

---

**EONX TECHNOLOGIES INC.**  
AMENDED AND RESTATED CONSOLIDATED FINANCIAL  
STATEMENTS

For the years ended June 30, 2023 and 2022

---

To the Shareholders of EonX Technologies Inc.:

## Opinion

We have audited the consolidated financial statements of EonX Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and June 30, 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2023 and June 30, 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2023. As at June 30, 2023, the Company has an accumulated deficit and working capital deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Emphasis of Matter - Restatements

We draw attention to Note 23 to the consolidated financial statements, which explains that certain comparative information presented for the year ended June 30, 2022 has been restated, and to Note 24 to the consolidated financial statements, which describes that the consolidated financial statements that we originally reported on October 30, 2023 have been amended and restated and describe the matters that gave rise to the amendments of the consolidated financial statements. Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### ***Revenue recognition - highly automated transactions***

#### *Key Audit Matter Description*

The Company derives a material amount of its revenue from commissions on transaction processing and online product sales as disclosed in Note 8 to the consolidated financial statements. Revenue is impacted by a significant volume of low-dollar transactions, sources from multiple systems, databases and other tools that are generally customized and specific to the Company. The initiation, processing and recording of revenue are highly automated and are based on contractual terms with customers. Given the Company's revenue transactions are highly automated, there are potential risks arising from the initiation, processing and recording of revenue. We identified revenue recognition for highly automated transactions as a key audit matter due to the increased extent of audit effort required, which included the need to involve professionals with expertise in information technology ("IT").

#### *Audit Response*

We responded to this matter by performing procedures in relation to revenue recognition for highly automated transactions. Our audit work in relation to this included, but was not restricted to, the following:

- With the assistance of internal IT specialists, we evaluated the significant systems used to process the commission from transaction processing and product sales revenue transactions and tested the design and implementation of general IT controls over each of these systems, including user access controls, change management controls and IT operation controls.
- We tested the underlying scripts of information produced by the Company and utilized in our testing for accuracy and completeness.
- We performed detailed transaction testing of revenue by agreeing a sample of the amounts recognized to source documents such as invoices and contracts, and by testing the mathematical accuracy of the recorded revenue.

### ***Product Sales and Gift Card Liability***

#### *Key Audit Matter Description*

A portion of the Company's revenue is generated through product sales of gift cards. The performance obligation of this revenue stream is satisfied once the gift cards are activated by the Company's customers. As disclosed in note 21 to the consolidated financial statements, there is a portion of gift card sales to the Company's customers that are not activated as at year end that represent a liability to the Company. In addition, a portion of these gift cards that are not yet activated at year end may never be activated. There is estimation uncertainty relating to the amount of gift cards that will ultimately be activated. The estimate of the magnitude of the gift card liability is an area of judgment that required significant auditor attention and accordingly, we identified the gift card liability as a key audit matter.

#### *Audit Response*

We responded to this matter by performing audit procedures relating to the gift card liability. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained an understanding of the process and internal controls related to this significant revenue generating activity. We analyzed key contracts and the Company's assessment of the revenue contracts in accordance with the IFRS 15 "Revenue from Contracts with Customers" standard.

- We obtained a listing of all gift cards purchased and sold in the year and compared this list to revenue recognized. The remaining balance of gift cards sold but not yet in ending inventory represented the gross magnitude of the gift card liability at year end. We compared this value to the Company's estimate of the total gift card liability.
- With the assistance of our internal IT specialists, we tested the integrity of the gift card purchased and sold information derived directly from the Company's systems.
- We obtained the Company's assessment of the percentage of breakage relating to the gift card liability and compared the percentage applied to industry statistics as well as historical actual results.

### **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leanne Bjalek.

Calgary, Alberta  
November 6, 2023

*MNP LLP*

Chartered Professional Accountants

## **NOTICE TO READER**

Amendment and Restatement of the Consolidated Financial Statements

November 6, 2023

EonX Technologies Inc. is hereby filing these Amended and Restated Audited Consolidated Financial Statements for the years ended June 30, 2023 and 2022.



Subsequent to the issuance of the audited Consolidated Financial Statements for the years ended June 30, 2023 and 2022 on October 30, 2023, the Company identified certain errors in those consolidated financial statements. Refer to note 23 and 24 for restatement details.

There were no subsequent events from October 30, 2023 (date of the original filing) to November 6, 2023 (date of refiling).

In connection with the filing of these Amended and Restated Consolidated Financial Statements for the years ended June 30, 2023 and 2022, and the adjustments noted above, the Company is also filing;

- Amended and Restated Management Discussion and Analysis in compliance with the requirements of National Instrument 51-102 Continuous Disclosure Obligations; and,
- CEO and CFO certifications in compliance with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings

**EONX TECHNOLOGIES INC.**  
**AMENDED AND RESTATED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

As at June 30,	Note	2023 \$	2022 \$
		<b>Restated (Note 24)</b>	Restated (Note 23)
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		4,866,324	1,301,483
Accounts receivable	21	4,671,559	3,108,697
Inventory		1,291,550	1,935,153
Research and development credits receivable	10	3,727,844	2,504,321
Prepaid expenses		539,424	-
Other current assets		4,783	68,733
Contract asset		-	35,184
<b>Total current assets</b>		<b>15,101,484</b>	<b>8,953,571</b>
Non-current assets			
Deposits	5	591,625	2,091,624
Property and equipment	6	26,962	70,780
Right-of-use assets	12	146,971	307,304
<b>Total non-current assets</b>		<b>765,558</b>	<b>2,469,708</b>
<b>Total assets</b>		<b>15,867,042</b>	<b>11,423,279</b>
<b>LIABILITIES</b>			
Current liabilities			
Trade and other payables	21	10,074,932	7,957,121
Borrowings	13	1,350,000	5,033,443
Provision for employee entitlements	7	541,665	486,034
Income taxes payable	18	-	316,784
Contract liabilities	9	5,825,559	866,673
Lease liability	12	247,260	255,635
<b>Total current liabilities</b>		<b>18,039,416</b>	<b>14,915,690</b>
Non-current liabilities			
Borrowings	13	-	2,499,997
Convertible debt facility – host debt	14	6,994,904	-
Convertible debt facility – derivative component	14	60,996	-
Lease liability	12	-	247,260
<b>Total non-current liabilities</b>		<b>7,055,900</b>	<b>2,747,257</b>
<b>Total liabilities</b>		<b>25,095,316</b>	<b>17,662,947</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	15	5,465,954	5,147,960
Contributed surplus	16	5,894,212	3,482,458
Accumulated other comprehensive income (loss)		(136,014)	10,095
Deficit		(20,452,426)	(14,880,181)
<b>Total shareholders' equity (deficiency)</b>		<b>(9,228,274)</b>	<b>(6,239,668)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>15,867,042</b>	<b>11,423,279</b>
NATURE AND CONTINUANCE OF OPERATIONS	1		
COMMITMENTS	21		
Approved on behalf of the Board of Directors			
(Signed) "Andrew Kallen"			
Director		(Signed) "Anoosh Manzoori"	Director

**EONX TECHNOLOGIES INC.****AMENDED AND RESTATED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

<b>Years ended June 30,</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
		<b>Restated</b>	<b>Restated</b>
		<b>(Note 24)</b>	<b>(Note 23)</b>
<b>REVENUE</b>			
Revenue	8	16,133,775	7,510,074
Cost of Sales		(1,084,234)	-
Gross Profit		15,049,541	7,510,074
Other income		122,345	-
		15,171,886	7,510,074
<b>EXPENSES</b>			
Corporate and administrative expenses	19	4,753,973	1,978,197
Employee expenses		7,698,985	6,417,819
Research and development and technology expenses	10	4,044,494	3,372,885
		16,497,452	11,768,901
<b>OPERATING LOSS</b>			
		(1,325,566)	(4,258,827)
Other expenses			
Share-based compensation	16	2,532,268	3,364,578
Depreciation and amortization	6,12	226,904	165,459
Fair value adjustment of derivative	14	(102,579)	-
Director fees	11	200,000	-
Finance costs	22	1,394,086	187,424
		4,250,679	3,717,461
<b>LOSS BEFORE INCOME TAX EXPENSE</b>			
		(5,576,245)	(7,976,288)
Income tax expense (recovery)	18	(4,000)	120,322
Net loss		(5,572,245)	(8,096,610)
<b>OTHER COMPREHENSIVE INCOME</b>			
Exchange gain (loss) on translating foreign operations		(146,109)	10,095
<b>NET LOSS AND COMPREHENSIVE LOSS</b>			
		(5,718,354)	(8,086,515)
Weighted average common shares outstanding	17	38,658,959	37,021,490
Loss per share, basic and diluted		(0.14)	(0.22)



**EONX TECHNOLOGIES INC.****AMENDED AND RESTATED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Accumulated other Comprehensive Income (Loss)	Total
			\$	\$	\$	\$	\$
<b>Balance, June 30, 2021</b>		<b>29,400,120</b>	<b>2,151,520</b>	<b>385,568</b>	<b>(6,783,571)</b>	<b>-</b>	<b>(4,246,483)</b>
Foreign exchange translation		-	-	-	-	10,095	10,095
Net loss		-	-	-	(8,096,610)	-	(8,096,610)
Issue shares for related party debt	14	4,666,471	2,282,500	-	-	-	2,282,500
Exercise of options	15	4,109,200	446,253	-	-	-	446,253
Share based compensation	16	-	-	3,364,577	-	-	3,364,577
Transfer of fair value on options exercised	15	-	267,687	(267,687)	-	-	-
<b>Balance, June 30, 2022</b> <b>(restated note 23)</b>		<b>38,175,791</b>	<b>5,147,960</b>	<b>3,482,458</b>	<b>(14,880,181)</b>	<b>10,095</b>	<b>(6,239,668)</b>
Foreign exchange translation		-	-	-	-	(146,109)	(146,109)
Net loss		-	-	-	(5,572,245)	-	(5,572,245)
Exercise of options	15	1,764,000	197,480	-	-	-	197,480
Share based compensation	16	-	-	2,532,268	-	-	2,532,268
Transfer of fair value on options exercised	15	-	120,514	(120,514)	-	-	-
<b>Balance, June 30, 2023</b> <b>(restated note 24)</b>		<b>39,939,791</b>	<b>5,465,954</b>	<b>5,894,212</b>	<b>(20,452,426)</b>	<b>(136,014)</b>	<b>(9,228,274)</b>

**EONX TECHNOLOGIES INC.**  
**AMENDED AND RESTATED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

<b>Years ended June 30,</b>	<b>Note</b>	<b>2023</b> Restated (Note 24) <b>\$</b>	<b>2022</b> Restated (Note 23) <b>\$</b>
<b>Operating Activities</b>			
Net loss for the year		<b>(5,572,245)</b>	(8,096,610)
Adjustments to reconcile net loss to net cash used in operations			
Share based compensation	16	<b>2,532,268</b>	3,364,578
Depreciation and amortization	6,12	<b>226,904</b>	165,458
Non cash flow adjustment to derivative	14	<b>(102,579)</b>	-
Interest component of lease payments	12	<b>(12,197)</b>	(19,034)
Changes in non-cash working capital balances:			
Accounts receivable		<b>(1,562,862)</b>	(2,406,265)
Research and development credits receivable	10	<b>(3,727,844)</b>	(2,504,321)
Research and development credits received in cash		<b>2,504,321</b>	2,390,942
Prepaid expenses		<b>(539,424)</b>	-
Other current assets		<b>63,950</b>	(64,987)
Contract assets		<b>35,184</b>	(35,184)
Inventory		<b>643,603</b>	(1,236,718)
Trade and other payables		<b>1,971,704</b>	5,284,503
Employee entitlements	7	<b>55,631</b>	(286,531)
Income taxes payable		<b>(316,784)</b>	(387,768)
Contract liabilities	9	<b>4,958,886</b>	-
<b>Cash provided by (used in) operating activities</b>		<b>1,158,517</b>	(3,831,937)
<b>Investing Activities</b>			
Purchase of property and equipment	6	<b>(22,754)</b>	-
Payments and withdrawals of deposits	5	<b>1,499,999</b>	(2,000,000)
<b>Cash provided by (used in) investing activities</b>		<b>1,477,245</b>	(2,000,000)
<b>Financing Activities</b>			
Proceeds from related party loans	14	<b>7,293,258</b>	-
Repayment of related party debt	14	<b>(784,410)</b>	-
Proceeds from borrowings	13,14	<b>18,240,213</b>	13,421,737
Repayment of borrowings	13	<b>(24,423,653)</b>	(11,599,997)
Lease payments	12	<b>(243,439)</b>	(260,263)
Proceeds from exercise of share options	15	<b>197,480</b>	446,253
Changes in non-cash financing activities (non-cash fees on related party loan)	14	<b>649,631</b>	-
<b>Cash provided by financing activities</b>		<b>929,079</b>	2,007,730
Increase (decrease) in cash and cash equivalents during the year		<b>3,564,841</b>	(3,824,207)
Cash and cash equivalents, beginning of the year		<b>1,301,483</b>	5,125,690
<b>Cash and cash equivalents, end of the year</b>		<b>4,866,324</b>	1,301,483

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**1 NATURE AND CONTINUANCE OF OPERATIONS**

EonX Technologies Inc. (formerly 1263205 B.C. Ltd.) (“EonX Canada”) was incorporated under the Laws of the Province of British Columbia on August 27, 2020. On February 26, 2021, 1263205 B.C. Ltd. Changed its name to EonX Technologies Inc. (the “Company” or “EonX”). On March 23, 2021, the Company completed a share swap agreement with EonX Services Pty Ltd. (“EonX Australia”). EonX Canada did not constitute a business as defined by IFRS 3 *Business Combinations* and EonX Australia was considered the resulting Issuer (Note 5). The address of the Company’s corporate office and its principal place of business is 1183 Toorak Rd, Camberwell VIC 3124, Australia. The Company’s shares were listed on the Canadian Securities Exchange on March 29, 2021.

The Company began operations in November 2016 and as of June 30, 2023, its principal business activity is developing and marketing a suite of financial technology products including payment processor, e-wallets, identity and security for Know Your Customer (KYC) and Anti Money Laundering (AML), loyalty points solutions, and an e-commerce store.

These amended and restated consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. During the year ended June 30, 2023, the Company generated a net loss of \$5,572,245 (restated) and cash flows from operating activities of \$1,158,517. As at June 30, 2023, the Company has an accumulated deficit of \$20,452,426 (restated) and a working capital deficit of \$2,937,932 (restated). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company’s ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing.

**2 BASIS OF PRESENTATION****Statement of compliance**

These amended and restated consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These amended and restated consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 6, 2023.

**Basis of measurement**

These amended and restated consolidated financial statements are stated in AUD dollars, except otherwise noted and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

**Basis of consolidation**

The amended and restated consolidated financial statements include the accounts of the Company and its subsidiaries which are consolidated from the date of acquisition/incorporation, being the date on which the Company obtained control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies. All intercompany balances and transactions are eliminated in full upon consolidation.

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**2 BASIS OF PRESENTATION (continued)**

**Basis of consolidation (continued)**

Name of entity	Jurisdiction	Principal activity	Functional Currency	Ownership
EonX Technologies Inc.	Canada	Legal parent	CAD	-
EonX Services UK Limited	UK	Financial Products	GBP	100% by EonX Technologies Inc
EonX Canada Inc	Canada	Financial Products	CAD	100% by EonX Technologies Inc
EonX Services UK Ltd (DUBAI BRANCH)	UAE	Financial Services	AED	100% by EonX Services UK Limited
EonX Corporation Inc	USA	Financial Products	USD	100% by EonX Services UK Limited
EonX NZ Limited	New Zealand	Financial Products	NZD	100% by EonX Services UK Limited
EonX International Services Pty Ltd	Australia	Financial Products	AUD	100% by EonX Services UK Limited
EonX Services Pty Ltd	Australia	Financial Products	AUD	100% by EonX Services UK Limited
EonX Services Australia Pty Ltd	Australia	Financial Products	AUD	100% by EonX Services Pty Ltd

All intercompany transactions, balances, income and expenses are eliminated on consolidation.

**Foreign currencies**

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through income and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into AUD dollars, the Company's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into AUD dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive income or loss and accumulated in the accumulated other comprehensive income within equity.

**3 SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments**

Financial assets

*Recognition and initial measurement*

On initial recognition, financial assets are measured at fair value and are subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments (continued)***Classification and subsequent measurement*

For financial assets that are classified at amortized cost, assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash and cash equivalents, accounts receivable, contract assets and deposits.

The Company does not hold any financial assets measured at FVTOCI.

Financial assets measured subsequently at fair value through profit or loss ("FVTPL") – By default, all other financial assets are measured subsequently at FVTPL. The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on the instrument.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company's does not hold any financial assets measured at FVTPL.

*Impairment*

The measurement of impairment of financial assets classified at amortized cost is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component. Lifetime expected credit loss ("ECL") are measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 which allows the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates, probability of payment as well as credit ratings of major customers.

*Derecognition*

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

*Financial liabilities**Recognition and initial measurement*

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at FVTPL for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method or FVTPL. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

---

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

The Company's financial liabilities include trade and other payables, contract liabilities, borrowings and provision for employee entitlements which are all measured at amortized cost. The convertible debt financial liabilities debt component is measured at amortized cost and the derivative component is measured at fair value through profit and loss. After initial recognition, an entity cannot reclassify any financial liability.

*Derecognition*

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**Cash and cash equivalents**

Cash and cash equivalents in the amended and restated consolidated statements of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and is available on demand by the Company for its programs.

**Research and development credits receivable**

The Company is eligible to receive tax credits from its eligible research and development expenditures. Investment tax credits are accrued when qualifying expenditures are incurred and there is reasonable assurance that the credits will be realized. Investment tax credits earned with respect to current expenditures for qualified research and development activities are included in the consolidated statements of loss and comprehensive loss as a reduction of expenses. Investment tax credits associated with capital expenditures are reflected as reductions in the carrying amounts of capital assets. The determination of the amount of the tax credit requires management to make calculations based on its interpretation of eligible expenditures in accordance with the terms of the programs. The reimbursement claims submitted by the Company are subject to review by the relevant government agencies. Although the Company has used its best judgement and understanding of the related program agreements in determining the claim, it is possible that the amounts could increase or decrease dependent on the review and audit by the government agency.

**Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Depreciation is recorded to recognize the cost of assets over their useful lives, using the declining value method of calculating the depreciation expense for a period.

The estimated useful lives of property and equipment are as follows:

Equipment	5 years
Furniture and Fittings	5 years
Leasehold improvements over lease term	

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****Employee entitlements**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Impairment of property and equipment**

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows ("cash-generating unit" or "CGU"). The Company has three CGUs. All other long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by the CGU's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell or value-in-use. The resulting impairment loss is recognized in income or loss.

To determine the value-in-use, management estimates expected future cash flows from the CGU and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements.

Discount factors have been determined for the CGUs and reflect its risk profile as assessed by management.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent of the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired.

**Inventory**

Inventory is comprised of physical and e-gift cards and are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expense. Cost is comprised of purchase net of rebates and discounts received or receivable.

At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to sell and recognized in the statements of loss and comprehensive loss.

**Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

**Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****Convertible debenture**

Convertible instruments that consist of a loan (liability component) and an equity conversion option that allows the option holder to convert the loan into a fixed number ("fixed-for-fixed criteria") of borrower's shares (equity component) are classified as "compound instruments". The Company determined that its convertible debt facility does not meet criteria for the compound instruments (no equity component is identified, as the fixed-for-fixed criteria was not met), hence it will be considered as a "hybrid instrument", which includes both a non-derivative host contract and one or more embedded derivatives.

IFRS 9 permits such a hybrid contract that contains one or more embedded derivatives meeting particular conditions maybe designed at the entity's election, in its entirety, at fair value through profit or loss ("the fair value option"). Management decided not to elect the fair value option, resulting in the following approach:

The Company's convertible debt facility contains a financial liability (non-derivative host contract) and one or more embedded derivatives. The liability is initially recorded at residual value after first valuing the derivative component and is subsequently carried at amortized cost using the effective interest rate method. The liability is accreted to the face value over the term of the convertible debt. Accretion is expensed to the consolidated statements of loss and comprehensive loss.

The conversion feature within the convertible debt facility has been determined to be an embedded derivative that is not closely related to the liability host, and it is bifurcated and accounted for separately, by first valuing the derivative component. At each reporting period, the derivative is fair valued with changes in fair value recorded as a gain or loss in the consolidated statements of loss and comprehensive loss. The fair value of the derivative at the inception date and at each reporting period is calculated using the Black Scholes Model. The key assumptions used in the model are risk free rates and expected volatility. The expected volatility assumption is based on the historical volatility of the Company's stock over a term equal to the remaining term of corresponding debt instrument. Fees paid to establish convertible debt facility are recognized as transaction costs. The Company used relevant guidance and allocate transaction costs on a pro rata basis to the non-derivative financial liability host and the embedded derivative. Transactions costs allocated to the non-derivative financial liability are recognized over the remaining term of the facility. Transaction costs allocated to the embedded derivative were recognized in the consolidated statements of loss and comprehensive loss.

**Share-based payments**

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an expense with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of options granted to employees and others providing similar services are measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Cancellation of share-based payments are accounted for as an acceleration of vesting and recognized immediately in the consolidated statements of loss and comprehensive loss.



---

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Share capital**

The Company records proceeds from share issues net of share issue costs. Proceeds and issue costs from unit placements are allocated between shares and warrants issued according to their residual value. The residual value is attributed to the value of the warrants. The value of the share component and warrant is credited to share capital with any residual value attributed to the warrant. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized is recorded as an increase to share capital. In the event there is a change to the warrant terms (price or exercise date), no change is made to the initial value recognized for the warrant.

**Revenue recognition**

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognized as a refund liability.

*Revenues from licensing and platform implementation fees*

Clients are charged a one-time, upfront implementation fee and recurring licensing and/or platform access fees. Implementation and integration of custom-built platforms are complex, and EonX has determined that the one-time, upfront services are not distinct from recurring licensing and/or platform access fees where EonX will maintain ownership of the platform at the end of the contract period, or if the platform requires a significant time or cost to transfer away from EonX control. In determining whether implementation services are distinct from subscription services, EonX considers various factors including the significant level of integration, interdependency, and interrelation between the implementation and licensing/access services, as well as the time and cost of the clients' personnel or other service providers to perform significant portions of the transfer services. As a result, EonX defers any fees and costs for non-distinct implementation services and recognizes such amounts over time on a ratable basis as one performance obligation with the underlying recurring revenue commencing when the client goes live on the platform, which corresponds with the date the client obtains access to their solution and begins to benefit from the service. During the term of the contract, clients may purchase additional professional services to modify or enhance their platform capabilities. These services are distinct performance obligations recognized when control of the enhancement is transferred to the client.

### **3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Revenue recognition (continued)**

Revenues earned from licensing and platform access fees are earned over the period of the license and/or access to the technology platform provided to the enterprise client. Revenues are accrued as earned, which, without any specific performance milestone set out in the contract, is on a straight-line basis over the life of the contract or access to the platform. Any specific performance obligations stipulated in the contract are separated, where possible and accrued as those obligations are achieved on a pro-rata basis by reference to the time or hours stipulated to achieve that performance obligation. Any difference between billings for licenses and/or platform access charges and the earning of revenues is taken to the statement of financial position as a contract asset or liability, depending upon whether that billing is in-arrears or in-advance of the revenue recognition.

#### *Revenues from commissions achieved from transaction processing and product sales.*

Revenues received from commissions achieved from transaction payment processing and product sales are recognized at a point in time with reference to the timing of the processing of the underlying transaction entered into by the enterprise client and their customer. As the Company acts as an agent in the processing of the transaction, notwithstanding that cash inflows from the transaction pass through the Company's bank accounts, these inflows and outflows are net off against each other in order to reflect the underlying commission entitlement achieved from processing those transactions. The service that is provided is the processing of the transaction and product sales.

Product sales is mainly comprised of gift card revenue which is recognized on a net basis at the point in time gift cards are sent to the purchaser and activated. Breakage represents the estimated gift cards that are not expected to be redeemed. The amount of revenue recognized related to breakage is based on the number of gift cards redeemed in a period in relation to the total number of gift cards expected to be redeemed. The number of gift cards redeemed in a period also factors into any revised estimate for breakage.

#### *Revenues from professional services*

Professional services revenue consists of consulting, training and contract customization activities, and ad hoc engagements where the Company's experts consult and write specific applications that run on the customer's platform, enabling and automating business collaboration and multi-party information exchange. These arrangements can be executed through various means including a statement of work ("SOW") or period-based agreements as hours or services are incurred. Revenue from professional services is recognized at a point in time when the distinct and separate professional and consulting services are rendered to and accepted by the customer, and the payments associated with those completed and accepted professional services are non-refundable.

#### *Customer loyalty points*

Customer loyalty points are accounted for as a separate performance obligation of the transaction in which they are granted. The Company recognizes a liability at the time the points are earned by loyalty program members based on the relative stand-alone selling price of the awarded points. The relative stand-alone selling price is determined by allocating consideration between the stand-alone selling price of the loyalty points earned by loyalty program members, net of breakage, and the goods and services on which the awards were earned.

#### *Interest income*

Interest revenue is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****Government grants and assistance**

The Company recognizes government grants and assistance when there is reasonable assurance that the grant or assistance will be received, and any conditions associated with the grant or assistance have been met. Grants and assistance that compensate the Company for expenses incurred are recognized in the consolidated statements of loss and comprehensive loss as a reduction of the related expenses in the period in which they are earned, provided the conditions for receiving the grant or assistance are met in that period.

**Earnings (loss) per share**

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if the dilutive securities were exercised or converted to common shares. The dilutive effect of the options and warrants are computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**Income taxes**

Income tax expense comprises current and deferred income tax. Income tax is recognized in the consolidated statements of loss and comprehensive loss except to the extent that it relates to items recognized directly into equity, in which case the related tax effect is recognized in equity.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax expense is calculated using tax rates, laws and government policies that were enacted or substantively enacted at the statement of financial position date.

Deferred tax is accounted for using the liability method and is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable income. Deferred tax is calculated based on the expected manner in which temporary differences related to the carrying amounts of assets and liabilities are expected to reverse using tax rates and laws enacted or substantively enacted which are expected to apply in the period of reversal.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination and which do not affect accounting or taxable profit or loss at the time of the transaction.

**Comparative figures**

Certain comparative figures have been reclassified for the year ended June 30, 2022 to reflect the current year's presentation. The adjustments were not considered material and did not affect the Company's consolidated net loss.

**New accounting pronouncements**

The Company has reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that there are no such pronouncements that may impact the Company.

**Segment Information**

The Company's chief operating decision makers ("CODM"), being the Chief Executive Officer, the Chief Operating Officer, Chief Technology Officer, and the Chief Information Officer, evaluate performance and make decisions about resources to be allocated based on financial data consistent with the presentation in these consolidated financial statements. The Company's CODM does not review any financial data with any further segmentation.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**4 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Significant areas requiring the use of management estimates 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.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

*Revenue recognition*

Revenue from licensing and platform implementation fees

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.

Revenues from commissions achieved from product sales.

Breakage represents the estimated product sales (gift cards) that are not expected to be redeemed. Breakage is estimated by management based on historical accumulation and redemption patterns as well as industry trends, as adjusted for changes to any terms and conditions or other circumstances that may affect future redemptions. A change in assumptions as to the number of gift cards expected to be redeemed could have a significant impact on revenue in the year in which the change occurs.

Breakage estimates and resulting amount of breakage revenues recorded are estimated based on historical breakage patterns and are subject to measurement uncertainty. Estimates of breakage may vary in future periods.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

---

**4 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)***Leases*

The incremental borrowing rates are based on judgements and estimates 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.

*Convertible debt*

Upon entering a convertible debt facility transaction, management applies judgement in assessing the appropriate treatment. Management determined that its convertible debt facility does not meet the criteria for the compound instruments and as a result, will be considered as a hybrid instrument, which includes both a non-derivative host contract and one or more embedded derivatives. The conversion feature within the convertible debt facility has been determined to be an embedded derivative that is not closely related to the liability host, and it is bifurcated and accounted for separately, by first valuing the derivative component.

At each reporting period, the derivative is fair valued with changes in fair value recorded as a gain or loss in the statement of loss and comprehensive loss. The Company estimates the fair value of its conversion option derivative using the Black Scholes method. The key assumptions used in the model are risk free rates and expected volatility.

*Employee benefits*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognized 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

*Use of judgements*

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments with a significant risk of material adjustment in the next year. The more significant areas where management judgement has been applied are:

*Going concern*

The assessment of the Company’s ability to execute its strategy by funding future working capital requirements involves judgement. The directors monitor future cash requirements to assess the Company’s ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

#### **4 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

##### *Recovery of deferred tax assets*

Deferred tax assets are recognized for deductible temporary differences only if the consolidated Company considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses. The principal temporary differences not recognized in these consolidated financial statements relate to contract liabilities and provision.

##### *Recognition of revenue on a gross versus net basis*

The Company follows the guidance provided in IFRS 15 for determining whether the Company is the principal or an agent in arrangements with customers that involve another party that contributes to providing a specified service to a customer. In these instances, the Company determines whether it has promised to provide the specified service itself (as principal) or to arrange for the specified service to be provided by another party (as an agent). This determination depends on the facts and circumstances of each arrangement and, in some instances, involves significant judgement.

##### *Leases*

Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

##### *Taxation*

The calculation for current and deferred taxes requires management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

##### *Determination of functional currency*

The Company gives priority to the considerations outlined in IAS 21 when determining functional currencies of its entities based on which currency most faithfully represents the economic effects of the underlying transactions and events.

##### *Convertible Instruments*

Convertible debentures are compound financial instruments which components are accounted for separately as financial liabilities or equity instruments. The financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires management judgement. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

##### *Determination of CGUs*

The Company gives priority to the considerations outlined in IAS 36 when determining CGUs based on the smallest identifiable group of assets that generate cash inflows largely independently of other assets or groups of assets.

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**5 DEPOSITS**

<b>As at June 30,</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Rental-Bond	<b>6,300</b>	6,300
National Australia Bank guarantee	<b>85,325</b>	85,324
Citibank collateral deposit	<b>500,000</b>	2,000,000
<b>Total</b>	<b>591,625</b>	2,091,624

Citibank shall hold a collateral deposit as a cash collateral deposit to pay off, or otherwise extinguish EonX's obligation to pay any amount owing, now or in the future, actual or contingent, by the Company to Citibank pursuant to the banking facility.

**6 PROPERTY AND EQUIPMENT**

<b>Costs</b>	<b>Leasehold</b>	<b>Equipment</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, June 30, 2021	61,382	245,280	18,749	325,411
Additions	-	-	-	-
Balance, June 30, 2022	61,382	245,280	18,749	325,411
Additions	-	21,667	1,087	22,754
<b>Balance, June 30, 2023</b>	<b>61,382</b>	<b>266,947</b>	<b>19,836</b>	<b>348,165</b>
<b>Accumulated depreciation</b>				
Balance, June 30, 2021	7,385	229,883	12,239	249,507
Depreciation	1,350	2,473	1,302	5,125
Balance, June 30, 2022	8,735	232,356	13,541	254,632
Depreciation	45,614	19,753	1,204	66,571
<b>Balance, June 30, 2023</b>	<b>54,349</b>	<b>252,109</b>	<b>14,745</b>	<b>321,203</b>
<b>Net book value</b>				
As at June 30, 2022	52,647	12,924	5,208	70,780
<b>As at June 30, 2023</b>	<b>7,033</b>	<b>14,838</b>	<b>5,091</b>	<b>26,962</b>

**7 PROVISION FOR EMPLOYEE ENTITLEMENTS**

	<b>Annual Leave</b>	<b>Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at June 30, 2021	352,804	92,589	445,393
Paid during the year	(286,531)	-	(286,531)
Accrued during the year	327,172	-	327,172
Balance at June 30, 2022	393,445	92,589	486,034
Paid during the year	(468,128)	-	(468,128)
Accrued during the year	477,576	46,183	523,759
<b>Balance at June 30, 2023</b>	<b>402,893</b>	<b>138,772</b>	<b>541,665</b>

Australian Employment law requires a Company to accrue for paid annual leave at the rate of 4 weeks per year and paid long service leave at a rate of 7 weeks after 7 years of employment.

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**8 REVENUE**

<b>For the years ended June 30,</b>	<b>2023</b> <b>Restated</b> <b>\$</b>	<b>2022</b> <b>Restated</b> <b>\$</b>
Commission from transaction processing	<b>470,160</b>	749,100
Product sales	<b>1,757,048</b>	913,702
Licensing and platform access fees	<b>4,971,923</b>	5,769,605
Professional services	<b>8,933,177</b>	-
Other revenue	<b>1,467</b>	77,667
	<b>16,133,775</b>	7,510,074

The Company's revenue is generated in Australia, the UAE and the USA. For the year ended June 30, 2023, 55.4% (restated) of the Company's revenue was earned through sales to one major customer (2022 – 19% of revenue to one major customer). As at June 30, 2023, accounts receivable from this one customer was \$2,316,000 (2022 – \$1,343,967). This was all received at the signing of this report.

The Company also has recognized as a receivable research and development tax incentive income of \$3,727,844 for the year (2022 - \$2,504,321). This amount has been credited to the research and development expense line in accordance with IAS 20 (Note 10).

*Segment revenue*

The Company has revenue generating units in Australia, the United States of America and Dubai. The revenue generated by each segment is as follows:

<b>Year ended June 30, 2022</b>	<b>Australia</b> <b>\$</b>	<b>UAE</b> <b>\$</b>	<b>USA</b> <b>\$</b>	<b>Total</b> <b>\$</b>
Commission from transaction processing	749,100	-	-	749,100
Product sales	913,702	-	-	913,702
Licensing and platform access fees	4,299,829	-	1,469,776	5,769,605
Other	60,242	-	17,425	77,667
<b>Total (restated)</b>	<b>6,022,873</b>	<b>-</b>	<b>1,487,201</b>	<b>7,510,074</b>
<b>Year ended June 30, 2023</b>				
Commission from transaction processing	470,160	-	-	470,160
Product sales	1,757,048	-	-	1,757,048
Licensing and platform access fees	4,971,923	-	-	4,971,923
Professional services	-	8,933,177	-	8,933,177
Other revenue	1,467	-	-	1,467
<b>Total (restated)</b>	<b>7,200,598</b>	<b>8,933,177</b>	<b>-</b>	<b>16,133,775</b>



**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

**8 REVENUE (continued)**

Assets and Liabilities by segment are as follows:

<b>Year ended June 30, 2022</b>	<b>Australia</b>	<b>UK</b>	<b>USA</b>	<b>Total</b>
<b>Restated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Cash and cash equivalent	1,297,602	1,057	2,824	1,301,483
Accounts receivable	767,719	854,355	1,486,623	3,108,697
Inventory	1,935,153	-	-	1,935,153
R&D Credits receivable	2,504,321	-	-	2,504,321
Other Current Assets	68,733	-	-	68,733
Contract assets	35,184	-	-	35,184
Deposits	2,091,624	-	-	2,091,624
Property plant and equipment	70,780	-	-	70,780
Right of use asset	307,304	-	-	307,304
<b>Total assets</b>	<b>9,078,420</b>	<b>855,412</b>	<b>1,489,447</b>	<b>11,423,279</b>
<b>Liabilities</b>				
Trade and other payables	7,957,121	-	-	7,957,121
Borrowings	3,892,108	1,141,335	-	5,033,443
Provision for employee entitlements	486,034	-	-	486,034
Income taxes payable	316,784	-	-	316,784
Contract Liabilities	866,673	-	-	866,673
Lease Liability	255,635	-	-	255,635
Non-Current Liabilities	2,747,257	-	-	2,747,257
<b>Total liabilities</b>	<b>16,521,612</b>	<b>1,141,335</b>	<b>-</b>	<b>17,662,947</b>

<b>Year ended June 30, 2023</b>	<b>Australia</b>	<b>UAE</b>	<b>USA</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Cash and cash equivalent	4,738,387	122,098	5,839	4,866,324
Accounts receivable	2,001,779	2,669,780	-	4,671,559
Inventory	1,291,550	-	-	1,291,550
R&D Credits receivable	3,727,844	-	-	3,727,844
Prepaid expenses	539,424	-	-	539,424
Other Current Assets	4,783	-	-	4,783
Deposits	591,625	-	-	591,625
Property plant and equipment	26,962	-	-	26,962
Right of use asset	146,971	-	-	146,971
<b>Total assets</b>	<b>13,069,325</b>	<b>2,791,878</b>	<b>5,839</b>	<b>15,867,042</b>
<b>Liabilities</b>				
Trade and other payables	9,857,276	203,039	14,617	10,074,932
Borrowings	1,350,000	-	-	1,350,000
Provision for employee entitlements	541,665	-	-	541,665
Contract Liabilities	5,825,559	-	-	5,825,559
Lease Liabilities	247,260	-	-	247,260
Non-Current borrowings	7,055,900	-	-	7,055,900
<b>Total liabilities (restated)</b>	<b>24,877,660</b>	<b>203,039</b>	<b>14,617</b>	<b>25,095,316</b>

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**9 CONTRACT LIABILITIES**

The following table represents changes in contract liabilities for the years ended June 30, 2023 and 2022:

Balance, June 30, 2021	\$949,370
Invoiced in the period, excluding amount recognized as revenue	866,673
Amount recognized as revenue	(949,370)
<b>Balance, June 30, 2022</b>	<b>\$866,673</b>
Invoiced in the period, excluding amount recognized as revenue	5,825,559
Amount recognized as revenue	(866,673)
<b>Balance, June 30, 2023</b>	<b>\$5,825,559</b>

Included in contract liabilities is \$667,149 in liabilities relating to customer loyalty points as at June 30, 2023 (June 30, 2022 - \$nil). Estimated breakage on the loyalty points liability is 0% as at June 30, 2023 (June 30, 2022 – 0%) based on historical results. Based on historical actual results, customer loyalty points are expected to be redeemed within one year of issuance.

**10 GOVERNMENT ASSISTANCE**

*Research and Development tax incentive credits*

The Company is eligible for research and development tax incentive credits. For the year ended June 30, 2023, the Company determined that it qualified for \$3,727,844 research and development tax incentive credits (2022 - \$2,504,321) which have been recognized as a reduction to the related expenses in the consolidated statements of loss and comprehensive loss.

**11 RELATED PARTY TRANSACTIONS**

During the years ended June 30, 2023 and 2022, the Company incurred the following related party transactions:

- (a) The Company incurred stock-based compensation to officers and directors in the amount of \$49,478 (2022 – \$3,364,578). The remaining expense in the year was the acceleration of the prior year options that were cancelled by the Company.
- (b) The Company incurred consulting fees paid to a related party of the CEO in the amount of \$1,645,000 (2022 - \$670,000).
- (c) In trade and other payable, there is \$229,710 (2022 - \$50,913) that is attributable to related parties.

The directors of the Company are Justin Hanka, Anoosh Manzoori and Andrew Kallen. The key executives of the company are Nathan Sceberas (CIO), John Dinan (CFO), Steve Iannello (COO), Jason Tymms (CPO) and Pavel Zagaria (CTO).

Payments to the directors and key management personnel:

<b>For the year ended June 30, 2023</b>	<b>Directors fees</b>	<b>Consulting fees/ Salary</b>	<b>Benefits</b>	<b>Superannuation</b>	<b>Total</b>
Paid to Directors	200,000	1,798,386	545,656	-	<b>2,544,042</b>
Paid to Key executives	-	1,519,366	127,576	71,925	<b>1,718,867</b>
<b>For the year ended June 30, 2022</b>					
Paid to Directors	-	-	-	-	-
Paid to key executives	-	720,000	42,449	-	<b>762,449</b>

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

**12 RIGHT OF USE ASSETS AND LEASE LIABILITIES**

The Company's right of use asset and lease liability relates to office premises.

**Right of use Assets**

Balance at July 1, 2021	\$467,637
Depreciation	(160,333)
Balance at June 30, 2022	<b>307,304</b>
Depreciation	(160,333)
<b>Balance at June 30, 2023</b>	<b>\$146,971</b>
<b>Lease Liabilities</b>	
Balance at July 1, 2021	\$744,124
Interest expense	19,034
Lease payments	(260,263)
Balance at June 30, 2022	502,895
Interest expense	12,197
Lease payments	(267,832)
<b>Balance as at June 30, 2023</b>	<b>\$247,260</b>

The interest rate used to determine the right of use assets and lease liabilities was 3% per annum.

<b>As at June 30,</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current lease liability	<b>247,260</b>	255,635
Non-current lease liability	-	247,260
<b>Total lease liability</b>	<b>247,260</b>	502,895

The table below outlines the undiscounted minimum lease payment commitments.

<b>As at June 30</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Less than 1 year	<b>250,985</b>	267,235
Between 1-5 years	-	250,985

**13 BORROWINGS**

	<b>NAB Overdraft Facility \$</b>	<b>NAB Credit facility \$</b>	<b>Total \$</b>
<b>Balance at 30 June, 2021</b>	<b>2,561,700</b>	<b>3,150,000</b>	<b>5,711,700</b>
Debt advancement	7,149,366	6,049,997	13,199,363
Interest expense	165,160	-	165,160
Loan fees	57,214	-	57,214
Debt repayment	(4,899,997)	(6,700,000)	(11,599,997)
Settlement of debt for issue of shares	-	-	-
<b>Balance at June 30, 2022</b>	<b>5,033,443</b>	<b>2,499,997</b>	<b>7,533,440</b>
Interest expense	170,723	65,121	235,844
Repayments	(18,923,656)	(5,499,997)	(24,423,653)
Debt advancement	13,890,213	4,350,000	18,240,213
<b>Balance at June 30, 2023</b>	<b>-</b>	<b>1,350,000</b>	<b>1,350,000</b>

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**13 BORROWINGS (continued)**

The Company entered into an overdraft and loan facility with NAB on July 3, 2020 for a maximum amount of \$5,000,000 and \$2,500,000 respectfully. The NAB debt is an overdraft facility of up to a maximum of \$2,500,000 and is subject to a floating interest rate plus a 0.55% risk margin. The effective interest rate as at June 30, 2023 was 5.735% (June 30, 2022 - 6.22%). The NAB loan facility of up to a maximum of \$5,000,000 is subject to a floating interest rate plus a 1.00% risk margin. The effective interest rate as at June 30, 2023 was 5.735% (June 30, 2022 – 3.33%).

None of the above loans or credit facilities are subject to covenants.

The NAB have completed two reviews on the overdraft and loan facilities and have advised that the facilities are in good standing and no comments or issues were advised. The next review of these facilities is in September 2024.

**14 CONVERTIBLE DEBT**

On March 26, 2021, the Company entered into a three-year loan facility agreement with its CEO for \$2,282,500. The convertible debt bears interest at 5% per annum commencing July 1, 2021. The balance outstanding as at June 30, 2021 was \$2,282,500. On August 17, 2021, this was repaid by the issuance of 4,666,471 shares in Eonx Technologies Inc at the fair value of \$0.49 per share.

	<b>Convertible Debt</b>
	<b>\$</b>
Balance at June 30, 2021	2,285,500
Interest expense	15,008
Settlement of debt for issue of shares	2,282,500
Balance at June 30, 2022	-

In August 2022, a loan of \$2,300,000 was provided by APN Ventures Pty Ltd to the Company. APN Ventures is controlled by the CEO of the Company. This loan was increased and formalized on January 6, 2023, when the Company entered into a 3-year convertible loan with the CEO at an interest rate of 12% per annum. The interest rate can increase in line with the Reserve Bank of Australia (“RBA”) movements. The loan maximum is currently \$7,300,000 and can be converted into shares in EonX Technologies Inc at a value of CAD \$0.10 per share. The loan agreement has a restraint on conversion in that the number of shares to be converted is limited to that number which when added to the number of shares held by all directors, officers and insiders does not exceed 90% of the issued shares of the parent.

The loan has a requirement of monthly line fee of USD 2,000 per month and an establishment fee of USD 100,000 was applicable on signing.

The convertible debt contains a financial liability (non-derivative host contract and one embedded FX derivative).

A summary of the changes in the convertible facility for the years ended June 30, 2023 is as follows:

	<b>Liability Component</b>	<b>Derivative Component</b>	<b>Total Convertible</b>
	<b>\$</b>	<b>\$</b>	<b>debt facility</b>
			<b>\$</b>
<b>Fair value at initial recognition</b>			
<b>(January 6, 2023)</b>	<b>5,130,426</b>	<b>163,574</b>	<b>5,294,000</b>
Fees at inception	240,412	7,665	248,077
Fees expensed at inception	-	(7,665)	(7,665)
Additional borrowings	1,999,258	-	1,999,258
Accretion expense	16,398	-	16,398
Interest expense	375,052	-	375,052
Fees	17,769	-	17,769
Repayments	(784,410)	-	(784,410)
Change in fair value of derivative	-	(102,579)	(102,579)
<b>Balance at 30 June, 2023</b>	<b>6,994,904</b>	<b>60,996</b>	<b>7,055,900</b>

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**14 CONVERTIBLE DEBT (continued)**

The valuation of the derivative component of the Convertible debt was calculated using the Black Scholes model. The key assumptions used in the valuation was as follows:

Maturity date	January 6, 2027
Risk Free rate	4.37%
Exchange rate (USD to CDN)	An average of 1.0792
Period	3 years
Volatility between	113% and 122%

The volatility rate was calculated having regard to daily movement in the share price of EonX since inception, both in Australian dollars and Canadian dollars.

The fair value of the debt component was evaluated at inception and the effective interest rate applied was 12.69%.

**15 SHARE CAPITAL**

*Authorized Share Capital*

The Company is authorized to issue an unlimited number of common shares without par value.

*Issued and Outstanding Common Shares*

- On August 17, 2021, the Company agreed to convert a related party loan to equity for the issue of 4,666,471 shares, at a fair value of \$0.49 per share.
- On August 31, 2021, 4,109,200 options were exercised for proceeds of \$446,253. The fair value of the options exercised was \$267,687.
- On March 22, 2023 1,764,000 options were exercised for proceeds of \$197,480. The fair value of the options exercised was \$120,514.

	Number of shares issued	Value of Shares	Total number of Shares	Total Value of Shares
June 30, 2020	120	\$0	120	\$0
August 1, 2020	1	\$1	121	\$1
December 21, 2020	2,999,999	\$59,999	3,000,120	\$60,000
February 25, 2021	1,400,000	\$112,000	4,400,120	\$172,000
March 23, 2021	25,000,000	\$1,979,400	29,400,120	\$2,151,520
June 30, 2021	-	-	29,400,120	\$2,151,520
August 17, 2021	4,666,471	\$2,282,500	34,066,591	\$4,434,020
August 31, 2021	4,109,200	\$713,940	38,175,791	\$5,147,960
June 30, 2022	-	-	38,175,791	\$5,147,960
March 22, 2023	1,764,000	317,994	39,939,791	\$5,465,954
<b>June 30, 2023</b>	-	-	<b>39,939,791</b>	<b>\$5,465,954</b>

Of the total number of shares issued, 7,755,000 are in escrow as at the signing of these consolidated financial statements.

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**(Expressed in Australian Dollars)

---

**16 SHARE BASED PAYMENTS**

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 10% 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. Any options granted pursuant to the Plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employees, or consultant.

Options outstanding	Number of options	Exercise price	Expiry date
Balance at June 30, 2020	-	-	
Granted on March 23, 2021	3,520,000	\$0.10	December 23, 2023
Granted on April 20, 2021	2,353,200	\$0.10	January 20, 2024
<b>Balance at June 30, 2021</b>	<b>5,873,200</b>	<b>\$0.10</b>	-
Exercised on August 18, 2021	(4,109,200)	\$0.10	-
Granted on February 23, 2022	7,635,154	\$1.60	February 23, 2026
<b>Balance at June 30, 2022</b>	<b>9,397,954</b>	<b>\$1.32</b>	-
Exercised March 22, 2023	(1,764,000)	\$0.10	-
Cancelled March 22, 2023	(7,633,954)	\$1.60	-
Granted March 23, 2023	7,987,834	\$0.18	March 23, 2027
<b>Balance at June 30, 2023</b>	<b>7,987,834</b>	<b>\$0.18</b>	-

As at June 30, 2023, the options have a weighted average remaining contractual life of 3.73 years (2022 – 3.11 years) and a weighted average exercise price of \$0.18 (2022 – \$1.32).

On March 22, 2023, the Company cancelled the options that were on issue. The value of these options was being amortized over the vesting period remaining. At the date of cancellation, the event was treated as an acceleration of vesting and the remaining book value was expensed through profit and loss for the year ended June 30, 2023 for \$2,532,268 (June 30, 2022 - \$3,364,577).

The Company issued 7,987,834 stock options on March 23, 2023. The fair value was calculated as \$531,122 using the Black Scholes pricing model using the assumptions listed below. The expense to the current financial year for this is \$44,260.

The vesting terms of these options are that one third of these options will vest every twelve months from the date of the agreement (i.e. March 23, 2024, 2025 and 2026). The options may be cancelled if an employee holding options leaves the employment of the Company. Fair value is impacted by stock price volatility, determined using historical share prices for a term equivalent to the expected life of the options.

	March 23, 2023
	\$CAD
Share price on grant date	\$0.12
Exercise price	\$0.18
Expected life (years)	4.0
Interest Rate	3.5%
Volatility	100%

---

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**17 PER SHARE AMOUNTS**

<b>For the years ended June 30</b>	<b>2023 Restated</b>	<b>2022 Restated</b>
Net loss	\$(5,572,245)	\$(8,096,610)
Basic and diluted weighted average number of shares	38,658,959	37,021,490
Basic and diluted net loss per share	\$(0.14)	\$(0.22)

**18 INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the combined statutory Australian federal income tax rates:

For the Years ended	<b>2023 Restated \$</b>	<b>2022 Restated \$</b>
Pre tax loss for the year	(5,576,245)	(7,976,288)
Combined statutory rate	25%	26.0%
Expected income tax recovery	(1,394,061)	(2,073,835)
Net income (attributable to the UAE) at zero tax rate	(772,184)	-
Non-deductible research and development tax credits	411,187	813,185
Other non-deductible permanent differences	667,425	881,962
Temporary differences not recognized	601,834	733,219
Reversal of prior year overprovision	4,000	(192,462)
Temporary differences not recognized	477,799	(41,747)
<b>Current income tax expense (recovery)</b>	<b>(4,000)</b>	<b>120,322</b>

The Company has not recognized a deferred tax asset in respect of the following deductible temporary differences:

For the Years ended June 30,	<b>2023 \$</b>	<b>2022 \$</b>
Provision for employee entitlements	541,665	486,034
Contract liabilities	1,106,623	919,830
Other accruals	2,436,754	270,519
Lease liability net right-of-use asset	267,235	195,593
Losses carried forward	4,822,355	2,510,278
<b>Total deductible temporary differences</b>	<b>9,174,632</b>	<b>4,382,253</b>

The Company has \$4,529,577 (2022 - \$2,347,759) operating losses in Australia, \$291,075 (2022 - \$285,921) in the UK and \$1,703 (2022 - \$nil) in the USA carried forward. There were zero capital losses carried forward.

Deferred tax assets are recorded only to the extent that future taxable income will be available against which the deferred tax asset can be offset. Management estimates future income using forecasts based on the best available current information. Based on the current estimates, no deferred tax asset has been recorded.

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

**19 NATURE OF EXPENSES**

The nature of the Company's corporate and administrative expenses is as follows:

<b>For the years ended June 30,</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accounting fees	120,955	188,996
Consulting	613,810	723,849
Management fees (note 11)	1,798,386	-
Rent	191,750	111,667
Travel	283,953	179,186
Relocations costs	673,232	-
Insurance	191,338	54,196
Legal expenses	523,228	286,661
Security expenses	106,201	-
Advertising	82,623	-
Office expenses	97,472	43,508
Other	71,025	390,134
<b>Total</b>	<b>4,753,973</b>	<b>1,978,197</b>

**20 MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital is 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 June 30, 2023, 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 and or debt.

The capital and debt managed by the Company is as follows:

	<b>\$</b>
Borrowings	1,350,000
Convertible debt	7,055,900
Share Capital	5,465,954
<b>Total at June 30, 2023</b>	<b>13,871,854</b>

**21 FINANCIAL INSTRUMENTS**

*Fair values*

The Company's financial instruments include cash and cash equivalents, accounts receivable, deposits, trade and other payables, contract liabilities, provision for employee entitlements, convertible debt and borrowings. The carrying amounts of these financial instruments are a reasonable estimate of their fair values, having regard to their undiscounted cash flows and the timing associated with the commitments. 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.



---

**EONX TECHNOLOGIES INC.**  
**NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Australian Dollars)

---

**21 FINANCIAL INSTRUMENTS (continued)**

The Company's financial instruments are all carried at amortized cost and are not subject to the above level inputs with the exception of the derivative component of the convertible debt which is measured at fair value which is determined at each reporting period, under the level 2 classification.

*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. The Company operates entities and branches in the UAE, 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 date of the consolidated statements of financial position. Income and expenses that are earned or incurred in foreign countries are also converted to Australian dollars at the exchange rate prevailing at the date of the consolidated statement of financial position.

The Company's operations are exposed to exchange rate changes in the Canadian, United States dollar, the United Arab Emirates Dirham and the United Kingdom Pound. At June 30, 2023 a fluctuation in these currencies of 5% would result in an exchange gain or loss on the net loss of approximately \$123,717 (2022 – \$24,500). This fluctuation relates to the net assets of the UAE entity of \$123,278 and the USA entity of \$439.

*Interest rate risk*

The Company has two floating rate loan facilities with the National Australia Bank, which are subject to interest rate risk. The Company also has a convertible debt instrument which is also 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 \$81,054 (June 30, 2022 - \$75,334). A reduction in the rates of 1% will result in a decrease in the interest expense of \$81,054 (June 30, 2022- \$75,334).

*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 and cash equivalents, accounts receivable and deposits. The maximum credit exposure is \$10,129,508 excluding GST (June 30, 2022 - \$6,501,804). As cash balances were held with Tier 1 banks subject to stringent liquidity threshold requirements, the Company had minimal material exposure to any credit risk. Account receivables are managed through the assessment of the time that receivables are outstanding and whether there are issues with the counterparty. The deposits (with the exception of the \$6,300 rental bond for the Melbourne office) are also with Tier 1 banks.

*Credit risk (continued)*

The Company has customer concentration risk as one customer accounted for 50.22% of revenue for the year ended June 30, 2023 (June 30, 2022 – one customer, 19% ). Included in accounts receivable is \$1,529,480 of accrued revenue (June 30, 2022 - \$905,891) that is due within one month.

Given the nature and balances of the Company's accounts receivables the Company has no material loss allowance as at June 30, 2023 and 2022. The amount of \$250,246 which is over 90 days due has been received in July 2023.

The Company does business and extends credit based on an evaluation of the customers' financial condition generally without requiring collateral. Exposure to losses on receivables is expected to vary by customer due to the financial condition of each customer. Exposure to credit losses on receivables is evaluated continuously by management.

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

**21 FINANCIAL INSTRUMENTS (continued)**

The following table is the accounts receivable aging:

	2023	2022
	\$	\$
As at June 30		
Current	713,560	2,500,257
1-29 days past due	2,513,683	601,530
30-59 days past due	522,265	-
60-89 days past due	671,805	6,910
Over 90 days past due	250,246	-
<b>Total</b>	<b>4,671,559</b>	<b>3,108,697</b>

*Gift card liability*

Within trade and other payables, there is a gift card liability which is as follows:

	2023	2022
	\$	\$
Promised gift cards to be purchased	2,257,230	1,100,013
Breakage	(618,556)	(195,492)
<b>Gift card liability</b>	<b>1,638,674</b>	<b>904,521</b>

Breakage represents the amount of revenue from unredeemed gift cards. During the year, the Company recorded gift card breakage income of \$618,556 (June 30, 2022 - \$195,494). Gift card breakage is included in revenue in the amended and restated consolidated statements of loss and comprehensive loss.

*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. There are no commitments over 3 years.

	Carrying Amount Restated	2024 Restated	2026 Restated
	\$	\$	\$
Trade and other payables	10,074,932	10,074,932	-
NAB -credit facility	1,350,000	1,350,000	-
Lease obligations	247,260	247,260	-
Convertible debt	7,055,900	-	7,055,900
Provision for entitlements	541,665	541,665	-
	<b>19,269,757</b>	<b>12,213,857</b>	<b>7,055,900</b>

**22 FINANCE COSTS**

Finance costs are disclosed in the following table:

<b>For the years ended June 30</b>	<b>2023</b>	<b>2022</b>
	<b>Restated</b>	
	\$	\$
Interest expense and fees	747,755	186,316
Borrowing costs	97,586	-
Unrealized bank revaluations	95,850	-
Finance costs associated with host debt	265,846	-
Foreign currency conversion	187,049	1,108
<b>Total finance costs</b>	<b>1,394,086</b>	<b>187,424</b>

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

**23 RESTATEMENT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022**

The Company has restated the comparative column of these amended and restated consolidated financial statements. This adjustment is required to correct for gift cards sold but not yet activated. The prior year revenue (net of cost of goods sold) was overstated resulting in understated net loss previously reported. The amount of the restatement is \$657,303.

The following tables present the impact of the restatement on the Company's previously consolidated financial statements for the year ended June 30, 2022.

**Consolidated Statement of Financial Position as at June 30, 2022**

	Previously reported	Adjustment	Restated
	\$	\$	\$
<b>Assets</b>			
Cash and cash equivalents	1,301,483	-	1,301,483
Accounts receivable	3,108,697	-	3,108,697
Inventory	1,935,153	-	1,935,153
Research and development credits receivable	2,504,321	-	2,504,321
Other current assets	68,733	-	68,733
Contract asset	35,184	-	35,184
<b>Total current assets</b>	<b>8,953,571</b>	<b>-</b>	<b>8,953,571</b>
Non-current assets			
Deposits	2,091,624	-	2,091,624
Property and equipment	70,780	-	70,780
Right of use assets	307,304	-	307,304
<b>Total non-current assets</b>	<b>2,469,708</b>	<b>-</b>	<b>2,469,708</b>
<b>Total assets</b>	<b>11,423,279</b>	<b>-</b>	<b>11,423,279</b>
<b>Liabilities</b>			
Trade and other payables	7,299,818	657,303	7,957,121
Borrowings	5,033,443	-	5,033,443
Provision for employee entitlements	486,034	-	486,034
Income tax payable	316,784	-	316,784
Contract liabilities	866,673	-	866,673
Lease liability	255,635	-	255,635
<b>Total current liabilities</b>	<b>14,258,387</b>	<b>657,303</b>	<b>14,915,690</b>
Non-current Liabilities			
Borrowings	2,499,997	-	2,499,997
Lease liability	247,260	-	247,260
<b>Total non-current liabilities</b>	<b>2,747,257</b>	<b>-</b>	<b>2,747,257</b>
<b>Total liabilities</b>	<b>17,005,644</b>	<b>657,303</b>	<b>17,662,947</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	5,147,960	-	5,147,960
Contributed surplus	3,482,458	-	3,482,458
Accumulated other comprehensive income	10,095	-	10,095
Deficit	(14,222,878)	(657,303)	(14,880,181)
<b>Total shareholders' equity (deficiency)</b>	<b>(5,582,365)</b>	<b>(657,303)</b>	<b>(6,239,668)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>11,423,279</b>	<b>-</b>	<b>11,423,279</b>

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**(Expressed in Australian Dollars)

---

**23 RESTATEMENT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)****Consolidated Statement of Loss and Comprehensive loss for the year ended June 30, 2022**

	Previously reported \$	Adjustment \$	Restated \$
Revenue	8,167,377	(657,303)	7,510,074
Operating expenses	(11,768,901)	-	(11,768,901)
Other expenses	(3,717,461)	-	(3,717,461)
Loss before income tax	(7,318,985)	(657,303)	(7,976,288)
Income tax expense	120,322	-	120,322
<b>Net loss</b>	<b>(7,439,307)</b>	<b>(657,303)</b>	<b>(8,096,610)</b>
Exchange gain on translation of foreign operations	10,095	-	10,095
<b>Net loss and comprehensive loss</b>	<b>(7,429,212)</b>	<b>(657,303)</b>	<b>(8,086,515)</b>
Weighted common shares outstanding	37,021,409	-	37,021,409
Loss per share, basic and diluted	(0.20)	(0.02)	(0.22)

There was no net effects of the restatement on the consolidated statements of cash flows for the year ended June 30, 2022.

**24 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023 PREVIOUSLY ISSUED**

Subsequent to the issuance of the Company's consolidated financial statements on October 30, 2023, management identified certain errors in those consolidated financial statements:

- (a) administrative errors on the consolidated statements of loss and comprehensive loss for the year ended June 30, 2022 (revenue of \$7,510,074 was reported as \$8,167,377 and \$10,095 exchange gain on translation of foreign operations was presented as \$10,095 exchange loss on translation of foreign operations),
- (b) administrative errors and omissions in the tables presented in note 8 and 23; and
- (c) consolidated financial statements for the year ended June 30, 2023:

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

(Expressed in Australian Dollars)

**24 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023  
PREVIOUSLY ISSUED (continued)****Consolidated Statement of Financial Position as at June 30, 2023**

	Previously reported \$	Adjustment \$	Restated \$
<b>Assets</b>			
Cash and cash equivalents	4,866,324	-	4,866,324
Accounts receivable	4,671,559	-	4,671,559
Inventory	1,291,550	-	1,291,550
Research and development credits receivable	3,727,844	-	3,727,844
Prepaid expenses	539,424	-	539,424
Other current assets	4,783	-	4,783
<b>Total current assets</b>	<b>15,101,484</b>	<b>-</b>	<b>15,101,484</b>
Non-current assets			
Deposits	591,625	-	591,625
Property and equipment	26,962	-	26,962
Right of use assets	146,971	-	146,971
<b>Total non-current assets</b>	<b>765,558</b>	<b>-</b>	<b>765,558</b>
<b>Total assets</b>	<b>15,867,042</b>	<b>-</b>	<b>15,867,042</b>
<b>Liabilities</b>			
Trade and other payables	9,928,823	146,109	10,074,932
Borrowings	1,350,000	-	1,350,000
Provision for employee entitlements	541,665	-	541,665
Contract liabilities	5,825,559	-	5,825,559
Lease liability	247,260	-	247,260
<b>Total current liabilities</b>	<b>17,893,307</b>	<b>146,109</b>	<b>18,039,416</b>
Non-current Liabilities			
Convertible debt – host debt	6,994,904	-	6,994,904
Convertible debt – derivative component	60,996	-	60,996
<b>Total non-current liabilities</b>	<b>7,055,900</b>	<b>146,109</b>	<b>7,055,900</b>
<b>Total liabilities</b>	<b>24,949,207</b>	<b>146,109</b>	<b>25,095,316</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	5,465,954	-	5,465,954
Contributed surplus	5,894,212	-	5,894,212
Accumulated other comprehensive income (loss)	156,204	(292,218)	(136,014)
Deficit	(20,598,535)	146,109	(20,452,426)
<b>Total shareholders' equity (deficiency)</b>	<b>(9,082,165)</b>	<b>(146,109)</b>	<b>(9,228,274)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>15,867,042</b>	<b>-</b>	<b>15,867,042</b>

---

**EONX TECHNOLOGIES INC.****NOTES TO THE AMENDED AND RESTATED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**(Expressed in Australian Dollars)

---

**24 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023  
PREVIOUSLY ISSUED (continued)****Consolidated Statement of Loss and Comprehensive loss for the year ended June 30, 2023**

	Previously reported	Adjustment	Restated
	\$	\$	\$
Revenue	14,646,853	525,033	15,171,886
Operating expenses	16,497,452	-	16,497,452
Other expenses	4,396,788	(146,109)	4,250,679
Loss before income tax	(5,722,354)	146,109	(5,576,245)
Income tax recovery	(4,000)	-	(4,000)
<b>Net loss</b>	<b>(5,718,354)</b>	<b>146,109</b>	<b>(5,572,245)</b>
Exchange loss on translation of foreign operations	(146,109)	-	(146,109)
<b>Net loss and comprehensive loss</b>	<b>(5,864,464)</b>	<b>146,109</b>	<b>(5,718,354)</b>
Weighted common shares outstanding	38,658,959	-	38,658,959
Loss per share, basic and diluted	(0.15)	0.01	(0.14)

Previously, \$146,109 exchange loss on translation of foreign operations was included as an increase of each of finance costs in other expenses on the consolidated statement of loss and comprehensive loss and accumulated other comprehensive income on the consolidated statements of financial position, and a decrease of trade and other payables and an increase in accumulated other comprehensive income on the consolidated statements of financial position.

Revenue of \$15,171,886 was reported as \$14,646,853 on the consolidated statements of loss and comprehensive loss and as a result, the loss before income tax adjustment of \$146,109 in the consolidated statements of loss and comprehensive loss table above does not total.

There was no net effects of the restatement on the consolidated statements of cash flows for the year ended June 30, 2023.