DISCLAIMER FOR FORWARD-LOOKING INFORMATION

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance, or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of December 31, 2022. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn or volatility in general economic conditions, (2) our expectations regarding revenue, expenses, operations and costs, (3) meeting our anticipated cash needs and the need for additional financing, (4) our competitive position, (5) meeting our expected business objectives and milestones, (6) adverse effects for the global coronavirus pandemic and (7) future dilution to existing and future shareholders, (8) cybersecurity attacks and data breaches, (9) changes in laws and industry regulations and (10) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

1.1 – Date and Basis of Discussion & Analysis

This management discussion and analysis ("MD&A") has been prepared using information as of February 28, 2023 and approved by the board of directors on 28 February 2023.

Unless expressly stated otherwise, all financial information is presented in Australian dollars.

1.2 – Overall Performance

Overview

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.

1.2 – Overall Performance – continued

Business Model

EonX charges an annual platform fee plus transaction fees to its Enterprise Clients. The Enterprise Clients integrate the EonX Platform with their existing website. Their end user customers are then invited into the White Label Platform that leads to payment processing and sale of products, vouchers and gift cards, and other services and earn reward points on every transaction. EonX charges either a monthly fee or a fee on every transaction generated in its platform.

MATERIAL CONTRACTS

Clients and Channel Partners

All agreements with the Company's Enterprise clients for the EonX Platform and EonX Program include: EonX White Label Sites, Platforms and software; a fully paid-up, non-exclusive non-transferable license to allow the clients and their members to access and use the EonX Program as a service over the internet; contain confidentiality and privacy agreements; no transfer of intellectual property; governance by Australian law and limitations on liability.

EonX is required to manage a Customer Call Centre for each client, five days a week, with a 1300 telephone number and email address for member's enquiries staffed by EonX employees (the "1300 *Help Desk*").

The EonX Program is integrated into each client's software and available to all members of each client on their respective websites.

All $ amounts disclosed in this Material Agreements section are in AUD$.

EonX signed contracts as at November 30, 2022:

30Mastercard Asia Pacific Pte Ltd. ("Mastercard")

EonX signed a 10-year agreement with Mastercard Asia Pacific Pte Ltd ("Mastercard") to support the development of its account-to-account capabilities in Australia. Pay by Account powered by Mastercard will support local Australian banking and fintech partners in providing a safer, simpler, smarter way to make, receive and manage everyday payments using a bank account. The solution will utilize the country's new open banking framework combined with Mastercard's tokenisation, cyber and anti-fraud technology – enabling partners to provide a more streamlined and secure alternative to traditional account-to-account payment methods. EonX will charge platform development fees together with infrastructure fees for the establishment of the solution, plus ongoing processing fees per transaction. The financial modelling is currently underway to ascertain the projected revenues from this agreement.

Mastercard Loyalty Solutions Pty Ltd. ("Mastercard")

EonX signed a two-year agreement with Mastercard Loyalty Solutions for provision and fulfilment of physical and digital gift cards in Australia. EonX has established a successful loyalty platform that includes delivering digital and physical gift card solutions to leading Australian enterprises. This includes agreements with major national retail brands in Australia. EonX is also advanced in launching similar solutions in the United States and Canada. Mastercard delivers a global loyalty and rewards program for their partners, which rewards customer spending habits and helps influence customer behavior.

Mastercard Loyalty Solutions Pty Ltd. (“Mastercard”)

EonX signed a Master Services Agreement with Mastercard Loyalty Solutions Australia Pty Ltd (“Mastercard”) to expand on Mastercard’s loyalty and customer experience offering for Mastercard Priceless, (Priceless.com). Under the agreement, EonX will deliver a fully branded and hosted customer experience platform enabling Mastercard Priceless customers to access music and entertainment offers within the Priceless ecosystem. The platform will enable approved partners to curate and publish rewards and special offers on the Mastercard Priceless website with redemption features allowing customers to interact and transact seamlessly with special offers. EonX will deliver the platform to Mastercard for a capped fee of $687,479 AUD ($500,000 USD), with additional works to be scoped and priced accordingly. The 12-month agreement can be extended for additional terms by mutual agreement by both parties.

The Royal Australian College of General Practitioners Feb 5.2022

EonX signed a master supply agreement with The Royal Australian College of General Practitioners (RACGP) to supply a branded loyalty, rewards, eWallet and software platform. EONX has granted RACGP a non-exclusive license based on a minimum commitment of 40,000 members over 36-month period allowing RACGP members access to EonX’s branded loyalty, rewards, eWallet and payment software platform. The RACGP will pay EonX a minimum of $351,000 over the term of the project and where the initial threshold of 40,000 members is exceeded, a $2 per member per annum fee will be charged in the following year’s license fees.

Bupa HI Pty Ltd. June 23, 2022

EonX signed an agreement with Bupa HI Pty Ltd, an Australian Health Insurance business, to launch a branded loyalty and rewards platform to their Australian customers. EonX will deliver the end-to-end digital customer experience and rewards marketplace, which is designed to enhance customer engagement, improve retention and power real-time loyalty. EonX has granted Bupa with a non-exclusive license and a provision of services, and is committed to working closely with Bupa to help deliver the ultimate customer experience to its customers.

Lincoln Sentry Pty Ltd. (“Lincoln”) Nov 3, 2021

Lincoln Sentry is one of Australia's leading suppliers and distributors of hardware and components to the building industry. EonX will provide an integrated loyalty and payments program which enables Lincoln Sentry customers to be rewarded for each transaction and help grow Lincoln Sentry's market share. Customers will earn points from their spending activity that can be redeemable on a wide selection of products and services via the EONX rewards store. Furthermore, customers will also have the ability to transfer points to cash when making other bill payments through the platform. EONX will receive transaction fees on VISA, MASTERCARD and AMEX payment processing, marketplace fees and fees on reward points for every transaction on its platform. EonX will also receive a software platform fee of $150,000 for the term of the 60-month contract.

Australian Venue Co. Pty Ltd (“AVC”)

AVC owns and operates over 170+ of Australia’s leading and best loved entertainment and gaming venues, pubs, bars restaurants and spectacular event spaces. EonX will deliver the end-to-end AVC digital customer experience application (app) which is designed to influence customer spending behavior, increase revenue, improve retention and power real-time customer loyalty. Customers will earn points from their spending activity that can be redeemable on personalized offers and rewards within the AVC ecosystem. EonX will receive an implementation fee of $500,000 paid once off, plus a license fee based on the number of AVC members registered to the app. For the term, the minimum license fee is calculated at $1,750,000, scaling to a maximum of $3,500,000 based on registered members. EonX will also be paid for all bespoke technical solutions provided to AVC in order to further enhance the app’s reach and evolution. Post the initial term, upon renewal, EonX will charge an annual fee of a minimum of $350,000, and up to $700,000, based on registered member numbers annually.

AGL Limited (“AGL”)

AGL is an Australian public listed company and is the largest fully integrated energy, telecommunications and utility company in Australia. EonX has signed an agreement with AGL to offer gift cards and rewards to their 4+ million residential customers nationwide. EONX will provide AGL with a fully branded white label platform to allow AGL's customers to receive a range of benefits, incentives and discounts from leading retailers in Australia. The EonX platform will allow AGL to increase its customer retention and satisfaction. EonX will receive a fee on every transaction it processes in its rewards marketplace.

Fletcher Building Ltd Pty Ltd. (“Stramit”) July 13,2021

Stramit is a division of ASX listed Fletcher Building Ltd, one of the largest building supply companies in Australasia, supplying products to a national network of businesses and contractors across the industry. EonX will provide Stramit with the SteelCred Program, designed to reward Stramit customers by influencing their spending behavior to help grow Stramit’s market share. Customers will earn points from their spending activity that can be redeemable on a wide selection of rewards, products and gift cards via the EonX marketplace. EonX will receive a software platform fee of $625,000 including $355,000 payable in the first two years of the contract period and an additional two-year option for a further $270,000.

Symbion

Symbion is fully owned by EBOS GROUP LIMITED (listed on the ASX, $4B market cap). EBOS is the largest human and animal healthcare company in Australasia. Symbion is an Australian national wholesaler of healthcare services and products. It discloses it has over 4,000 retail pharmacy customers (“Pharmacies”) and 1,300 hospital customers across Australia. Dun & Bradstreet advises they have 2,316 employees across all locations and had annual revenue of USD$4.35 billion in 2020. They process over $8 Billion in transactions per year. It has 11 warehouses around Australia and coordinates daily delivery and houses over 16,500 product lines from more than 550 manufacturing partners.

The signed contract with EonX allows the Company to provide payment processing and loyalty reward points to the Pharmacies. Symbion will save on the transaction payment fees and also allow it to provide Symbion Points (powered by EonX) to pharmacies to drive higher transaction volumes. These points can be used in the rewards marketplace (a white label e-store run by EONX) of which EonX also receives further fees. EonX has undertaken further development work and integration with Symbion. The system is undergoing further integrations and expected to go live in mid 2022. Symbion customers can register to participate in the Symbion branded Program, set a Program Tier, pay invoices, be awarded Program Points upon payment and can redeem Program points for products, concierge payments or transfer Program points to an affiliated points partners.

Henry Schein Regional Pty Ltd. dba Henry Schein Trust ("Schein")

The Henry Schein agreement dated September 14, 2020 for a five-year term expiring September 14, 2025. EonX provides its Platform for a white-label payment and rewards program which provides Henry Schein customers with Payment Processing Services, Points and a Rewards store for points redemption.

Henry Schein's customers can register to participate in the program, set a program tier, pay client invoices, be awarded program points for the successful payment of invoices and redeem or transfer program points, run promotional campaigns and clients able to promote their own products. EonX will supply activity and reconciliation reports and provide customer support helpdesk. Termination is on 180 days' notice unless earlier terminated for cause which cannot be rectified.

Suncorp Corporate Services Pty Ltd. ("Suncorp")

The Suncorp Master Services Order Agreement dated December 18, 2018 as amended on June 26, 2020 to provide Suncorp with a white-label Benefits Platform enabling Suncorp's customers to purchase a range of discounted Gift Cards and special offers from Australia's leading retailers and brands. E-Gifts and digital products are delivered directly to a customer's eWallet for redemption in store. Prior to July 2020, EonX was paid a sliding scale for Platform Fees. In July 2020, this was changed to a fixed monthly platform fee of $80,000 plus a resource retainer of $35,000 for services up to 500,000 Suncorp members. The agreement is effective until June 29, 2022, with an extended service period being negotiated for specified services to be offered to customers.

Guild Trustee Services ("Guild")

The Guild five-year agreement dated July 6, 2018 to provide the Guild with Payment Processor Services for Guild's White Label website and its members and provide the EonX Platform for a loyalty, rewards, membership and payments software program to members of Guild's superannuation fund in which financial rewards are directed to the superannuation fund of each member. For an annual fee of $90,000, the platform and customer support center is provided.

Guild uses the program in a marketing effort to increase member's engagement with superannuation, increase member superannuation balances and improve member retention rates and attract new members. It has established a SuperSuper online shopping program with hundreds of retailers to offer cash rewards. For every purchase made by a member from a retailer on the platform, a contribution is submitted to the member's superannuation account.

Guild provides a list of members for which EONX is to provide raw IT transaction logs to include sufficient information to enable Guild to complete a reconciliation of that member's reported savings.

Smartgroup Benefits Pty Ltd. ("Smartgroup")

The Smartgroup agreement dated June 30, 2021 for a 12-month term includes the client's branded platform, access to discounted eCards, gift cards, online offers and eStore, rec room live feed, live chat, groups, events and awards, live analytics and reporting via admin dashboard.

The Company is required to: have public liability insurance for any event of $20,000,000, professional liability insurance of at least $10,000,000 per claim and cyber liability insurance of at least $2,000,000 for each event and workmen's compensation insurance.

The Royal Australian College of General Practitioners
EonX signed a master supply agreement with The Royal Australian College of General Practitioners (RACGP) to supply a branded loyalty, rewards, eWallet and software platform to service over 40,000 members. The RACGP is the voice of general practitioners throughout Australia that has been supporting Australia's health system with education and practice standards for over 60 years. Doctors become members of RACGP to continue their professional development. RACGP develops resources and guidelines to support doctors in providing their patients with world-class healthcare and help with the unique issues that affect Australian doctors seeing more than two million patients per week. EONX has granted RACGP a non-exclusive license based on a minimum commitment of 40,000 members over 36-month period allowing RACGP members access to EonX's branded loyalty, rewards, eWallet and payment software platform. The RACGP will pay EonX a minimum of $351,000 over the term of the project and where the initial threshold of 40,000 members is exceeded, a $2 per member per annum fee will be charged in the following year's license fees.

Bank Contracts

First Data Merchant Services LLC ("First Data")

The First Data member service provide agreement dated October 16, 2019 whereby First Data sponsors EonX to provide payment services to merchants wishing to accept payment by credit and debit cards for the territory of Australia.

Payment Solutions Agreement with First Data and Metabank, National Association ("Metabank").

The First Data agreement dated September 30, 2020. First Data is a member of the Visa and MasterCard Networks and is an Acquiring Bank. First Data is authorized by First Data to process payment authorizations, transmissions and settlement activities for Visa and MasterCard transactions. First Data will acquire the Eonx electronic transactions for payment organization and networks ("Acquiring Services") for Visa, MasterCard, American Express and Discover and also provide debit services. First Data will be the primary provider of the Acquiring Services unless Eonx requires services that First Data does not provide.

Split Payments Pty Ltd. ("Zepto")

The Zepto agreement dated April 21, 2020 to provide the Eonx Platform Payment Services for Zepto to connect, reward and securely transact with its members, customers and employees which accesses a user's payment account for the transfer of funds. The agreement was for one year and will automatically renew for a further two years on written confirmation of proof of concept on the anniversary date. The agreement may be terminated by Zepto on 90 days' notice or earlier to Eonx in the event of a material breach of contract and immediately in the event of insolvency, material risk activity, unauthorized activity, non-compliance with law and regulation and unacceptable risk to Zepto.

Other Non Material Agreements

<u>Gift Card Supplier Agreements</u>

The Company has numerous gift card supplier agreements with numerous companies (the “Suppliers”) for the supply to the Company by the Supplier of a visual depiction of a Supplier’s gift cards and logo, with a minimum card value of $10 and a maximum of $500 with discounts ranging from 5% to 15% for use on the Company’s website, social media channels and electronic direct marketing channels. The Company is not required to make any advance payments for the gift cards.

Internet Services Australia 1 Pty Ltd dba The Ionic (“Ionic”) gift card supplier agreement dated May 14, 2019 for six months which was renewed on November 14, 2019 for a further 12 months for the supply by EonX of Gift Cards. The parties have agreed to continue under an automatic renewal arrangement at the end of each year.

The Hairhouse Warehouse Pty Ltd. (“Hairhouse”) gift card supplier agreement dated June 15, 2019 for 36 months with a renewal term of 36 months for the supply by Hairhouse of a visual depiction of its gift cards and logo, with a minimum card value of $50 and a maximum of $100 with an 10% discount for use on the Company’s website, social media channels and electronic direct marketing channels. The Company is not required to make any advance payments for the gift cards.

Deliveroo Australia Pty Ltd. (“Deliveroo”) gift card supplier agreement December 18, 2019 for 36 months with a renewal term of 36 months for the supply by Deliveroo of a visual depiction of its gift cards and logo, with values of $10, $25, $50, $75 and $100 with a 15% discount for use on the Company’s website, social media channels and electronic direct marketing channels. The Company is not required to make any advance payments for the gift cards.

1.2 – Overall Performance (continued)

Financing

At December 31 ,2022, the Company had not yet achieved profitable operations on a consistent basis, had accumulated a deficit of $14,399,342 (December 31, 2022 – $8,296,985), had a working capital deficit of $5,589,934 (December 31, 2021 $3,013,484), and had cash flow used in operations of $1,536,254 (December 31, 2021 - $425,349). The Company expects to incur further losses in FY2023 as it further develops additional capability to process payments in the United States. It should be noted that should the Company stop its expansion plans to North America the business will deliver more profitable quarters by servicing the local Australian market. The current rate of expenditure is expected to reduce quarter by quarter as the Company completes its development activities and moves its focus to business development and marketing activities. It has flexible staff resourcing with all contract staff and the majority of employed staff focused on technical and engineering activities form part of the expansion plans. As these activities are completed, EONX will reduce its headcount and operating cost. The mix of both contract staff and employed staff provide flexibility to manage costs and project delivery objectives.

A large focus for the quarter was on expansion plans in further developing the technology to service the North American market. This includes the implementation of payment systems for processing payments in the United States and Canada and also integrating new retail partners for the EonX North America marketplace. EonX has incorporated a USA entity to conduct its business – EonX Corporation Inc.

The Company has an established history of generating both recurring software revenue and transactional revenue from large multinational companies from operating activities. It has two bank facilities provided for working capital from National Australia Bank Limited (NAB), including a $2.5M facility and a $5.0M facility and combined with the Company's existing working capital it is expected that these funds are sufficient to complete its business as discussed in "Financing" below. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations, or to raise further finance via debt or equity.

The Company signed a loan facility for $2,300,000 AUD ($2,007,000 CAD)- currently drawn to $2,134,592, which has been deployed as working capital to expand on the EonX's international opportunities. This facility has been provided on commercial terms by EonX founder and Group CEO, at 10% annual interest for a term of 3 years. The loan may be converted to shares at any time before the term of the loan.

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1.3 – Results of Operations – YTD and Quarter

Operations during the six-month period ended December 31, 2022 were primarily related to the provision of payment processing services and fully branded white label platforms. There were no legal proceedings, contingent liabilities, defaults under debt or other contractual obligations, breach of any laws or special resolutions during the twelve-month period ended June 30, 2022.

During the six-month period ended December 31, 2022, the Company incurred a net loss from operations of $324,538 (December 2021 – loss of $1,298,869). This was comprised of revenue of $11,637,513 (December 2021 – $5,215,078), less operating expenses of $11,328,046 (December 2021 – $6,133,607), other expenses of $450,359 (December 2021 – $209,731), and income tax expense of $183,646 (December 2021 – $170,610).

Revenue was generated from trading revenue of $10,349,006 (December, 2021 $3,600,536) and other income of $1,288,507 (December 30 – $1,614,542).

Operating expenses consisted of employee expenses of $6,095,054 (December 2021 – $5,159,447), research and development and technology expenses of $3,616,523 (December, 2021 – $389,838), and administrative expense of $1,616,469 (December 30, 2021 – $584,322).

Other expenses consisted of depreciation and amortization of $40,083 (December, 2021 – $137,166), finance costs of $410,276 (December, 2021 – $72,565). The remaining costs were generally consistent.

During the three-month period ended December 31, 2022, the Company incurred a net profit from operations of $1,349,784 (December 2021 – loss $179,336). This was comprised of revenue of $6,462,635 (December 2021 – $3,435,228), less operating expenses of $5,499,143 (December 2021 – $3,186,340), other expenses of $4,246 (December 2021 – $82,998) and income tax expense (credit) of $382,046 (December 2021 – $345,226).

Revenue was generated from trading revenue of $6,084,666 (December 2021 – $2,397,180) and other income of $377,969 (September 2021 – $1,038,048).

Operating expenses consisted of employee expenses of $2,719,114 (December 2021 – $2,554,361), research and development and technology expenses of $1,839,508 (December 2021 – $219,805), and administrative expense of $940,521 (December 2021 – $412,174).

Other expenses consisted of depreciation and amortization of $- (December 2021 – $44,773). and finance costs of $4,246 (December 2021 – $38,225)

1.4 – Summary of Quarterly Results

A quarterly summary of the results for the three months ended December 31, 2022 is set out in the table below. The Company generates revenue by charging new clients a software license fee followed by transactional fees. Software license fees reduce over time whilst there is an increase in transaction volumes it may not initially fully replace software revenue causing trading revenue fluctuations. Furthermore, transactional revenue can also fluctuate due to seasonal trends and campaign requirements, specific to retail market conditions. Research and development credits fluctuate based on the level of product development from time to time. The credits are realized once the Company has completed the work, filed the claim and has reasonable assurance of collection. Employee benefits expense have remained generally consistent. The fluctuations were related to additional research and development in those periods.

The December 31, 2022 six-month cash amount has increased by $1,184,659 predominately due to the receipt from the Australian Tax office the R&D credits which totaled $2,504,321,

As advised above, the company has a loan facility with the CEO which is currently drawn to $2,134,592.

Inventories are comprised of gift cards. This inventory fluctuates based on seasonal trends, and marketplace campaigns. Research and development credits were high reflecting the increase in platform investment. Trade and other payables consist primarily of retail product sold within a platform. Borrowings are from bank debt facilities put into place to sustain growth.

1.4 – Summary of Quarterly Results – continued

A summary of the quarterly results to December 31, 2022 is as follows:

	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
									$
Cash and cash equivalents	2,486,142	1,233,913	1,301,483	1,358,548	2,308,619	1,686,921	5,125,690	5,973,469	2,723,124
Accounts receivable	4,999,658	2,021,048	3,108,697	4,767,949	988,707	303,466	702,311	384,484	73,417
Inventories -gift cards	1,816,317	2,081,260	1,935,153	2,112,479	1,110,699	690,374	698,435	963,752	1,284,127
Research and dev credits receivable	1,248,887	3,129,321	2,504,321	1,793,206	1,195,471	2,988,677	2,390,942	1,842,596	1,228,397
Other current assets	452,924	38,134	103,917	38,789	59,757	9,445	3,746	141,244	263,547
Non current assets	2,690,943	2,857,613	2,469,708	527,509	568,873	610,238	635,166	694,097	725,344
Total Assets	13,694,871	11,361,289	11,423,279	10,598,480	6,232,126	6,289,121	9,556,290	9,999,642	6,297,956
Liabilities									
Trade and other payables	8,231,693	5,838,222	7,299,818	5,163,887	4,158,528	3,449,364	2,965,253	3,194,556	4,626,694
Borrowings	5,231,849	4,273,117	5,033,443	4,771,916	2,090,637	2,287,157	2,561,700	268,276	2,969,596
Provisions	497,906	506,766	486,034	711,226	736,747	528,003	445,393	212,963	214,585
Income taxes payable	187,646	907,586	316,784	380,939	366,955	559,443	704,432		
Contract liabilities	2,444,768	1,317,594	1,122,308	1,262,684	1,323,870	1,030,563	1,190,600	399,645	545,667
Non current Liabilities	2,062,915	5,027,977	2,747,257	304,315	360,962	3,351,380	5,935,395	8,962,799	632,628
Total Liabilities	18,656,777	17,871,262	17,005,644	12,594,967	9,037,699	11,205,910	13,802,773	13,038,239	8,989,170
Issued Capital	5,147,960	5,147,960	5,147,960	5,142,285	5,344,696	2,952,494	2,151,520	367,240	120
Share-based payments reserve	4,358,935	3,920,696	3,482,458	2,969,384	146,716	228,389	385,568	280,634	0
Accumulated other comprehensive income	(69,459)	109,461	10,095						
Deficit	(14,399,342)	(15,688,090)	(14,222,878)	(10,108,156)	(8,296,985)	(8,097,672)	(6,783,571)	(3,686,471)	(2,691,334)
Shareholders' Equity	(4,961,906)	(6,509,973)	(5,582,365)	(1,996,487)	(2,805,573)	(4,916,789)	(4,246,483)	(3,038,597)	(2,691,214)
Total Liabilities and shareholders equity	13,694,871	11,361,289	11,423,279	10,598,480	6,232,126	6,289,121	9,556,290	9,999,642	6,297,956
	0	0	0	0	0	0	0	0	0
Revenues									
Trading Revenue	6,084,666	4,264,340	591,134	3,555,394	2,817,493	1,203,356	1,721,362	1,109,955	2,253,783
Other income	377,969	910,538	0			0	0	0	271
	6,462,635	5,174,878	591,134	3,555,394	2,817,493	1,203,356	1,721,362	1,109,955	2,254,054
Operating Expenses									
Employee benefits expense	(2,719,114)	(3,375,940)	(803,576)	(5,013,603)	(1,936,626)	(2,028,592)	(2,407,176)	(625,648)	(528,061)
Research and development expense	(1,839,508)	(1,777,016)	(2,895,668)	(87,379)	(219,805)	(170,033)	(568,125)	(373,753)	(351,637)
Administrative expense	(940,521)	(675,949)	(1,004,748)	(389,127)	(412,174)	(172,148)	(322,862)	(115,350)	(352,180)
Depreciation and amortisation expense	0	(40,083)	8,824	(37,117)	(44,773)	(92,393)	(48,116)	(42,503)	(42,505)
Stock based compensation	0							0	0
Listing expenses for the reverse	0		0						
acquisition of Eonx Services Pty Ltd	0		0				(2,113,308)		
Finance costs	4,247	(414,522)	(74,959)	(39,900)	(38,225)	(34,340)	20,234	(30,382)	(46,816)
Income Tax Expense	382,045	(565,690)	64,272	(13,984)	(345,226)	174,616	620,892	(917,456)	(478,991)
	(5,112,851)	(6,849,200)	(4,705,855)	(5,581,110)	(2,996,829)	(2,322,890)	(4,818,461)	(2,105,092)	(1,800,190)
Other Comprehensive income for the period									
Translation of foreign operations	(61,036)	209,110	10,094	214,545	(19,977)	(194,567)			
Loss and Comprehensive Loss for Period	1,288,748	(1,465,212)	(4,104,627)	(1,811,171)	(199,313)	(1,314,101)	(3,097,099)	(995,137)	453,864
	0	0	(1)	0	0	0	(1)	0	0
Basic and diluted loss per share	(0.04)	(0.04)	(0.11)	(0.09)	(0.01)	(0.12)	(0.27)	(0.09)	3,782.20
Weighted average number of shares outstan	38,175,671	38,175,671	37,021,490	20,784,464	17,928,244	11,391,736	11,391,736	11,391,736	120

1.5 – Liquidity and Capital Resources

The Company's main business activity is financial technology, providing Payment Processing Services and fully branded White Label platforms for large enterprises looking to better engage, reward and securely transact with their members, customers and employees. The Company's ability to raise cash depends on various capital and debt market conditions. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors, including evaluation of new business opportunities.

There can be no certainty that the Company's existing cash balances or that the proceeds from the issuance of its common shares will provide sufficient funds for all of the Company's cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of the funds required to evaluate any acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require to sustain operations or that the terms of any financing obtained will be acceptable.

As at December 31 30, 2022, the Company had net a working capital deficit of $5,589,934 (December, 2021 $3,013,484) comprised of cash and cash equivalents on hand of $2,486,142 (December 31, 2021 – $2,308,619), accounts receivable of $4,999,658 (December, 2021 – $988,707), inventories of $1,816,317 (December, 2021 – $1,110,699), research and development credits receivable of $1,248,887 (December, 2021 – $1,195,471), other current assets of $452,924 (December , 2021 – $59,757) less trade and other payables of $8,231,693 (December, 2021 – $4,158,525), borrowings of $5,231,849 (December, 2021 – $2,090,637) provision for employee entitlements of $497,906 (December, 2021 – $736,747) and contract liabilities of $2,444,768 (December, 2021 – $1,323,870) and income taxes payable of $187,646 (December,2021 $366,955).

1.6 – Off Balance Sheet Arrangements

As at December 31 2022, there were no off-balance sheet arrangements to which the Company was committed.

1.7 – Transactions with Related Parties

The Company had the following balances and transactions with executive officers or companies controlled by these officers for the twelve months ended June 30 2022 and 2021:

	September 30, 2022	September 30, 2021
Transactions:		
Directors fees paid to Andrew Kallen	$0	$1,200,000
Directors fees paid to Anoosh Manzoori	$0	
Directors fees paid to Justin Hanka	$0	
Balances		
Due to Andrew Kallen	$0	

During the six months ending December 31, 2022, the EonX Services UK Ltd paid Andrew Kallen a management fee of USD 600,000 and a rental allowance of USD 135,000

The Company has a loan facility with the CEO currently drawn to $2,134,592. This loan is at commercial terms with an interest rate of 10%, a three-year term and can be converted to shares at any time

There were no directors’ fees paid in the financial year.

1.8 – Critical Accounting Estimates

The critical accounting estimated used in the preparation of the financial statements are as follows:

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards granted as common share warrants and stock options requires estimate as to the appropriate valuation model (Black-Scholes pricing model) and the inputs for the model require assumptions including the rate of forfeiture of warrants or options granted, the expected life of the warrant or option, the Company’s share price and its expected volatility, the risk-free interest rate and expected dividends.

Deferred taxes

Deferred taxes are based on estimates as to the timing of the reversal of temporary and taxable differences, substantively enacted tax rates and the likelihood of assets being realized.

Revenue recognition

Where the outcome of performance obligations for contracts can be estimated reliably, revenue is recognized. The Company recognizes revenue when obligations have been satisfied and, where such provisions exist, the Company does not begin revenue recognition for license subscriptions that have conditional or trial periods until such periods expire. Where the outcome of performance obligations for sales contracts cannot be reliably measured, contract revenue is recognized in the current year to the extent that costs have been incurred until such time that the outcome of the performance obligations can be reasonably measured. Assumptions are sometimes required to estimate total contract costs, which are recognized as expenses in the year in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leases

The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.

Provision for expected credit losses (“ECLs”)

The Company performs impairment testing annually for trade receivables in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Employee Benefits

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

1.9 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)

Future Changes in Accounting Policies

Certain new standards, interpretations and amendments to existing standards have been periodically issued by the IASB. The current updates are not applicable, or are not consequential, to the Company. The Company has initially assessed that there will be no material reporting changes as a result of new accounting standards, however, there may be enhanced disclosure requirements.

1.10 – Financial Instruments and Other Instruments

Fair values

The Company's financial instruments include cash, accounts receivable, research and development credits receivable, trade and other payables, provision for employee entitlements, and borrowings. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. 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.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments are all carried at amortized cost and are not subject to the above level inputs.

Financial risk management objectives and policies

The risks associated with 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.

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. Assets and liabilities that are held in foreign currencies are converted to Australian dollars at the exchange rate prevailing at the balance date. Income and expenses that are earned or incurred in foreign countries are also converted to Australian dollars at the exchange rate prevailing at the balance date.

Interest rate risk

The Company has two floating rate loan facilities with the National Australia Bank, which are subject to interest rate risk. The floating and market 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 $50,473. A reduction in the rates of 1% will result in a decrease in the interest expense of $50,473.

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.

1.11 – Other MD&A Requirements

Share Capital

The authorized share capital consists of an unlimited number of common fully paid shares without par value.

Current issued Share capital of 38,175,671, detailed as follows:

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
Issue of shares (August 2021 conversion of CEO loan at CAD 45 cents per share)	4,666,471
Issue of Shares (August 2021 conversion of 4,109,200 options)	4,109,200
	38,175,671

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan") which complies with the rules and policies of the Exchange.

The Company has a stock option plan under which it is authorized to grant options to its directors, officers, employees, management companies and consultants enabling them to acquire up to 20% of the issued and outstanding shares of the Company. Under the Plan, the exercise price of options granted is determined by the Board of Directors, provided that the exercise price is not less than the price permitted by an exchange or a quotation system on which the Company's shares may be listed or quoted for trading. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed five years from the date of grant. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of Directors of the Company with the exception of options granted to a person conducting investor relation. These option must vest over 12 months with not more than 25% vesting in any three month period. Any options granted pursuant to the Plan will terminate generally within 180 days of the option holder ceasing to act as a director, officer, employees, or consultant, although this period may be extended or shortened for persons other than the directors, at the discretion of the directors. A director will have an additional 30 days to exercise the options for each year served as a director to a maximum of one year.

Options outstanding and exercisable	**Number of Options**	**Exercise Price**	**Expiry date**
Balance at June 30, 2020	0	0	0
Granted March, 20 2021	3,520,000	$0.10	December 23, 2023
Granted April 20, 2021	2,352,000	$0.10	March 23, 2023
Balance at June 30, 2021	5,872,000		
Exercised August 2021	(4,109,200)		
Granted February 23, 2022	7,635,154	$1.60	February 23, 2026
Balance at June 30, 2022	9,397,954		

As at December 31, 2022, the options have a weighted average remaining contractual life of 2.74 years (2021 – nil) and a weighted average exercise price of $1.32 (2021 – nil)

RISK FACTORS AND UNCERTAINTIES

The Company's securities should be considered a speculative investment due to the nature of the Company's business and its present operations. Due to the nature of the Company's business and the present stage of its activities, many risk factors will apply. An investor should carefully review the risk factors set out below and all the information available before making an investment decision. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. This section describes the material risks affecting the Company's business, financial condition, operating results and prospects.

Risks Specific to the Company

Relationships with Key Third Party Suppliers and Service Providers

EonX's business is dependent upon maintaining successful relationships with a limited number of key third-party suppliers and service providers, who provide a number of services that are key to EonX's service offering, including hosting, certain software applications, data providers, provision of services and retail products. Contracts with these suppliers and service providers are typically terminable without cause, in some cases on short notice.

Any loss of a key third-party supplier or service provider, a material limitation of the services provided, a deterioration in the level of service provided, or a material alteration of the terms on which they are provided, could result in a disruption to its business and may negatively impact EonX's ability to win and retain contracts, each of which could materially adversely affect EonX's business, operating and financial performance.

Where EonX relies on third party systems, EonX always seek to have service level agreements with minimum performance criteria set. Payment to the service providers is dependent on their continuity of their services. EonX will actively seek alternative supply channels to mitigate the impact should there occur a "no fault" termination of a supply agreement. There is no assurance that EonX can always maintain or replace its third-party systems in a timely manner and prevent loss of service.

Loss of Customer Contracts

The Company's contracts, including with key customers are secured by a fixed term as per supply agreements. EonX could lose key customers or material contracts, due to a range of events including, because of failure to renew a contract, a loss of a tender, a deterioration in customer service levels that have not been remedied as per supply agreement, or disputes with customers subject to the supply agreements. Any of these factors could materially adversely affect EonX's business, operating and financial performance.

EonX, like all service providers, must deliver services that continue to meet the needs of its customers. EonX is dependent on retaining in-house software development capability to ensure its business continues to evolve and service the needs of its customers. There is no assurance that it will be successful in recruiting and keeping the personnel required for delivery of its services.

Profit Margins

Margins vary considerably across the range of products and services that EonX provides and a change in the mix of products and services that EonX sells to its customers could have a material adverse impact on EonX's financial performance.

Operational Risks

The Company will be affected by several operational risks against which it may not be adequately insured or for which insurance is not available, including: catastrophic accidents; fires; changes in the regulatory environment; impact of non-compliance with laws and regulations; labor disputes; natural phenomena such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's premises, personal injury or death, environmental damage, resulting in adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and future cash flows, earnings and financial condition. The Company may also be subject to or affected by liability or sustain loss risks and hazards against which it cannot insure or which it may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Security Risks

Rapid Technology Change

The Company's products and services are dependent upon advanced technologies, which are susceptible to rapid technological change. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete because of, such technological changes. There can be no assurance that the Company can respond in a timely manner so that its response will be adequate to successfully overcome the technological change.

RISK FACTORS AND UNCERTAINTIES

Disruption of Technology Platforms

EonX's ability to provide reliable services, effective payment and transaction processing and accurate and timely reporting for its customers is a key aspect of it business. This depends on the efficient and uninterrupted operation of its core technologies, which include specialized and proprietary software systems, IT infrastructure and back-end data processing systems.

EonX's core technologies and other systems could be exposed to damage or interruption from systems failures, computer viruses, cyber-attacks or other events. Any systemic failure or sustained disruption to the effective operation of EonX's technology platform could severely damage EonX's reputation and its ability to generate new business or retain existing business, directly impair EonX's operations and customer service levels or necessitate increased expenditure on technology or generally across the business. Any of these outcomes could materially adversely affect EonX's business, operating and financial performance.

Security Risks

Data Security Risk

The Company does utilize servers with significant amounts of data stored via third party companies. Should the Company be responsible for the loss of any or all the data stored by it, the liability could materially undermine the financial stability of the Company. Also, much of the data will be confidential. The company does not store full card data. If the company's data is ever compromised, then customer card data will not be accessible to those in possession of the data. Anyone who can circumvent the Company's security measures could misappropriate proprietary information or cause interruptions in its operations.

Cybersecurity

EonX is subject to Australian Privacy legislation which includes the requirement to advise an entity if their identity has been compromised. EONX is also required to comply with the Payment Card Industry (PCI) standard, which sees us adhere to very strict rules in the use of the software and hardware we implement in our hosting environment. All our data is hosted remotely by Amazon Web Services (AWS), which also complies with the PCI standard. The Company relies on AWS cybersecurity arrangements. The Payment Card Industry Data Security Standard (PCI DSS) is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment. The AWS/EONX secure environment incorporates firewalls, routing rules, authorized access only and encryption

Internet Fraud

EonX has detailed merchant vetting / Know Your Client (KYC) procedures used to detect or mitigate fraud. Merchant accounts all have transaction limits, in line with the industry they are in, and all transactions are monitored and approved my multifactor authentication. EonX also has transaction monitoring including the flagging of chargeback activity; EonX has the ability to withhold settlements pending an investigation into transactions.

Money Laundering

This is a significant issue for all businesses. EonX has developed its Anti-Money Laundering Counter Terrorism Funding manual and policies with Holley Nethercote lawyers. EONX also operates a PCI (Payment Card Industry) compliant manner when dealing with credit card information and payments.

RISK FACTORS AND UNCERTAINTIES

Management of Growth

The Company may experience a period of significant growth that may place a strain upon its management systems and resources. Its future will depend in part on the ability of its executive officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Increase in Competition

There is significant competition from other much larger well-established successful software companies with larger staff and resources to develop software and products equal to or superior to the Company's. This industry is highly competitive and EonX may face increased competition from actions by existing competitors, the entry of new competitors, consolidation between existing competitors or from major customers bypassing payment processing and transactions switching companies and transacting directly with end customers.

EonX's competitive position may deteriorate because of these factors, or a failure by EonX to continue to position itself successfully to meet changing market conditions, customer demands and technology. Any material deterioration in the Company's competitive position could materially adversely affect the Company's business, operating and financial performance. A list of some of the competitors is in "General Description of the Business".

Credit Card Chargeback Risk

EonX payments is at risk if merchants fail to deliver goods to their customers that were purchased using scheme cards. As a payment processor, EonX contracts its enterprise clients to take on the liability for charge back exposure. However, EonX is potentially exposed to chargebacks in the event of default by its enterprise customer to repay the chargeback amounts. This risk is somewhat mitigated by having the transaction approved via text or email prior to processing.

Damage to Reputation or Brand

EonX's reputation and brand is important in winning and retaining contracts, maintaining its relationship with third-party suppliers and service providers and attracting employees. Reputational damage could arise due to a number of circumstances, including inadequate or deteriorating service levels, improper conduct, adverse media coverage or underperformance of customer-facing third-party suppliers and service providers. Reputational damage may potentially result in a failure to win new contracts and impinge on EonX's ability to maintain relationships with existing customers, suppliers and service providers and impede its ability to compete successfully in the payment transactions industry and to attract key employees. If any of these occur, this could materially adversely affect EonX's business, operating and financial performance.

The Company is proactive in dealing with these risks by regular reporting to customers about service levels, which allows the Company's representatives to be proactive in identifying and mitigating any service level deterioration. Regular systems maintenance is also important to ensure optimum services levels and minimum disruption to customers. There is no assurance that the Company's efforts to mitigate these risks will always be successful.

RISK FACTORS AND UNCERTAINTIES

Exposure to Adverse Macroeconomic Conditions

EonX is exposed to changes in general economic conditions in Australia and internationally and is affected by macroeconomic conditions such as tariffs and other trade barriers, economic recessions, downturns or extended periods of uncertainty or volatility, which may influence customer decisions in relation to whether to enter into transaction processing arrangements. These macroeconomic conditions may materially adversely affect EonX's business, operating and financial performance. Payment transactions are the core of most commercial activity. Unless there is a catastrophic event, payment processing will occur.

Protection of Intellectual Property

EonX relies on laws relating to patents, trade secrets, copyright and trademarks to assist in protecting its proprietary customer-facing technology platform. There is a risk that unauthorized use and copying of EonX customer-facing technology platform will occur, or third parties will successfully challenge the validity, ownership or authorized use of intellectual property. This could involve significant expense and potentially the inability to use the intellectual property, which could materially adversely affect EonX's business, operating and financial performance.

Expansion of its Merchant Base and Industries Service

There is no assurance that the Company's plans to expand its Merchant Base and to expand the industry sectors in which it currently operates will be successful. See "Description of the Business" and "Use of Funds".

Acquisition Risk and Associated Risk of Dilution

EonX's possible expansion strategy includes pursuing acquisitions. The successful implementation of acquisitions will depend on a range of factors including acquisition costs, funding arrangements, business cultural compatibility and operational integration. To the extent acquisitions are not successfully integrated with EonX's existing business, the financial performance of EonX could be materially adversely affected. Future acquisitions may involve the issue of Ordinary Shares for consideration. In this event, Shareholders' interests will be diluted. Ordinary Shares may also be issued for other purposes such as debt reduction. Effective due diligence by the Company is ongoing to minimize the risk in integrating acquisition targets although this cannot be guaranteed. There are no specific acquisitions proposed at this time.

EonX attempts to mitigate these risks by withholding the chargeback value from settlements to merchants and holds direct debit authority with merchants to recover unfunded chargebacks. EonX may request security deposits from merchants at risk of prepayment default. EonX has cyber insurance in place to protect itself from such occurrences.

Exchange Rate Risk

EonX currently operates in Australia, the USA and UK. The Company is not exposed to significant currency risk on fluctuations considering that the majority of its assets and liabilities are stated in Australian dollars.

Unforeseen Expenses

All expenses that EonX is aware of are taken into account. There is a risk that unforeseen expenses may develop which could materially negatively affect the business operations.

RISK FACTORS AND UNCERTAINTIES

Permits and Government Regulations

There are no permits or government regulations in Australia that affect the Company's operations beyond business license requirement and employment standards. The future operations of the Company outside of Australia may require permits from various federal, state/provincial and local governmental authorities and will be governed by laws and regulations governing taxes, labor standards, occupational health, and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required.

Environmental and Safety Regulations and Risks, Climate Change

There are currently no environmental laws and regulations that affect the operations of the Company. None are anticipated as the Company's does not have physical operations other than business offices. EonX, like all other businesses and persons in the world is exposed to the effects of climate change. The direct effects on EonX's business is not foreseeable at this time.

Covid 19 Virus Disruption

The recent COVID-19 pandemic has caused wide spread disruption through the world. With the rolling out of, and the significant take up of, vaccinations, governments have adopted a more business as usual approach, rather thana a hard lock down to eliminate risk approach. The virus is still very active however. The vaccination does reduce the impact of the virus, but there are still some high infection rates, particularly when the colder months approach. Vacancy rates among the work force is proving to be disruptive. There are also still hangovers from the pandemic in particular, supply chain issues as China continues to adopt a zero case approach and has closed it ports for a significant time period as it tries to contain the virus spread. It is expected that this will pass within a reasonable time frame.

Insurance Risk

No claims have ever been made against the Company. There is always the possibility that the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. EONX has workers compensation insurance, insurance for the contents and stock and property in its custody, an indemnity on gross profit for a 12-month period of AUD$3,000,000, public liability insurance of AUD$20,000,000, products liability insurance of AUD$20,000,000 The Company does not have key man insurance for its CEO who is instrumental to the Company's operations and growth. The loss of his services would cause considerable disruption to the Company's operations.

Reliance on the Directors and Officers

The Company has a small management team composed of the directors and the unexpected loss of any of these individuals would have a serious impact on the business. They are responsible for the successful operation of the Company. At present, there is no key-man insurance in place for any members of the management team. The loss of services of any of these personnel to develop the business and make appropriate decisions in respect of the management thereof could have a material adverse effect on the business of the Company.

Conflicts of Interest

Other than the CEO, the directors and officers of the Company are not in any way limited or affected in their ability to carry on other transactions or business ventures for their own account or for the account of others.

The CEO has signed an employment contract with a confidential covenant and a non- compete covenant. Future conflicts of interest will be dealt with in accordance with applicable laws, statutes and regulations.

Exposure to Adverse Macroeconomic Conditions: The Company is exposed to changes in general economic conditions in Australia and internationally and is affected by macroeconomic conditions such as tariffs and other trade barriers, economic recessions, downturns or extended periods of uncertainty or volatility, especially now with the Covid 19 virus, all of which may materially adversely affect the Company's business, operating and financial performance.

Currency Exchange 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. The Company owns entities in the USA, Canada and the UK. Assets and liabilities that are held in foreign currencies are converted to Australian dollars at the exchange rate prevailing at the balance date. Income and expenses that are earned or incurred in foreign countries are also converted to Australian dollars at the exchange rate prevailing at the balance date.

The Company's operations are exposed to exchange rate changes in the Canadian and United States dollar, United Kingdom Pound. At December 31, 2022 a fluctuation in these currencies of 5% would result in an exchange gain or loss on the net financial assets of approximately $ 115,000.

Unforeseen Expenses

All expenses that the Company is aware of are taken into account. There is a risk that unforeseen expenses may develop which could materially negatively affect the business operations.

Permits and Government Regulations

There are currently no permits or government regulations in Canada and Australia that affect the Company's operations beyond business license requirement and the requirements of the Act and Corporations Act, 2001 (Cth) Australia.

RISK FACTORS AND UNCERTAINTIES

Environmental and Safety Regulations and Risks, Climate Change

There are currently no environmental laws and regulations affect the operations of the Company. None are anticipated as the Company does not have physical operations other than business offices. The Company, like all other businesses and persons in the world is exposed to the effects of climate change. The direct effects on the Company's business is not foreseeable at this time.

Dividends

The Company does not anticipate paying any dividends on its Shares in the near future.

List Not Exhaustive

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above may in the future materially affect the financial performance of the Company and the value of the shares described by this Prospectus. Accordingly, the Shares under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A on 28 February, 2023.