BLACK RIVER TECHNOLOGY, INC
Financial Statements & Supplementary

Audited Report

For the Financial Year ended June 30th, 2023

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JPizars – CPA & Business Consultants LLC

REPORT ON AUDIT OF ANNUAL FINANCIAL INFORMATION
To the Board of Directors and Stockholder Black River Technology, Inc.

Introduction

We have audited the accompanying financial statements of Black River Technology Inc. which comprise the balance sheet as of June 30, 2023, and the related statements of June 30, 2023, income for the year ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black River Technology Inc. as of June 30, 2023, and the results of its operations for the twelve month as of June 30, 2023, then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Black River Technology Inc. as of June 30, 2023, and the results of its operations and cash flow for the year then June 30, 2023, ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Company has significant transactions and balances with the Company's sole stockholder, which are described in Note 2 to the financial statements. Transactions involving related parties, such as with the Company's sole stockholder, cannot be presumed to be carried out on an arm's length basis, as the requisite conditions for competitive, free-market dealings may not exist. Our conclusion is not modified as a result of this matter.

JPizars Juan A Pizarro Llanos

JPizars - CPA Juan Pizarro - CPA
& Business Consultants, LLC

PR: 6420 - Expires December 1, 2025
FL: AD70415 - Expires December 31, 2023

Hollywood, Florida
August 16, 2023

Black River Technology Inc

2808 Centre Circle Ste
A-B Downers Grove, IL
60515

Profit & Loss Statement (Summary)
July 2022 through June 2023
For the year ended

	3,101,512
Income	
Cost Of Sales	(2,696,442)
Gross Profit	405,070
Expenses	(284,560)
Operating Profit	
Other Income	42
Other Expenses	-
Net Profit/(Loss)	120,552

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Balance Sheet
As of June 2023

Assets		
BMO Harris Bank	192,255	
Accounts Receivable	97,649	
Advces to Personnel	36,698	
Inventories	314,872	
Prepaid Expenses	-.-	
Total Current Assets	641,474	
Other Assets	2	
Bonds & Securities	2,640	
Total No-Current Assets	2,642	
Total Assets		644,116
Liabilities		
Accounts Payable	506,664	
Total Liabilities		506,664
Equity		
Net Income	120,552	
	120,552	
Capital	25,000	
Additional Paid in Capita	2,042,104	
Retained Earnings	(2,050,205)	
Total Equity		137,452
Total Liability & Equity		644,116

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July 2022 through June 2023
For the year ended

Statement of Changes in Financial Position

OPERATING ACTIVITIES	
Fiscal year result	120,552
Adjustments for:	
Accounts receivable write offs	-
Deferred income tax (benefit) expense	0
Loss on disposal of fixed assets	-
Amortizations and depreciations	0
Decrease in trade receivables	0.
Increase in Parent receivables	158,796
Increase in inventories	648,741
Increase in other assets	36,345
Increase in deposits	0
Increase in trade and other payables	(762,001)
Increase in income tax receivable	-
Increase in income tax payable	668
Increase in other payables and accrued liabilities	2,772
Increase in Parent payables	(35,811)
Net cash from operating activities	170,062
INVESTING ACTIVITIES	
Acquisition of fixed and intangible assets	-
Proceeds from sale of fixed assets (Adjust.Accum Depreciations)	-
Net cash flows from investing activities	-
FINANCING ACTIVITIES	
Payments to parent	-
Increase in Equity	-
Payments of note payable	-
Net cash flows from financing activities	-
Net Increase of cash and cash equivalents	170,062
Cash and cash equivalent at the beginning of the year	22,204
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	192,266

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July 2022 through June 2023

For the year ended

Statement of Stockholder’s Equity

Main Account	Capital	Contributions to be capitalized	Retained Earnings	Total Shareholders' Equity
1 INITIAL BALANCES AS				
Shareholders´ contributions	5,000	1,562,104		
Outstanding shares				
Retained earnings			(2,050,205)	
Accounting restatements				
Unappropriated retained earnings				
SUBTOTAL	5,000	1,562,104	(2,050,205)	(483,101)
2 MODIFICATIONS TO THE INITIAL BALANCES	20,000	480,000		
3 MODIFIED INITIAL BALANCES	25,000	2,042,104	(2,050,205)	(483,101)
4 RESULTS OF THE YEAR			120,552	
5 ACCOUNTING RESTATEMENTS				
SUBTOTAL	25,000	2,042,104	(1,929,653)	137,451
6 FINAL BALANCES				
Shareholders´ contributions	25,000	2,042,104		2.067.104
Outstanding shares				
Retained earnings			(1,929,653)	(1,929,653)
Accounting restatements				
Unappropriated retained earnings				
TOTAL	25.000	2.042.104	(1,929,653)	137,451

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF ACCOUNTING

Black River Technology, Inc. (the "company') is incorporated under the laws of the United States of America. The Company is located in Downers Grove, Illinois and is engaged in buying, selling, distributing and exporting electrical and engineering products to its Parent company INVAP S.E. ("INVAP" or "Parent"). The Company operates on a 12-month period ending June 30th, and its functional currency is the US dollar. The Company is wholly-owned by INVAP, an Argentinian entity, which is devoted to the design and construction of complex technological systems. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Inventories: Inventories consist of supplies and equipment held for resale and are stated at the lower of cost (first-in, first-out) or net realizable value.

Revenue recognition and accounts receivable: Revenue on product sales is generally recognized when goods are shipped and the following criteria have been met: a sales arrangement exists, products have been shipped and title has transferred, the price of the product is fixed or determinable, and collectability is reasonable assured.

Management determines an allowance for doubtful accounts by periodically evaluating individual accounts receivable and considering a customer's financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. As of June 30th, 2023, no amounts have been recorded.

Related party: As described in Note 1, the Company sells US sourced products to its sole stockholder, INVAP and therefore, all company sales are to the parent Transactions involving related parties, such as with INVAP, cannot be presumed to be carried out on an arm's length basis, as the requisite conditions for competitive, free-market dealings may not exist. INVAP personnel provides some administrative and accounting support to the Company. The Company was not charged a fee for the services for the twelve month period ended June 30th , 2023.

Shipping and handling fees and costs: The Company records shipping and handling fees and costs billed to customers as revenue, and shipping and handling costs incurred by the Company as cost of sales.

Taxation: The current provision or benefit for income taxes represents actual or estimated amounts payable or refundable on tax returns filed or to be filed. Deferred tax assets and liabilities are recorded for the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the balance sheet. The overall change in deferred tax assets and liabilities for the period measures the deferred tax expense (benefit) for the period. Effects of changes in enacted tax laws on deferred tax assets and liabilities are reflected as adjustments to tax expense in the period of enactment. The measurement of deferred tax assets may be reduced by a valuation allowance based on a judgmental assessment of available evidence if deemed more likely than not than some or all of deferred tax assets will not be realized. (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company assesses the likelihood of the financial statement effect of a tax position that should be recognized when it is more likely than not that the position will be sustained upon examination by a taxing authority based on the technical merits of the tax position, circumstances, and information available as of the reporting date.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax positions as a component of income tax expense. As of June 30th , 2023, the Company did not have any accrued interest or penalties associated with any unrecognized tax positions, nor was any interest expense recognized during the six-month period ended June 30th, 2023.

The Company is subject to U.S. federal income tax as well as income tax in the State of Illinois. The Company is no longer subject to examination by taxing authorities for years prior to 2014.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Company evaluated subsequent events through August , August 8th, 2023 the date that the Company's financial statements were available to be issued, for consideration of subsequent events tobe included in its June 30th , 2023 financial statements.

NOTE 3 - ADVANCES, PARENT (Australia Branch)

As of July 1, 2018, The Company owed INVAP Australia (a branch of INVAP) $500,000 for advances made to the Company on behalf of INVAP during fiscal year 2017. These advances were unsecured, non-interest bearing and were due on demand. In February of 2019, the Company and INVAP agreed to convert the related party debt into equity. The transaction involved converting $500,000 of debt to 20,000 shares of common stock of the Company at $25 per share.

NOTE 4 - INCOME TAXES | SEE NOTE 7

NOTE 5 - OPERATING LEASES

The Company leases office and warehouse space under an operating lease that requires monthly payments of $1,201.30 plus expenses and expires in August 2023. Under the terms of the lease agreement, the Company is responsible for its pro-rata share of taxes, insurance and operating costs. There is an increase in the lease up to $1,401.-

(Continued)

NOTE 5 - OPERATING LEASES *(*Continued)

Non-cancelable operating lease obligations are approximately as follows:

Fiscal year ending June 30th, 2023 $2,802.

NOTE 6 - CONTINGENCY

No contingencies are in existence.

NOTE 7 – INCOME TAX PROVISION

5 Year Deferred Tax Asset presentation for US Income Tax Purposes
Year 2018: (412,120)
Year 2019: (297,929)
Year 2020: (306,835)
Year 2021: (143,755)
Year 2022: (55,770)
Total Conglomerate Loss: (1,216,409)

3 Year Deferred Tax Asset presentation for US Income Tax Purposes
Year 2020: (306,835)
Year 2021: (143,755)
Year 2022: (55,770)
Total Conglomerate Loss: (506,360)

Net Income 2023 for 120,552 is offset by the net loss carried over from previous years. Furthermore, tax responsibility for Tax Year ending in June 30th, 2023 is $0.

NOTE 8 - MANAGEMENT'S PLANS

Management assesses, considering both quantitative and qualitative factors, whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Based on management's assessment, the Company did not identify any conditions that raise substantial doubt about the Company's ability to continue as a going concern. Due to economic conditions that affected the Parent, the Company has experienced a continuous reduction in its revenues. The Company has restructured its operations and significantly decreased its overhead costs, with focus to maintain its operational efficiency. The Company will continue to seek overhead costs reductions whenever possible without compromising its operating delivery quality and believes it has taken all actions necessary. The Company has a financial support commitment from its Parent to help it implement its strategic plans.