
EonX Technologies Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months ended December 31, 2023 and June 30, 2023

(Unaudited)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the six months ended December 31, 2023.

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

EonX Technologies Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2023 AND 30 June 2023
(Expressed in Australian Dollars)

Assets	December 31, 2023	June 30, 2023
Current assets		
Cash and cash equivalents	2,770,295	4,866,324
Accounts receivable	8,622,255	4,671,559
Prepayments	965,431	539,424
Inventories - gift cards	1,062,326	1,291,550
Research and development credits receivable	4,977,844	3,727,844
Other current assets	4,308	4,783
Total current assets	<u>18,402,459</u>	<u>15,101,484</u>
Non-current assets		
Deposits	646,325	591,625
Property, plant and equipment	20,649	26,962
Right-of-use assets	66,805	146,971
Total non-current assets	<u>733,779</u>	<u>765,558</u>
Total assets	<u>19,136,238</u>	<u>15,867,042</u>
Liabilities		
Current liabilities		
Trade and other payables	14,415,676	10,074,932
Borrowings	-	1,350,000
Provision for employee entitlements	636,350	541,665
Income tax payable	(30,194)	-
Contract liabilities	9,738,985	5,825,559
Lease Liabilities	110,359	247,260
Total current liabilities	<u>24,871,176</u>	<u>10,039,416</u>
Non-current liabilities		
Convertible debt facility – host debt	7,720,728	6,994,904
Convertible debt facility – derivative component	62,025	60,996
Lease liabilities	-	-
Total non-current liabilities	<u>7,782,753</u>	<u>7,055,900</u>
Total liabilities	<u>32,653,929</u>	<u>25,095,316</u>
Net liabilities	<u>(13,517,691)</u>	<u>(9,228,274)</u>
Equity		
Issued capital	5,465,954	5,465,954
Contributed surplus	5,979,493	5,894,212
Accumulated other comprehensive income	(227,495)	(136,014)
Accumulated losses	(24,735,643)	(20,452,426)
Total deficiency in equity	<u>(13,517,691)</u>	<u>(9,228,274)</u>



Andrew Kallen
Group CEO and Director

EonX Technologies Inc
Statement of profit or loss and other comprehensive income
For the Six months ended 31 December 2023 and 2022
Unaudited

	6 month period ended 31 Dec 2023	3 month period ended 31 Dec 2023	6 month period ended 31 Dec 2022	3 month period ended 31 Dec 2022
Revenue				
Trading revenue	8,370,108	4,226,066	10,349,006	6,084,666
Revenue from government grants			-	-
Research and development tax incentive credits earned	1,250,000	325,000	1,288,507	377,969
Other income	54,965	5,080	-	-
Cost of revenue	(3,482,365)	(2,004,992)	-	-
Expenses				
Corporate and administrative expenses	(3,216,968)	(1,655,632)	(1,616,469)	(940,521)
Employee expenses	(4,372,656)	(2,336,220)	(6,095,054)	(2,719,114)
Research and development and technology expenses	(2,177,456)	(1,072,014)	(3,616,523)	(1,839,508)
Operating profit/(loss)	(3,574,372)	(2,512,712)	309,467	963,492
Depreciation and amortisation expense	(90,147)	(45,058)	(40,083)	-
Finance costs	(572,968)	(295,238)	(410,276)	4,246
Profit/(loss) before income tax expense	(4,237,487)	(2,853,008)	(140,892)	967,738
Income tax expense	(30,194)	(30,194)	183,646	(382,046)
Profit (Loss) after income tax expense for the period attributable to the owners of EonX Technologies Inc	(4,207,293)	(2,822,814)	(324,538)	1,349,784
Other comprehensive income for the period, net of tax	(75,924)	(12,814)	148,075	(61,036)
Accumulated other comprehensive income				
Total comprehensive income/(loss) for the period attributable to the owners of EonX Technologies Inc	(4,283,217)	(2,835,628)	(176,463)	1,288,748

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

EonX Technologies Inc
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Australian Dollars)

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Accumulated other Comprehensive income	Total
			\$	\$	\$	\$	\$
Balance, June 30, 2021		29,400,120	2,151,520	385,568	(6,783,571)	0	(4,246,483)
Foreign Exchange Translation						10,095	10,095
Net Loss					(8,096,610)		(8,096,610)
Issue shares for related party debt		4,666,471	2,282,500				2,282,500
Exercise of options		4,109,200	446,253				446,253
Fair value of options issued				3,364,577			3,364,577
Transfer of fair value on Options Exercised			267,687	(267,687)			0
Balance, June 30, 2022		38,175,791	5,147,960	3,482,458	(14,880,181)	10,095	(6,239,668)
Foreign Exchange Translation						(146,109)	(146,109)
Net Loss					(5,572,245)		(5,572,245)
Exercise of options		1,764,000	197,480				197,480
Fair value of options exercised			120,514	(120,514)			0
Fair value of options issued				2,532,268			2,532,268
Balance, June 30, 2023		39,939,791	5,465,954	5,894,212	(20,452,426)	(136,014)	(9,228,274)
Foreign Exchange Translation						(91,482)	(91,482)
Option expense				85,281			85,281
Net Loss					(4,283,217)		(4,283,217)
Balance, December 31, 2023		39,939,791	5,465,954	5,979,493	(24,735,643)	(227,496)	(13,517,691)

The accompanying notes are an integral part of these consolidated financial statements.

EonX Technologies Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Australian Dollars)

Note	December 31, 2023	June 30 2023
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss and comprehensive loss for the period	(4,283,217)	(5,572,245)
Adjustments to reconcile net loss to net cash used in operations:		
Share based compensation	85,281	2,532,268
Depreciation and amortization	134,848	226,904
FX translation	(91,480)	(102,579)
Interest component of lease payments		(12,197)
Changes in non-cash working capital balances:		
Accounts receivable	(3,870,530)	(1,562,862)
Research and development credits receivable	(1,250,000)	(3,727,844)
Research and development credits received in cash	-	2,504,321
Prepaid expenses	(426,007)	(539,424)
Other current assets	(83,359)	63,950
Contract assets		35,184
Inventory	229,224	643,603
Trade and other payables	4,340,744	1,971,704
Employee entitlements	94,686	55,631
Income taxes payable	(30,194)	(316,784)
Contract liabilities	3,913,425	4,958,887
Cash used in operating activities	(1,236,579)	1,158,517
INVESTING ACTIVITIES		
Property plant and equipment		(22,754)
Payments and withdrawals of deposits		1,499,999
Payment of bond	(54,700)	
Cash used in investing activities	(54,700)	1,477,245
FINANCING ACTIVITIES		
Proceeds from related party loans	223,482	7,293,258
Repayment of related party debt	-	(784,410)
Proceeds from borrowings	-	18,240,213
Repayment of borrowings	(1,350,000)	(24,423,653)
Lease payments	(136,901)	(243,439)
Proceeds from exercise of share options	-	197,480
Changes in non-cash financing activities	458,670	649,630
Cash provided by financing activities	(804,749)	929,079
(Decrease) / Increase in cash during the period	(2,096,028)	3,564,841
Cash, beginning of the period	4,866,324	1,301,483
Cash, end of the period	2,770,296	4,866,324

The accompanying notes are an integral part of these consolidated financial statements.

EonX Technologies Inc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 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 Technologies 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 December 31, 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.

For the six months ended December 31, 2023, the Company reported a net loss of \$4,283,217 (2022 – \$176,463), cash flow from operating activities of (\$1,236,579) (June 30 2022 \$1,158,517) and an accumulated deficit of \$24,735,643 (30 June 2023– \$20,452,426). As such, there is an 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.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information and footnote disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended June 30, 2023.

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2024.

EonX Technologies Inc**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022**(Expressed in Australian Dollars)

2. BASIS OF PRESENTATION (continued)**b) Basis of consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiaries which are consolidated from the date of acquisition, 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. These consolidated financial statements include the accounts on the Company and its wholly owned subsidiary. All intercompany transactions and balances are eliminated on consolidation.

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.

Functional and presentation currency

These consolidated financial statements have been prepared on the historical cost basis. The functional currency of the Company is the Canadian dollar ("CAD"), the functional currency of EonX Services Pty Ltd. is the Australian dollar ("AUD"), the functional currency of EonX Services UK Ltd is the Great British Pound ("GBP") and the functional currency of EonX Corporation is the United States Dollar ("USD"). The presentation currency of the Company is AUD.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of December 31, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the twelve months ended 30 June, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the six months ending December 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

EonX Technologies Inc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Australian Dollars)

Financial assets

Classification of financial assets

- Amortized cost - Financial assets that meet the following conditions are measured subsequently at amortized cost: The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

The Company's financial assets which are measured at amortized cost are comprised of cash and cash equivalents, research and development credits receivable and accounts receivable.

- Fair value through other comprehensive income ("FVTOCI") - Financial assets that meet the following conditions are measured at FVTOCI:
 - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and,
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 them on different bases.

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 loss and comprehensive 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.

Financial liabilities

The Company's financial liabilities include trade and other payables, borrowings and provision for employee entitlements which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to the twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's accounts receivables the Company has no material loss allowance as at December 31, 2023 and 2022.

4. Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand,

EonX Technologies Inc**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022**(Expressed in Australian Dollars)

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.

5. Research and development credits receivable

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.

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the six-month periods ended December 31, 2023 and 2022, the Company incurred the following related party transactions:

- (a) The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-term benefits and termination benefits were made during the six-month periods ended December 31 2023 and 2022. A management fee of \$288,028 (including a rental allowance of \$46,334) was paid to a director.
- (b) During the six months ending December 31, 2023, the EonX Services UK Ltd paid Andrew Kallen \$1,113,906 (including a rental allowance of \$201,101.).

The Company has a loan facility with the CEO currently drawn to \$ 6,894,412. The loan has 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).

Transactions from loans with related parties are as follows:

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
As at opening	6,994,904	5,130,426
Cash transactions:		
Proceeds from loans	285,507	1,999,258
Loan repayments	-	(784,410)
Fees and expenses	440,317	649,630
As at Closing	7,720,728	6,994,904

EonX Technologies Inc**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022**(Expressed in Australian Dollars)

7. 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
September 30, 2023	-	-	39,939,791	\$5,465,954

Stock options

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, employee, 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

EonX Technologies Inc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in Australian Dollars)

Granted on April 20, 2021	2,353,200	\$0.10	January 20, 2024
Balance at June 30, 2021	5,873,200	\$0.10	-
Exercised on August 18, 2021	(4,109,200)	\$0.10	-
Granted on February 23, 2022	7,635,154	\$1.60	February 23, 2026
Balance at June 30, 2022	9,397,954	\$1.32	-
Exercised March 22, 2023	(1,764,000)	\$0.10	-
Cancelled March 22, 2023	(7,633,954)	\$1.60	-
Granted March 23, 2023	7,897,834	\$0.18	March 23, 2027
Balance at December 31, 2023	7,897,834	\$0.18	-

As at December 31, 2023, the options have a weighted average remaining contractual life of 3.48 years (2022 2.74 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 \$85,281.

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%

8. INCOME TAXES

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at September 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.

EonX Technologies Inc**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022**(Expressed in Australian Dollars)

10. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash, accounts receivable and accounts payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value because of the current nature.

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.

Private investments that do not have a quoted market price in an active market are evaluated using various techniques including comparative recent financing and other market-based information.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3
	\$	\$	\$
As at December 31, 2023:			
Cash	2,770,296	-	-

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.

(i) Currency risk

The Company's expenses are denominated in Australian dollars. Fluctuations in the exchange rates between the Canadian dollar and the Australian dollar could have a marginal effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk. At this stage of the company's growth, the foreign exchange risk is not a material item.

(ii) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

The company has a debt facility with the CEO currently drawn to \$6,894,412. This loan currently has an interest rate applicable of 12% and the interest rate is variable and can change in accordance with rate movements set by the Reserve Bank of Australia. A movement of 1% in the interest rate will change the interest expense of \$ 68,944.

10. FINANCIAL INSTRUMENTS (continued)**(iii) Credit risk**

EonX Technologies Inc**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE INTERIM SIX-MONTH PERIODS ENDED DECEMBER 31, 2023 AND 2022**(Expressed in Australian Dollars)

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, government receivables, private company shares, and convertible notes receivable. To minimize the credit risk on cash, the Company places the instrument with a financial institution.

Credit risk from convertible notes receivable arises from the possibility that the principal and interest due may become uncollectable. The Company mitigates the risk by managing and monitoring the underlying business relationship.

(iv) *Liquidity risk*

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

11. COMMITMENTS

Nil

12. CONTROLLED ENTITIES

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

Name 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

13. SUBSEQUENT EVENTS.

There were no subsequent events post December 31, 2023 to report.