

# **Addverb Technologies USA Inc.**

**Financial statements**

**2022-2023**

## **INDEPENDENT AUDITOR'S REPORT**

To,  
Board of Directors,  
Addverb Technologies USA Inc.  
Delaware

### **OPINION**

We have audited the accompanying financial statements of Addverb Technologies USA Inc. ("the Company"), which comprises the balance sheets as of March 31, 2023 and March 31, 2022, the related statement of Income from Operations, the statement of changes in Stockholder's Equity and statement of Cash Flows for the years then 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 Addverb Technologies USA Inc. as of March 31, 2023 and March 31, 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **BASIS FOR OPINION**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report. We are required to be independent of Addverb Technologies USA Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Addverb Technologies USA Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Addverb Technologies USA Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Addverb Technologies USA Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

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For Rakesh Jain, CPA PC  
Rakesh Jain  
Certified Public Accountant

Place: Houston, TX  
Date: April 13, 2023

**Addverb Technologies USA Inc.**  
**Balance Sheet**  
**As of March 31, 2023**

| Particulars                                       | Note Number | As of<br>March 31, 2023<br>(In USD) | As of<br>March 31, 2022<br>(In USD) |
|---|-------------|-------------------------------------|-------------------------------------|
| <b>Assets</b>                                     |             |                                     |                                     |
| <b>Current Assets</b>                             |             |                                     |                                     |
| Cash and Cash Equivalent                          | 3.3         | 33,16,787                           | 5,85,995                            |
| Inventory   | 5           | 14,76,091                           | 70,020                              |
| Loans and Advances                                |             | -                                   | 40,000                              |
| Prepaid Asset                                     |             | 2,22,148                            | 19,553                              |
| Other Assets                                      |             | 47,492                              | 933                                 |
| <b>Total Current Assets</b>                       |             | <b>50,62,519</b>                    | <b>7,16,501</b>                     |
| <b>Non-Current Assets</b>                         |             |                                     |                                     |
| Deferred Tax Asset                                | 6           | 16,24,221                           | 1,78,047                            |
| Tangible Fixed Assets (Gross)                     | 7           | 46,339                              | 6,299                               |
| Less : Accumulated Depreciation                   |             | (6,321)                             | (105)                               |
| <b>Tangible Fixed Assets (Net)</b>                |             | <b>40,018</b>                       | <b>6,194</b>                        |
| <b>Total Non-Current Assets</b>                   |             | <b>16,64,239</b>                    | <b>1,84,241</b>                     |
|   |             | <b>67,26,757</b>                    | <b>9,00,742</b>                     |
| <b>Liabilities and Shareholders' Equity</b>       |             |                                     |                                     |
| <b>Current Liabilities</b>                        |             |                                     |                                     |
| Accounts Payable                                  |             | 19,60,502                           | 1,11,331                            |
| Advance from Customers                            |             | 12,08,392                           | 39,492                              |
| Other Current Liabilities                         |             | 4,31,762                            | 1,71,358                            |
| <b>Total Current Liabilities</b>                  |             | <b>36,00,656</b>                    | <b>3,22,181</b>                     |
| <b>Total Liabilities</b>                          |             | <b>36,00,656</b>                    | <b>3,22,181</b>                     |
| <b>Shareholders' Equity</b>                       |             |                                     |                                     |
| Equity  | 8           | 70,00,000                           | 10,00,000                           |
| Retained Earnings/(Deficit)                       |             | (4,21,439)                          | -                                   |
| Net Income/(Loss)                                 |             | (34,52,460)                         | (4,21,439)                          |
| <b>Total Shareholders' Equity</b>                 |             | <b>31,26,101</b>                    | <b>5,78,561</b>                     |
| <b>Total Liabilities and Shareholders' Equity</b> |             | <b>67,26,757</b>                    | <b>9,00,742</b>                     |

See accompanying notes to financial statements.

Bir Singh  
 Director

Mark Messina  
 Director

**Addverb Technologies USA Inc.**  
**Statement of Income from Operations**  
**For the Year Ended March 31, 2023**

| Particulars   | For the Year Ended<br>March 31, 2023<br>(In USD) | For the Year Ended<br>March 31, 2022<br>(In USD) |
|---|--|--|
| Revenue   | 10,99,828  | -  |
| Cost of Sales   | 9,41,840   | -  |
| <b>Gross Profit/(Loss)</b>                                | <b>1,57,987</b>                                  | <b>-</b>   |
| <b>Selling, General and Administrative Expenses</b>       |  |  |
| Employee Benefit Expense                                  | 30,14,035  | 2,35,908   |
| Selling, General and Administrative Expenses              | 18,81,340  | 3,62,804   |
| Depreciation and Amortization                             | 6,216  | 105  |
| Bank Charges  | 995  | 50   |
| <b>Total Selling, General and Administrative Expenses</b> | <b>49,02,586</b>                                 | <b>5,98,867</b>                                  |
| <b>Operating Profit/(Loss)</b>                            | <b>(47,44,599)</b>                               | <b>(5,98,867)</b>                                |
| <b>Other Income/(Expense)</b>                             |  |  |
| Interest Income   | 49,779   | -  |
| Exchange Gain/(Loss)                                      | (1,97,361)                                       | -  |
| Other (Expense)   | (6,453)  | (619)  |
| <b>Total Other Income/(Expense), Net</b>                  | <b>(1,54,035)</b>                                | <b>(619)</b>                                     |
| <b>Income Before Income Taxes</b>                         | <b>(48,98,634)</b>                               | <b>(5,99,486)</b>                                |
| <b>Current Liabilities</b>                                |  |  |
| Deferred Tax Benefit/(Expense)                            | 14,46,174  | 1,78,047   |
| <b>Total Income Taxes</b>                                 | <b>14,46,174</b>                                 | <b>1,78,047</b>                                  |
| <b>Net Income (Loss)</b>                                  | <b>(34,52,460)</b>                               | <b>(4,21,439)</b>                                |

See accompanying notes to financial statements.

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 Bir Singh  
 Director

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 Mark Messina  
 Director

**Addverb Technologies USA Inc.**  
**Statements of Changes in Shareholders' Equity**  
**For the Year Ended March 31, 2023**

| <b>Particulars</b>                                    | <b>Shareholders' Equity<br/>(In USD)</b> | <b>Net Income<br/>(In USD)</b> | <b>Retained Earnings/Deficit<br/>(In USD)</b> | <b>Accumulated Stockholders' Surplus / (Deficit)<br/>(In USD)</b> |
|---|--|--------------------------------|---|---|
| Capital Contribution                                  | 10,00,000                                | -                              | -   | 10,00,000   |
| Net Income/(Loss) for the period ended March 31, 2022 | -  | (4,21,439)                     | -   | (4,21,439)  |
| Distributions   | -  | -                              | -   | -   |
| <b>Balances as of March 31, 2022</b>                  | <b>10,00,000</b>                         | <b>(4,21,439)</b>              | <b>-</b>                                      | <b>5,78,561</b>   |
| Capital Contribution                                  | -  | -                              | -   | -   |
| Net Income/(Loss) for the year ended March 31, 2023   | -  | (34,52,460)                    | -   | (34,52,460)   |
| Additions during the Year                             | 60,00,000                                | -                              | -   | 60,00,000   |
| Adjustments during the year                           | -  | 4,21,439                       | (4,21,439)                                    | -   |
| <b>Balances as of March 31, 2023</b>                  | <b>70,00,000</b>                         | <b>(34,52,460)</b>             | <b>(4,21,439)</b>                             | <b>31,26,101</b>  |

*See accompanying notes to financial statements.*

**Addverb Technologies USA Inc.**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2023**

| Particulars   | For the Year Ended<br>March 31, 2023<br>(In USD) | For the Year Ended<br>March 31, 2022<br>(In USD) |
|---|--|--|
| <b><i>Cash Flows From Operating Activities:</i></b>   |  |  |
| Net Income  | (34,52,460)                                      | (4,21,439)                                       |
| <b><i>Adjustments to reconcile net income to net cash used in operating activities:</i></b> |  |  |
| Add: Depreciation   | 6,216  | 105  |
| Less: Deferred Tax Asset  | (14,46,174)                                      | (1,78,047)                                       |
| <b><i>Changes in operating assets and liabilities:</i></b>                                  |  |  |
| Accounts Receivable   | -  | -  |
| Inventory   | (14,06,071)                                      | (70,020)   |
| Loans and Advances  | 40,000   | (40,000)   |
| Prepaid Asset   | (2,02,595)                                       | (19,553)   |
| Other Assets  | (46,560)   | (933)  |
| Accounts Payable  | 18,49,171  | 1,11,331   |
| Advance from Customers  | 11,68,900  | 39,492   |
| Other Current Liabilities   | 2,60,404   | 1,71,358   |
| <b>Net cash used in Operating Activities</b>  | <b>(32,29,169)</b>                               | <b>(4,07,706)</b>                                |
| <b><i>Cash Flows From Investing Activities:</i></b>   |  |  |
| Loan to Group Companies   | -  | -  |
| Tangible Fixed Assets (Gross)   | (40,039)   | (6,299)  |
| <b>Net cash used in Investing Activities</b>  | <b>(40,039)</b>                                  | <b>(6,299)</b>                                   |
| <b><i>Cash Flows From Financing Activities:</i></b>   |  |  |
| Capital Contribution  | 60,00,000  | 10,00,000  |
| <b>Current Liabilities</b>  | <b>60,00,000</b>                                 | <b>10,00,000</b>                                 |
| Net increase (decrease) in the cash and cash equivalents                                    | 27,30,792  | 5,85,995   |
| Cash and cash equivalents at the beginning of the period                                    | 5,85,995   | -  |
| <b>Cash and Cash Equivalents at the end of the Year</b>                                     | <b>33,16,787</b>                                 | <b>5,85,995</b>                                  |

See accompanying notes to financial statements.

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**Addverb Technologies USA Inc.**

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**Notes to Financial Statement**

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**For the Year Ended March 31, 2023**

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**Note 1 - Organization and Operations**

Addverb Technologies USA Inc., a Delaware Corporation, having its registered office at Harvard Business Services, Inc 16192 Coastal Highway, Lewes, DE 19958, County of Sussex, and it was incorporated on November 8, 2021. The Company is engaged in the business of robotics and warehouse automation solutions.

Addverb Technologies USA Inc. is registered as a foreign corporation in the state of California, Colorado and Texas and in the states of Illinois, Indiana, Ohio, & California for sales tax purpose. The Company is a wholly owned subsidiary of Addverb Technologies Limited, an Indian Company incorporated under the laws of India with its registered office at Noida (Uttar Pradesh), India.

**Note 2 - Basis of Preparation****2.1 Financial Statement Presentation:**

Addverb Technologies USA Inc. company's financial records have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Note - 3 describes the significant accounting policies.

**2.2 Comparative Financial Statement:**

The financial statements presented along with the auditor's audit report are in comparative form.

**Note 3 - Significant Accounting Policies****3.1 Use of Estimates:**

The preparation of financial statement is in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

**3.2 Revenue Recognition:**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

**1. Sale of Goods**

Revenue is recognized when the Company satisfies a performance obligation by transferring the promised goods to the customer. The goods are transferred when the customer obtains control of the goods.



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**Addverb Technologies USA Inc.**

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**Notes to Financial Statement**

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**For the Year Ended March 31, 2023**

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**2. Software and other services**

The Company provides services in design and build robotics and warehouse automation, other software and programming systems for customers through fixed-price contracts.

Contract revenue is recognized when the Company's performance creates or enhances an asset that the customer controls as the asset is being created or enhanced.

Revenue from these contracts are recognized over time using the input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

**3. Composite contract comprising goods, installation and commissioning and software**

Revenue from these contracts are recognized over time using the input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

The input method recognizes revenue over time by reference to the Company's progress, which is measured by comparing the actual costs incurred on the project with the total estimated costs expected to complete the project.

The output method recognizes revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as appraisals of results achieved, milestones reached, the time elapsed and units produced or units delivered.

The Company applies a single method of measuring progress for each performance obligation satisfied over time depending upon the essence of the contract and the Company applies that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting year, the Company remeasures its progress towards complete satisfaction of a performance obligation satisfied over time.

Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognized as a cumulative adjustment to revenue at the date of modification.

Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the year in which the circumstances that give rise to the revision become known by management.

The year between the completion of work and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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**Addverb Technologies USA Inc.**

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**Notes to Financial Statement**

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**For the Year Ended March 31, 2023**

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If the value of the goods transferred by the Company exceeds the payments, a contract asset is recognized. If the payments exceed the value of the goods transferred, a contract liability is recognized.

**3.3 Cash and Cash Equivalents:**

The Company defines cash equivalents as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. The Company maintained cash balances in one financial banking institution in the United States of America as of March 31, 2023.

To date, the Company has not experienced any losses in such accounts. All the accounts are insured by the Federal Deposit Insurance Corporation on aggregate balances up to \$ 250,000.

**3.4 - Accounts Receivable:**

Trade accounts receivable represent amounts owed to the Company which is expected to be collected within the next twelve months. Account receivables are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer years. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the year that the determination is made. As of March 31, 2023 and March 31, 2022, total accounts receivables amounted to \$Nil and \$Nil, respectively.

**3.5 Fair Value Considerations:**

Addverb Technologies USA Inc. uses fair value to measure certain financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs -Level 1) and the lowest priority to a reporting entity's internal assumptions based on the best information available when external market data is limited or unavailable (unobservable inputs -Level 3).

The fair value option allows entities to choose at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value.

If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting years must be recognized in current earnings Addverb Technologies USA Inc. did not elect the fair value option for the measurement of any eligible assets or liabilities.

The Company's financial instruments (primarily cash and cash equivalents) are carried in the accompanying statement of financial position at amounts, which reasonably approximate fair value.

**3.6 Investments:**

The company carries no investments in marketable securities.

**3.7 Reclassification of Prior Year Amounts**

Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no effect on previously reported results of operations.

**Addverb Technologies USA Inc.**  
**Notes to Financial Statement**  
**For the Year Ended March 31, 2023**

**Note 4 - Concentration of Credit Risk**

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable.

The Company had sales to two customers, both of them have individually contributed in excess of 10% of total revenue as follows:

| Particulars                             | For the Year Ended<br>March 31, 2023 | For the Year Ended<br>March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| Number of customers                     | 2                                    | -                                    |
| Revenue Contributed (In USD)            | 1,052,500                            | -                                    |
| Total Revenue (In USD)                  | 1,099,828                            | -                                    |
| Percentage of Total Revenue Contributed | 96%                                  | -                                    |
| Trade Receivables (In USD)              | Nil                                  | -                                    |

**Note 5 - Inventories**

Inventories consist of finished goods and Goods in Transit which are available at the end of the year for sale in the upcoming year and are valued at the lower of cost or market value. Costs consist of the price paid for the inventory plus costs incurred in bringing the products to present locations.

Inventories consisted of the following as of March 31, 2023 and March 31, 2022:

| Category         | As of March 31, 2023<br>(In USD) | As of March 31, 2022<br>(In USD) |
|------------------|----------------------------------|----------------------------------|
| Finished Goods   | 397,067                          | Nil                              |
| Goods in Transit | 1,079,024                        | 70,020                           |
| <b>Total</b>     | <b>1,476,091</b>                 | <b>70,020</b>                    |

**Note 6 - Income Taxes**

**Federal Income Tax**

The company is a C corporation filing Form 1120 annually for tax purposes. Profits are not being passed through to owners; hence tax is paid at the company's level. Accordingly, a provision for federal income tax is warranted, however, no provision for federal income tax has been made since the company incurred losses during the current year.

**State Income Tax**

The company is incorporated in Delaware where the state Income tax is applicable @ 8.7%.

For the year ended March 31, 2023, no provision for state income tax has been made since the company incurred losses during the current year.

Deferred tax assets and liabilities are determined based on the differences between the financial statements and the tax basis of assets and liabilities. Realization of the future tax benefits related to the net deferred tax assets is dependent on many factors including the Company's ability to

**Addverb Technologies USA Inc.**  
**Notes to Financial Statement**  
**For the Year Ended March 31, 2023**

generate taxable income. Management believes that, at a minimum, it is more likely than not that future taxable income will be sufficient to realize the recorded assets.

During the year deferred taxes have been calculated as follows:

| Particulars                     | For the Year Ended<br>March 31, 2023 (In USD) | For the Year Ended<br>March 31, 2022 (In USD) |
|---------------------------------|---|---|
| Deferred Tax Benefit/ (Expense) | 1,446,174                                     | 178,047                                       |
| <b>Total</b>                    | <b>1,446,174</b>                              | <b>178,047</b>                                |

| Particulars                                | As of<br>March 31, 2023 (In USD) | As of<br>March 31, 2022 (In USD) |
|--|----------------------------------|----------------------------------|
| <b>Deferred Tax Assets/ (Liabilities):</b> |                                  |                                  |
| Federal @ 21%                              | 1,148,439                        | 125,892                          |
| State @ 8.7%                               | 475,782                          | 52,155                           |
| <b>Total Deferred Tax Assets</b>           | <b>1,624,221</b>                 | <b>178,047</b>                   |

**Note 7 - Fixed Assets**

Fixed Assets are carried at cost less accumulated depreciation. The Company capitalizes all expenditures for property and equipment in excess of \$2,500. Depreciation is computed by use of the straight-line method for financial reporting purposes. The useful life of office equipment and laptops is five years.

Routine maintenance, repairs, renewals and replacement costs are charged against the operation in the year incurred. Expenditures that materially increase the value or extend the useful lives of property and equipment are capitalized. When property or equipment is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

The major categories of fixed assets as of March 31, 2023 and March 31, 2022, are summarized as follows:

| Particulars                       | Gross Block<br>as of<br>April 1, 2022<br>(In USD) | Additions<br>during the year<br>(In USD) | Deletions<br>during the year<br>(In USD) | Gross Block as<br>of<br>March 31, 2023<br>(In USD) | Estimated<br>Useful Life<br>(In Years) |
|-----------------------------------|---|--|--|--|--|
| IT Equipment                      | 5,099   | 27,078                                   | -  | 32,178   | 5                                      |
| Office Equipment                  | 1,200   | 4,461                                    | -  | 5,661  | 5                                      |
| Other Fixed Assets                | Nil   | 8,500                                    | -  | 8,500  | 5                                      |
| Less: Accumulated<br>Depreciation | (105)   | (6,216)                                  | -  | (6,321)  |  |
| <b>Net Block</b>                  | <b>6,194</b>                                      | <b>33,824</b>                            | <b>-</b>                                 | <b>40,018</b>                                      |  |

**Addverb Technologies USA Inc.**  
**Notes to Financial Statement**  
**For the Year Ended March 31, 2023**

Depreciation expenses for the year ended March 31, 2023 and March 31, 2022 as follow:

| Particulars          | For the Year Ended<br>March 31, 2023 (In USD) | For the Year Ended<br>March 31, 2022 (In USD) |
|----------------------|---|---|
| Depreciation Expense | 6,216   | 105   |
| <b>Total</b>         | <b>6,216</b>                                  | <b>105</b>                                    |

**Note 8 – Additional Share Capital**

During the year ended March 31, 2023, the company issued 60,000 shares at an issue price of \$ 100 per share, raising additional share capital of \$6,000,000, these shares were issued to the holding company Addverb Technologies Limited.

**Note 9 - Intercompany, Related Party, and Affiliates Disclosure Information**

A related party transaction is a transaction, which takes place between two parties and between the company and its affiliates/ related party through a relative of the member who owns the company and by having the common or significant control/ interest and also between the company and employees of the affiliate company.

The Company has transactions mainly with Addverb Technologies Pte. Ltd. (a fellow subsidiary) and Addverb Technologies Limited (which is a holding company).

**Intercompany Balances**

| Related Party                  | Transaction Type | Amount as of March<br>31, 2023 (In USD) | Amount as of March<br>31, 2022 (In USD) |
|--------------------------------|------------------|---|---|
| Addverb Technologies Pte. Ltd. | Accounts Payable | 63                                      | 20,489                                  |
| Addverb Technologies Limited   | Goods in Transit | 1,079,024                               | 70,020                                  |
|                                | Accounts Payable | 1,719,772                               | 50,776                                  |

**Intercompany Transactions**

| Related Party                  | Particulars                           | For the Year Ended<br>March 31, 2023 (In USD) | For the Year Ended<br>March 31, 2022 (In USD) |
|--------------------------------|---------------------------------------|---|---|
| Addverb Australia Pty Ltd.     | Loan given and repaid during the year | 1,524,637                                     | Nil   |
| Addverb Technologies Pte. Ltd. | Reimbursement Charges                 | 4,248   | 19,870  |
|                                | Professional Fees                     | Nil   | 619   |
| Addverb Technologies Limited   | Goods Purchased                       | 935,430                                       | Nil   |
|                                | Reimbursement                         | 8,278   | 50,776  |

**Addverb Technologies USA Inc.**  
**Notes to Financial Statement**  
**For the Year Ended March 31, 2023**

**Capital Contribution**

| <b>Related Party</b>         | <b>Particulars</b>                                  | <b>As of<br/>March 31, 2023 (In USD)</b> | <b>As of<br/>March 31, 2022 (In USD)</b> |
|------------------------------|---|--|--|
| Addverb Technologies Limited | Capital Contribution (70,000 shares of \$ 100 each) | 7,000,000                                | 1,000,000                                |

**Note 10 - Contingencies & Lawsuits**

There were no contingencies or lawsuits pending as of March 31, 2023.

**Note 11 - Retirement Plan – 401 (K) Plan**

Eligible U.S. employees may participate in the Addverb Technologies USA Inc. 401(k) Plan. Enrollment in the 401(k) Plan is automatic for employees who meet eligibility requirements unless they decline participation. The Company provides matching contributions of up to 4 percent of annual eligible compensation for employees hired. For March 31, 2023 and 2022, the company contributed \$54,250 and \$3,976, respectively for the toward plan.

**Note 12 - Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. The Company recognizes the effects of subsequent events that provide additional information about conditions that existed at the date of the statement of financial positions. Management has evaluated events occurring between the end of its fiscal year, March 31, 2023 and April 14, 2023, the date the financial statements were available to be issued for matters that would require disclosure or adjustments to the financial statements. No events have occurred subsequent to March 31, 2023 that requires recording or disclosure in the financial statements.

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Bir Singh

Director

Date: April 13, 2023

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Mark Messina

Director

Date: April 13, 2023