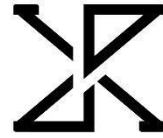


**BLACK RIVER TECHNOLOGY, INC**  
**Financial Statements &**  
**Supplementary**  
**Audited Report**  
**For the Financial Quarter ended**  
**March 31<sup>st</sup> , 2024**

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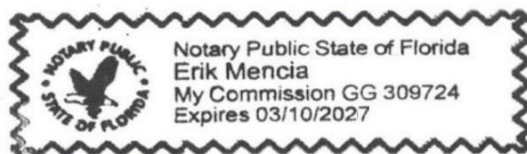
K A I R O S

**KAIROS CPA INC.**  
**8400 NW 36th Street, Suite 450**  
**Doral, FL 33166**

### CONSENT OF ACCOUNTANT

**Kairos CPA Inc.** consents to the use in the Audited Financials issued by **BLACK RIVER TECHNOLOGY, INC** on **April 27, 2024**, of our report dated **April 27, 2024**, relating to the financial statements for the period ending **March 31, 2024**.

04/027/2024



COMMISSION NO:  
GG 309724  
EXPIRATION DATE: 03/10/2027  
Personally Known |  
Type of Identification Produced:  
Driver's License

# INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors and Shareholders**  
BLACK RIVER TECHNOLOGY, INC

We have audited the accompanying balance sheet of BLACK RIVER TECHNOLOGY, INC (the "Company") as of March 31, 2024 and the related statements of income and the related notes to the financial statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion. In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of BLACK RIVER TECHNOLOGY, INC as of March 31, 2024 for the months then ended in conformity with accounting principles generally accepted in the United States of America.

**Black River Technology Inc**  
**Profit & Loss Statement (Summary)**  
**July 2023 through March 2024**  
**For the six months ended**

Income	447,897
Cost Of Sales	(359,162)
	<hr/>
Gross Profit	88,734
Expenses	(529,495)
Operating Profit	
Other Income	-
Other Expenses	(1,092)
	<hr/>
Net Profit/(Loss)	(441,852)

## Black River Technology Inc

2808 Centre  
Circle SteA-B  
Downers Grove, IL  
60515

### Balance Sheet As of March 2024

Assets	
BMO Harris Bank	44,016
Accounts Receivable	330,366
Prepaid Expenses	1,912
Total Current Assets	<u>376,294</u>
Fixed Assets	2
Bonds & Securities	2,640
Total No-Current Assets	<u>2,642</u>
Total Assets	<u>378,936</u>
Liabilities	
Accounts Payable	533,337
Total Liabilities	<u>533,337</u>
Equity	
Net Income	<u>(441,852)</u>
	(441,852)
Capital	25,000
Additional Paid in Capita	2,192,104
Retained Earnings	<b>((1,929,652))</b>
Total Equity	<u>(154,401)</u>
Total Liability & Equity	<u>378,936</u>

## Black River Technology Inc

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

**July 2023 through March 2024**  
**For the six months ended**

### Statement of Changes in Financial Position

#### OPERATING ACTIVITIES

Fiscal year result	(441,852)
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	(232,718)
Increase in inventories	314,870
Increase in other assets	34,785
Increase in deposits	0
Increase in trade and other payables	(71,409)
Increase in income tax receivable	-
Increase in income tax payable & Other Taxes	50,912
Increase in other payables and accrued liabilities	3,192
Increase in Parent payables	193,977
<b>Net cash from operating activities</b>	<b>(148,241)</b>

#### INVESTING ACTIVITIES

Acquisition of fixed and intangible assets	-
Proceeds from sale of fixed assets (Adjust. Accum Depreciations)	-
<b>Net cash flows from investing activities</b>	<b>-</b>

#### FINANCING ACTIVITIES

Payments to parent	-
Increase in Equity	-
Payments of note payable	-
<b>Net cash flows from financing activities</b>	<b>-</b>
Net Increase of cash and cash equivalents	(148,241)
Cash and cash equivalent at the beginning of the year	192,266
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>44,025</b>

## Black River Technology Inc

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

**July 2023 through March 2024**  
**For the six months ended**

### Statement of Stockholder's Equity

Main Account	Capital	Contributions to be capitalized	Retained Earnings	Total Shareholders' Equity
<b>1</b> 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)
<b>2</b> MODIFICATIONS TO THE INITIAL BALANCES	20,000	630,000		
<b>3</b> MODIFIED INITIAL BALANCES	25,000	2,192,104	(1,929,652)	(362,548)
<b>4</b> RESULTS OF THE YEAR			(441,852)	
<b>5</b> ACCOUNTING RESTATEMENTS				
SUBTOTAL				
<b>6</b> FINAL BALANCES				
Shareholders' contributions	25,000	2,192,104	(2,371,505)	(154,401)
Outstanding shares	25,000	2,192,104		2,217,104
Retained earnings			(2,371,505)	(2,371,505)
Accounting restatements				
Unappropriated retained earnings				
<b>TOTAL</b>	25,000	2,192,104	(2,371,505)	(154,401)



## **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 March 31<sup>st</sup>, 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 March 31<sup>st</sup>, 2024, 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 March 31<sup>st</sup>, 2024.

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 March 31st, 2024, 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 March 31<sup>st</sup>, 2024.

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 April 11<sup>th</sup>, the date that the Company's financial statements were available to be issued, for consideration of subsequent events to be included in its March 31st, 2024 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. In March this year, INVAP added \$150,000 as paid-in Capital.

## **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.- By the end of March this lease was terminated (read Note 7), which demanded an extra \$1,000 as compensation for Anticipated Termination.

(Continued)

### **NOTE 5 - OPERATING LEASES (Continued)**

By March only Guarantee Deposit is pending to receive, depending upon reparations and renovations costs being paid by Lessor. The net balance will be canceled or collected after these works are done.

### **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. 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. However, the mentioned economic conditions didn't improve and Parent Company decided to discontinue current operations and cancel all the obligations. All personnel were dismissed and compensated through severance payment. Despite that, the Parent Company will keep BRT commercial registration active with the aim of developing businesses in the USA through it.

