		597,735	-
Research and development tax incentive credits earned		-	-
Other income		(21,241)	-
Expenses			
Corporate and administrative expenses		(172,148)	(310,526)
Employee expenses		(2,605,086)	(599,969)
Research and development and technology expenses		(170,033)	(543,505)
Operating profit/(loss)		(1,167,417)	(1,065,671)
Depreciation and amortisation expense		(92,393)	(42,506)
Finance costs		(34,340)	(28,581)
Profit/(loss) before income tax expense		(1,294,149)	(1,136,758)
Income tax expense		(174,615))	71,123
Profit/(loss) after income tax expense for the quarter attributable to the owners of EonX Services Pty Ltd		(1,119,534)	(1,065,635)
Other comprehensive income for the quarter, net of tax		194,567	-
Total comprehensive income/(loss for the quarter attributable to the owners of EonX Services Pty Ltd		(1,314,101)	(1,065,635)

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 30 September 2021

		Consolidated	
	Note	30 Sept 2021	31 June 2020
		\$	\$ (audited)
Assets			
Current assets			
Cash and cash equivalents	3	1,686,921	5,125,690
Accounts receivable		303,466	702,311
Inventories - gift cards		690,374	698,435
Research and development credits receivable		2,988,677	2,390,942
Other current assets		9,445	3,746
Total current assets		<u>5,678,883</u>	<u>8,921,124</u>
Non-current assets			
Rental bond		91,625	91,624
Property, plant and equipment		91,059	75,905
Right-of-use assets		427,554	467,637
Total non-current assets		<u>610,238</u>	<u>635,166</u>
Total assets		<u>6,289,121</u>	<u>9,556,290</u>
Liabilities			
Current liabilities			
Trade and other payables	4	3,400,137	2,965,254
Borrowings	5	2,782,637	2,561,700
Provision for employee entitlements		528,003	445,393
Income Tax Payable		559,003	704,432
Contract liabilities		789,333	949,370
Lease Liability		241,230	241,230
Total current liabilities		<u>8,300,783</u>	<u>7,867,379</u>
Non-current liabilities			
Borrowings	6	2,848,485	5,432,500
Lease Liability		502,895	502,895
Total non-current liabilities		<u>3,351,380</u>	<u>5,935,395</u>
Total liabilities		<u>11,652,162</u>	<u>13,802,774</u>
Net liabilities		<u>(5,363,041)</u>	<u>(4,242,483)</u>
Equity			
Issued capital		2,319,043	2,151,520
Contributed Surplus		415,588	385,568
Accumulated losses		(8,097,672)	(6,783,571)
Total deficiency in equity		<u>(5,363,041)</u>	<u>(4,246,483)</u>

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 quarter ended 30 September 2021

	Note	Number of Shares	Share Capital \$	Contributed Surplus \$	Accumulated Deficit \$	Total \$
Balance, June 30, 2019		120	120	–	(2,170,292)	(2,170,172)
Net profit		–	–	–	90,729	90,729
Balance, June 30, 2020		120	120	–	(2,079,563)	(2,079,443)
Issuance of common shares		4,400,000	172,000	–	–	172,000
Issued pursuant to share swap		25,000,000	1,979,400	–	–	1,979,400
Stock based compensation		–	–	385,568	–	385,568
Net loss		–	–	–	(4,704,008)	(4,704,008)
Balance, June 30, 2021		29,400,000	2,151,520	385,568	(6,783,571)	(4,246,483)
Foreign Exchange Translation			167,522	30,021		197,543
Net Loss					(1,314,101)	(1,314,101)
Issue shares for related party debt		4,666,571	-			-
Balance, June 30, 2021		34,066,571	2,319,043	415,588	(8,097,672)	(5,363,041)

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 quarter ended 30 September 2021

	Note	Consolidated	30 Sept 2020
		30 Sept 2021	30 Sept 2020
		\$	\$
Cash flows from operating activities			
Net loss for quarter		(1,314,101)	(1,065,635)
Tax accrual for the quarter		174,615	70,208
Depreciation expense		92,392	42,506
Foreign Exchange translation		197,542	0
R&D Credit accrued for the quarter		(597,735)	(614,199)
Accounts receivable		398,845	106,200
Inventories		8,061	189,454
Tax Paid		(319,604)	(70,208)
Other Current Assets		(5,698)	(24,131)
Property Plant and Equipment		(2,543)	0
Payables and accrued liabilities		357,456	(323,928)
		<u>(1,010,770)</u>	<u>(1,689,733)</u>
Net cash from operating activities			
		<u>-</u>	<u>-</u>
Net cash from investing activities		-	-
		<u>-</u>	<u>-</u>
Cash flows from financing activities			
(Repayments of) / proceeds from related party loans		(2,282,500)	-
Lease repayments		(64,921)	(14,602)
Net proceeds from / (repayments of) commercial borrowings		(80,578)	(260,433)
		<u>(2,427,999)</u>	<u>(275,035)</u>
Net cash used in financing activities			
		<u>(2,427,999)</u>	<u>(275,035)</u>
Net increase(decrease) in cash and cash equivalents		(3,438,769)	(1,964,768)
Cash and cash equivalents at the beginning of the financial half-year		5,125,690	2,355,189
		<u>5,125,690</u>	<u>2,355,189</u>
Cash and cash equivalents at the end of the financial half-year	3	<u><u>1,686,921</u></u>	<u><u>390,421</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
30 September 2020

Note 1. Significant accounting policies

These general purpose financial statements for the quarter ended 30 September 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to 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.

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

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.

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

Note 2. Trading revenue

	Consolidated	
	30 Sept 2021	30 Sept 2020
	\$	\$
Trading Revenue		
Revenues from commissions earned from transaction processing (revenues earned at a point in time)	474,876	
Licensing and platform fees (revenues earned over time)	728,480	388,329
	1,203,356	388,329
	1,203,356	388,329

Note 3. Current assets - Cash and cash equivalents

	Consolidated	
	30 Sept 2021	30 Sept 2020
	\$	\$
Cash at bank and on hand	1,686,921	390,421
	1,686,921	390,421

EonX Technologies Inc
Notes to the financial statements
30 September 2020

Note 4. Current liabilities - Trade and other payables

	Consolidated	
	30 Sept 2021	30 Sept 2020
	\$	\$
Trade payables	2,850,818	2,588,107
Accrued expenses	207,022	24,170
Float monies payable	134,450	123,075
Other	207,845	229,902
	<u>3,400,137</u>	<u>2,965,254</u>

Float monies payable represent obligations for cash held in trust.

Note 5. Current liabilities - Borrowings

	Consolidated	
	30 Sept 2021	30 June 2021
	\$	\$
Borrowings - NAB	2,782,637	2,561,700
Lease liability	241,230	241,230
	<u>3,023,867</u>	<u>2,802,930</u>

Note 6. Non-current liabilities - Borrowings

	Consolidated	
	31 Sept 2021	30 Jun 2021
	\$	\$
Borrowing – related party	-	2,282,500
Borrowings NAB	2,848,485	2,647,105
Lease Liability	502,895	502,895
	<u>2,848,485</u>	<u>5,432,500</u>

EonX Technologies Inc
Notes to the financial statements
30 September 2020

Note 7. Key management personnel disclosures

Directors

The following persons were directors of EonX Services Pty Ltd during quarter:

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:

	Consolidated	
	31 Sept 2021	30 Sept 2020
	\$	\$
Directors' fees	<u>0</u>	<u>0</u>

Note 8. Contingent liabilities

There were no contingent liabilities as at September 30, 2021..

Note 9. Related party transactions

Parent entity

EonX Technologies Inc is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 10.

Key management personnel

Disclosures relating to key management personnel are set out in note 7.

Transactions with related parties

Transactions with related parties are discussed below in the summary of loans from related parties

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.

EonX Technologies Inc
Notes to the financial statements
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Loans from related parties

Transactions from loans with related parties are as follows:

	Consolidated	
	30 Sept 2021	30 Jun 2021
	\$	\$
As at opening	2,282,500	1,756,783
Cash transactions:		
Proceeds from loans	0	1,434,417
Loan repayments	0	(908,700)
Conversion of debt to equity (via issue of 4,666,571 shares)	(2,282,500)	
As at closing	0	2,282,500

Note 10. Controlled entities (Subsidiaries)

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2020	30 Jun 2020
		%	%
Eonx Services Pty Ltd	Australia	100.00%	100.00%
Eonx Loyalty Business Services Pty Ltd	Australia	100.00%	100.00%
Eonx Wallet Group Pty Ltd	Australia	100.00%	100.00%
Eonx Insurance Group Pty Ltd	Australia	100.00%	100.00%
Andro Insurance Pty Ltd (formerly Eonx Insurance Pty Ltd)	Australia	85.00%	85.00%