BLACK RIVER TECHNOLOGY, INC
Financial Statements & Supplementary

Review Report

For the Financial Quarter ended December 31st , 2023

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K A I R O S

Kairos CPA Inc.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Stockholder Black River Technology, Inc.

Introduction

We have reviewed the accompanying balance sheet of Black River Technology, Inc. (the "Company') as of December 31, 2023, and the related statements of operations, stockholder's equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as of March 31, 2023, and of its financial performance and its cash flows for the nine-month period then 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.

KAIROS

Juan A. Lozano Llanos

Kairos CPA Inc. | FL CPA License AD70415: Expires December 31, 2024

CPA PR License 6420: Expires December 1, 2025

Hollywood, Florida

January 17, 2024

Black River Technology Inc

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

Profit & Loss Statement (Summary)
July 2023 through December 2023
For the six months ended

	178.226
Income	
Cost Of Sales	(160.713)
Gross Profit	17,519
Expenses	(127,958)
Operating Profit	
Other Income	-
Other Expenses	(1,092)
Net Profit/(Loss)	(111,531)

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Balance Sheet
As of December 2023

Assets		
BMO Harris Bank	36,395	
Accounts Receivable	60.703	
Advces to Personnel	86,873	
Inventories	200,228	
Prepaid Expenses	4,319	
Total Current Assets	388.518	
Fixed Assets	2	
Bonds & Securities	2,640	
Total No-Current Assets	2,642	
Total Assets		391,160
Liabilities		
Accounts Payable	365,241	
Total Liabilities		365,241
Equity		
Net Income	(111,531)	
	(111,531)	
Capital	25,000	
Additional Paid in Capita	2,042,104	
Retained Earnings	(2,041,183)	
Total Equity		25,921
Total Liability & Equity		391,160

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July 2023 through December 2023
For the six months ended

Statement of Changes in Financial Position

OPERATING ACTIVITIES	
Fiscal year result	(111,531)
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	36,945
Increase in inventories	114,642
Increase in other assets	(54,494)
Increase in deposits	0
Increase in trade and other payables	(67,628)
Increase in income tax receivable	-
Increase in income tax payable	-
Increase in other payables and accrued liabilities	(2,772)
Increase in Parent payables	(71,023)
Net cash from operating activities	(155,860)
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	(155,860)
Cash and cash equivalent at the beginning of the year	192,266
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	36,406

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July 2023 through December 2023

For the six months 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			(1,929,652)	
Accounting restatements				
Unappropriated retained earnings				
SUBTOTAL	5,000	1,562,104	(1,929,652)	(362,548)
2 MODIFICATIONS TO THE INITIAL BALANCES	20,000	480,000		
3 MODIFIED INITIAL BALANCES	25,000	2,042,104	(1,929,652)	(362,548)
4 RESULTS OF THE YEAR			(111,531)	
5 ACCOUNTING RESTATEMENTS				
SUBTOTAL	25,000	2,042,104	(2,041,183)	25,921
6 FINAL BALANCES				
Shareholders´ contributions	25,000	2,042,104		2.067.104
Outstanding shares				
Retained earnings			(2,041,183)	(2,041,183)
Accounting restatements				
Unappropriated retained earnings				
TOTAL	25.000	2.042.104	(1,975,187)	25,921

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 6 month period ending December 31st , 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 December 31st, 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 six month period ended December 31st , 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 December 31st, 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 three-month period ended December 31st ,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 January 11th , the date thatthe Company's financial statements were available to be issued, for consideration of subsequent events tobe included in its December 31st, 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 | Not Applicable

NOTE 5 - OPERATING LEASES

The Company leases office and warehouse space under an operating lease that requires monthly payments of $1,450 plus expenses and was extended 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 $1,450.-

(Continued)

NOTE 5 - OPERATING LEASES (Continued)

Non-cancelable operating lease obligations are approximately as follows:

Fiscal year ending June 30th, 2024 $8,700.-   By December 31st one month is already paid-in-advance,

NOTE 6 - CONTINGENCY

No contingencies are in existence.

NOTE 7 - 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.