

Addverb Technologies B.V.

**Financial statements
2022-2023**

INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Addverb Technologies B.V.

A. Report on the audit of the financial statements 2022/ 2023 included in the annual report

We were engaged to audit the accompanying financial statements for the period ended 31 March 2023 of Addverb Technologies B.V. based in Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Addverb Technologies B.V. for the period ended 31 March 2022 and of its result for the period 26[^] February 2021 up to and including 31 March 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 March 2023;
- the profit and loss account for the period 1st April 2022 up to and including 31 March 2023 and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Addverb Technologies B.V. in accordance with the “Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten” (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the “Verordening gedrags- en beroepsregels accountants” (VGBA, Dutch Code of Ethics).

Other matter paragraph

This auditor's report is intended solely for Addverb Technologies B.V. and her shareholders.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- other information as required by Part 9 of Book 2 of the Dutch Civil Code;

We were engaged to read the other information and, based on our knowledge and understanding to be obtained through our audit of the financial statements or otherwise, to consider whether the other information contains material misstatements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720.

INDEPENDENT AUDITOR'S REPORT

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements 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.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

For a further explanation of our responsibilities and audit procedures, we refer to the website of the NBA: Koninklijke Nederlandse Beroepsorganisatie van Accountants: <http://www.nba.nl/ENG> algemeen 01.

The Hague, 14th April 2023

IAC Audit & Assurance.

drs. S. R&rdas RR

Initials for authentication purposes:

Addverb Technologies B.V.
Balance Sheet as at 31st March 2023

	<u>Notes</u>	<u>31-Mar-2023</u> EUR	<u>31-Mar-2022</u> EUR
Fixed assets			
Tangible fixed assets	1	115,385	2,444
		<u>115,385</u>	<u>2,444</u>
Current assets			
Inventories	2	76,007	-
Receivables, including prepayments	3	432,176	231,294
Cash and cash equivalents	4	1,461,743	189,746
		<u>1,969,926</u>	<u>421,040</u>
Short term liabilities	5	361,907	387,924
Balance of current assets less short-term liabilities		1,608,019	33,116
Balance of assets less short-term liabilities		<u><u>1,723,404</u></u>	<u><u>35,560</u></u>
Long-term liabilities	6	-	295,000
Shareholders' equity	7		
Share capital		3,995,100	100
Retained earnings		(259,540)	-
Result for the period		<u>(2,012,156)</u>	<u>(259,540)</u>
		1,723,404	(259,440)
		<u><u>1,723,404</u></u>	<u><u>35,560</u></u>

Addverb Technologies B.V.

Profit and Loss account for the period 1st April 2022 to 31st March 2023

	Notes	1 Apr 2022 to 31 Mar 2023	26 Feb 2021 to 31 Mar 2022
		EUR	EUR
Revenue	8	561,776	334,689
Other Income	9	1,500	19,878
Cost of goods sold	10	(404,320)	(333,023)
		158,956	21,544
Operating cost			
Employment costs	11	(1,155,795)	(156,727)
Depreciation and amortization	12	(18,504)	(101)
General and administrative expenses	13	(990,906)	(116,422)
		(2,165,205)	(273,250)
Total operating result		(2,006,249)	(251,706)
Financial income/(expenses)	14	(5,770)	(7,834)
		(2,012,019)	(259,540)
Corporate income tax	15	(137)	-
Result after taxation		(2,012,156)	(259,540)

Addverb Technologies B.V.
Notes to the Financial Statements

General

The Company, Addverb Technologies B.V. is a private limited liability company and was incorporated on 26th February 2021. It has statutory seat in s-Gravenhage and registered office at Werner von Siemensstraat 13, 2712PN ZOETERMEER. The Netherlands.

The sole shareholder is Addverb Technologies Limited, India

During the year 2022-23, the Company has opened two branches which are registered in UAE and UK, financial results includes branch transactions. Registration of two branches in Germany and Denmark is under process.

Activities

The principal business activities of the Company is to provide robotics and automation solutions for factories and warehouses.

Financial year

The financial year of the Company starts on 1st April and ends on 31st March of the immediate following year.

Previous year

Previous year's figures have been reclassified, wherever necessary, in order to make them look comparable to current year's figures.

Reporting currency

The financial statements of the Company are prepared and presented in Euro (EUR) which is presentation and functional currency of the Company.

Going concern

These financial statements have been prepared on a going concern basis, which basis for valuation and determination of results assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Principles for the valuation of assets and liabilities**Accounting policies**

The annual accounts have been prepared in accordance with accounting principles generally accepted in the Netherlands (Title 9, Book 2 of the Dutch Civil Code) and are denominated in Euro, which is the Company's functional currency.

Tangible fixed assets

Tangible fixed assets are valued at cost less depreciation and, if applicable, impairment. Depreciation is based on the useful life and calculated as a fixed percentage of the acquisition price, taking into account any residual value.

Inventories

Inventory is valued at lower of cost and net realisable value. Cost is determined using weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is considered uncollectible, it is written off against the allowance account for receivables. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances, remittance in transit and deposits. Cash and cash equivalents are stated at nominal value.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholder's equity as a part of the profit distribution.

The Company's ordinary shares are classified as equity instruments.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Addverb Technologies B.V.
Notes to the Financial Statements (continued...)

Principles for the valuation of assets and liabilities (continued...)

Long-term liabilities

Long-term liabilities relate to loans with a term longer than one year. The part of the loans that is repaid in the coming financial year, has been included under the short-term liabilities. Long-term liabilities are stated after initial recognition at amortized cost.

Provisions

Provisions are formed for liabilities which are deemed probable or certain at the balance sheet date, but which are still unknown as to the amount or timing of outflow of funds.

Current liabilities

The current liabilities concern the liabilities with a duration of shorter than one year. These liabilities are valued at nominal value unless stated otherwise.

Accounts payable

All accounts payable are stated at nominal value and are expected to be paid within one year after the balance sheet date.

Depreciation

Depreciation of equipment is based at cost. Depreciation is provided on a straight-line basis over the expected useful lives.

Related party transactions

An entity is considered as a related party if any of the following conditions prevail:

- The financial and operating activities are controlled by The Company or are controlled by The same party, which includes common control, joint control or significant influence.
- The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Transaction with related parties were made on terms equivalent to those that prevail in arm's length transaction.

Principles for the determination of the result

The result is determined as the difference between the value of the goods delivered and the costs and other charges related to the year. Profits on transactions are recognised in the year in which they are realised, losses are taken into account as soon as they are foreseeable.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

Income and expenses denominated in foreign currencies are accounted for at the official rates of exchange prevailing on the date on which the transaction took place. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are recognized in the profit and loss account.

Tax on result is calculated by applying the current rate on the result for the financial year in the profit & loss account, taking into account tax losses carry-forward and tax exempt profit elements and after inclusion of non-deductible costs.

Provisions for taxation have been made in accordance with Dutch Corporate Income Tax Law.

Addverb Technologies B.V.
Notes to the Financial Statements (continued...)

	<u>31-Mar-2023</u>	<u>31-Mar-2022</u>
	EUR	EUR
1. Tangible fixed assets		
IT Equipment	36,601	2,444
Office equipment	2,923	-
Furniture & fittings	11,144	-
Other fixed assets	64,717	-
	<u>115,385</u>	<u>2,444</u>
i) <u>IT equipment</u>		
<i>Balance as at April 1</i>		
Purchase price	2,545	-
Accumulated depreciation	(101)	-
	<u>2,444</u>	<u>-</u>
<i>Changes during the period</i>		
Addition/(deletion)	37,449	2,545
Depreciation	(3,291)	(101)
<i>Balance as at March 31</i>		
Purchase price	39,993	2,545
Accumulated depreciation	(3,392)	(101)
	<u>36,601</u>	<u>2,444</u>
ii) <u>Office equipment</u>		
<i>Balance as at April 1</i>		
Purchase price	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
<i>Changes during the period</i>		
Addition/(deletion)	3,274	-
Depreciation	(351)	-
<i>Balance as at March 31</i>		
Purchase price	3,274	-
Accumulated depreciation	(351)	-
	<u>2,923</u>	<u>-</u>
iii) <u>Furniture & fittings</u>		
<i>Balance as at April 1</i>		
Purchase price	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
<i>Changes during the period</i>		
Addition/(deletion)	13,071	-
Depreciation	(1,927)	-
<i>Balance as at March 31</i>		
Purchase price	13,071	-
Accumulated depreciation	(1,927)	-
	<u>11,144</u>	<u>-</u>

Addverb Technologies B.V.
Notes to the Financial Statements (continued...)

	31-Mar-2023	31-Mar-2022
	EUR	EUR
iv) <u>Other fixed assets</u>		
<i>Balance as at April 1</i>		
Purchase price	-	-
Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
<i>Changes during the period</i>		
Addition/(deletion)	77,652	-
Depreciation	(12,935)	-
	<u>64,717</u>	<u>-</u>
<i>Balance as at March 31</i>		
Purchase price	77,652	-
Accumulated depreciation	(12,935)	-
	<u>64,717</u>	<u>-</u>
2. Inventories		
Finished goods	57,307	-
Goods in transit	18,700	-
	<u>76,007</u>	<u>-</u>
3. Receivables, including prepayments		
Account Receivables	230,757	222,369
Other receivables, including prepayments	201,419	8,925
	<u>432,176</u>	<u>231,294</u>
Other receivables, including prepayments		
Accrued income	44,311	-
Advance to employee	619	-
Advance to supplier	881	-
Prepaid expenses	65,664	-
Security deposit	67,199	2,640
VAT receivables	22,745	6,285
	<u>201,419</u>	<u>8,925</u>
4. Cash and cash equivalents		
ABN AMRO	95,385	189,746
CITI Bank	1,366,358	-
	<u>1,461,743</u>	<u>189,746</u>
5. Short-term liabilities		
Accrued liabilities	48,465	3,640
Bank overdraft	158	-
CIT provision	137	-
Deferred revenue	19,423	-
Interest payable	-	6,831
Payable to employees	1,696	220
Pension fund provision	17,745	-
Trade creditors	213,075	356,850
Wage tax payable	61,208	20,383
	<u>361,907</u>	<u>387,924</u>
6. Long-term liabilities		
Loan from Addverb Technologies Limited	-	295,000
	<u>-</u>	<u>295,000</u>

In the year 2021-22, the Company entered into loan agreement with Addverb Technologies Limited for loan facility amounting to EUR 295,000. The loan bears the interest rate of 5.25% p.a. During the year 2022-23, the loan of EUR 295,000 has been converted into 295,000 shares with a nominal value of EUR 1.

Addverb Technologies B.V.
Notes to the Financial Statements (continued...)
(In EUR)

7. Shareholders' equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Result</u>	<u>Total</u>
Balance as on 1 April 2022	100	-	(259,540)	(259,440)
Movement during the period	3,995,000	-	-	3,995,000
Allocation of result	-	(259,540)	259,540	-
Result for the period	-	-	(2,012,156)	(2,012,156)
Balance as on 31 March 2023	<u>3,995,100</u>	<u>(259,540)</u>	<u>(2,012,156)</u>	<u>1,723,404</u>

The issued and paid up share capital amounts to EUR 3,995,100 and consists of 3,995,100 ordinary shares with a nominal value of EUR 1 each.

During the period, the share capital of the Company is increased by EUR 3,700,000 by way of infusion of funds into equity which consists 3,700,000 shares with a nominal value of EUR 1 each.

Loan of EUR 295,000 has been converted into 295,000 shares with a nominal value of EUR 1 each, pursuant to the notary deed dated 13th March, 2023.

	<u>1 Apr 2022 to 31 Mar 2023 EUR</u>	<u>26 Feb 2021 to 31 Mar 2022 EUR</u>
8. Revenue		
Sales	561,776	334,689
	<u>561,776</u>	<u>334,689</u>
9. Other Income		
Freight Income	-	2,132
Packing & Forwarding Revenue	-	17,746
Misc. Income	1,500	-
	<u>1,500</u>	<u>19,878</u>
10. Cost of goods sold		
Opening inventory	-	-
Purchase	(413,511)	(318,015)
Less : Closing inventory	57,307	-
	<u>(356,204)</u>	<u>(318,015)</u>
Customs duties	(386)	-
Freight inward	(47,059)	(11,289)
Handling charges	(671)	(173)
Packing & forwarding charges	-	(3,546)
	<u>(404,320)</u>	<u>(333,023)</u>
11. Employment costs		
Salaries and wages	(942,928)	(125,530)
Holiday allowance	(60,941)	(10,034)
Social security charges	(69,925)	(7,800)
Other allowance	(14,100)	(13,363)
Project deployment expenses	(67,901)	-
	<u>(1,155,795)</u>	<u>(156,727)</u>
12. Depreciation and amortization		
Depreciation	(18,504)	(101)
	<u>(18,504)</u>	<u>(101)</u>

Addverb Technologies B.V.
Notes to the Financial Statements (continued...)

13. General and administrative expenses

Audit fees	(14,040)	(7,280)
Bad and doubtful debt	(33,050)	-
Business promotion expenses	(118,879)	(24,223)
Consultancy fees	(220,279)	(53,973)
Commission	(591)	-
Insurance expense	(11,030)	(1,451)
Legal fees	(8,406)	(937)
Marketing expenses	(309,466)	(14,700)
Office expense	(54,767)	(545)
Printing and stationary	-	(383)
Parking expenses	(3,193)	(466)
Pension Scheme Contributions	(63,187)	-
Rent expenses	(50,806)	(7,742)
Rate & taxes	161	(4,597)
Recruitment expenses	(76,629)	-
Subscription fees	(843)	-
Telephone expenses	(1,610)	(21)
Vehicle expenses	(21,441)	(59)
Other expenses	(2,850)	(46)
	(990,906)	(116,422)

14. Financial income/(expenses)

Bank charges	(2,056)	(983)
Currency exchange difference	11,010	(20)
Interest charges on loan	(14,724)	(6,831)
	(5,770)	(7,834)

15. Corporate income tax

Corporate income tax	(137)	-
	(137)	-

Provision of CIT expense pertains to UK branch.

16. Directors

The Company has three directors during the financial period (previous year: three).

17. Average number of employees

During the financial period, the Company has twelve employees (previous year: three) including three employees which work outside of the Netherlands, one in the Germany, one in the UK and one in the UAE.

18. Post Balance Sheet date events

Mr. Amit Kumar ceased from the position of director of the Company w.e.f 3rd April 2023.

Mr. Bir Singh was appointed as a director of the Company w.e.f 3rd April 2023.

Signed on, 14th April 2023

Indra Kumar Jaiswal
Director

Pieter Feenstra
Director

Bir Singh
Director