

**SenseHawk, Inc.**  
**Financial Statements**  
**For the Year Ended 31st December, 2022**

SenseHawk, Inc.  
**Balance Sheet as at 31st December, 2022**  
*(All amounts in USD, unless otherwise stated)*

	Notes	As at 31st December, 2022	As at 31st December, 2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	66,734	60,852
(b) Financial Assets			
(i) Investments	4	263,668	263,668
(ii) Other Financial Assets	5	8,483	-
(c) Deferred Tax Assets (net)	6	-	-
<b>Total Non-Current Assets</b>		<b>338,885</b>	<b>324,520</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	7	584,332	465,540
(ii) Cash and Cash Equivalents	8	10,739,589	1,751,650
(b) Other Current Assets	9	1,119,054	496,265
<b>Total Current Assets</b>		<b>12,442,975</b>	<b>2,713,455</b>
<b>Total Assets</b>		<b>12,781,860</b>	<b>3,037,975</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Share Capital	10	28,199,740	7,081,441
(b) Other Equity	11	(15,661,755)	(4,240,783)
<b>Total Equity</b>		<b>12,537,985</b>	<b>2,840,658</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	12	161,480	100,286
(b) Other Current Liabilities	13	82,395	97,031
<b>Total Current Liabilities</b>		<b>243,875</b>	<b>197,317</b>
<b>Total Liabilities</b>		<b>243,875</b>	<b>197,317</b>
<b>Total Equity and Liabilities</b>		<b>12,781,860</b>	<b>3,037,975</b>
<b>Significant Accounting Policies</b>	2.2		

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of  
**SenseHawk, Inc.**  
Registration Number- 30-1090510

**Swarup Ramapriya Mavanoor**  
Director

Place: Abu Dhabi, UAE

Date: 14<sup>th</sup> June, 2023

## SenseHawk, Inc.

## Statement of Profit and Loss for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

	Notes	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Income:</b>			
Revenue from Operations (net)	14	1,884,051	1,648,052
Other Income	15	23,230	22,811
<b>Total Income</b>		<b>1,907,281</b>	<b>1,670,863</b>
<b>Expenses:</b>			
Cost of Sales	16	710,992	462,977
Employee Benefits Expense	17	278,983	67,906
Finance Costs	18	4,530	1,034
Depreciation and Amortisation Expense	19	16,783	13,270
Other Expenses	20	2,547,481	3,193,753
<b>Total Expenses</b>		<b>3,558,769</b>	<b>3,738,940</b>
<b>(Loss) before Tax</b>		<b>(1,651,488)</b>	<b>(2,068,077)</b>
<b>Tax Expense</b>			
(1) Current Tax	21	-	-
(2) Deferred Tax	21	-	-
<b>Net tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss after tax for the year</b>		<b>(1,651,488)</b>	<b>(2,068,077)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to profit or loss	22	-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Other Comprehensive income( Net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive (Loss) for the Year</b>		<b>(1,651,488)</b>	<b>(2,068,077)</b>
Basic and diluted	23	(0.30)	(0.40)
Weighted average no. of shares used in computing loss per equity share	23	5,425,064	5,113,578

**Significant Accounting Policies** 2.2

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of  
SenseHawk, Inc.

Registration Number- 30-1090510

**Swarup Ramapriya Mavanoor**  
Director

Place: Abu Dhabi, UAE

Date: 14th June, 2023

## SenseHawk, Inc.

## Statement of Changes in Equity (SOCIE) for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

## (a) Equity share capital

Issued, subscribed and fully diluted shares (No.)	Nos.	Amount
<b>Common Stock</b>		
As at 01st January, 2021	2,530,900	3,062
Issued during the year	-	-
<b>As at 31st December, 2021</b>	<b>2,530,900</b>	<b>3,062</b>
Issued during the period	1,670,668	10,119,475
Shares converted from preferred stock to common stock (currently held by AWI & Elevation Capital)	509,556	1,584,098
Shares converted from preferred stock to common stock (These shares were bought back by the company after conversion)	13,600	29,757
Shares converted from preferred stock to common stock (currently held by RIL)	1,542,022	5,565,903
Shares bought back by the company	(1,670,668)	(31,880)
<b>As at 31st December, 2022</b>	<b>4,596,078</b>	<b>17,270,415</b>

Issued, subscribed and fully diluted shares (No.)	Nos.	Amount
<b>Preferred Stock (Including Financing Costs)</b>		
As at 01st January, 2021	2,065,178	7,078,379
Issued during the year	-	-
<b>As at 31st December, 2021</b>	<b>2,065,178</b>	<b>7,078,379</b>
Issued during the period	2,118,803	12,833,893
Shares converted from preferred stock to common stock	(2,065,178)	(7,179,759)
<b>As at 31st December, 2022</b>	<b>2,118,803</b>	<b>12,732,513</b>

## ESOPs

	Nos.	Amount
As at 01st January, 2021	517,500	-
Issued during the year	-	-
<b>As at 31st December, 2021</b>	<b>517,500</b>	<b>-</b>
ESOP Buyback	(517,500)	(1,803,188)
<b>As at 31st December, 2022</b>	<b>-</b>	<b>(1,803,188)</b>

## (b) Other equity\*\*

	Reserves and Surplus			Total other equity
	Buyback of Shares	Securities premium	Retained earnings	
As at 01st January, 2021	-	-	(2,172,706)	(2,172,706)
During the Year	-	-	(2,068,077)	(2,068,077)
<b>As at 31st December, 2021</b>	<b>-</b>	<b>-</b>	<b>(4,240,783)</b>	<b>(4,240,783)</b>
During the Year	(9,769,484)	-	(1,651,488)	(11,420,972)
<b>As at 31st December, 2022</b>	<b>(9,769,484)</b>	<b>-</b>	<b>(5,892,271)</b>	<b>(15,661,755)</b>

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of  
SenseHawk, Inc.

Registration Number- 30-1090510

Swarup Ramapriya Mavanoor

Director

Place: Abu Dhabi, UAE

Date: 14th June, 2023

**SenseHawk, Inc.**  
**Cash Flow Statement for the year ended 31st December, 2022**  
*(All amounts in USD, unless otherwise stated)*

	As at 31st December, 2022	As at 31st December, 2021
<b>A. Cash flow from operating activities</b>		
Loss before tax	(1,651,488)	(2,068,077)
<b>Adjustments:</b>		
Depreciation and amortisation expense	16,783	13,270
Finance costs	4,530	1,034
Operating (loss) before working capital changes	<u>(1,630,175)</u>	<u>(2,053,773)</u>
<b>Movement in working capital:</b>		
Change in trade receivables	(118,790)	(263,089)
Change in other current assets	(622,789)	(182,313)
Change in other financial assets	(8,483)	-
Change in trade payables	61,194	44,030
Change in other current liabilities	(14,636)	35,498
<b>Cash (used in) operations</b>	<u>(2,333,679)</u>	<u>(2,419,647)</u>
Income tax received/(paid)	-	-
<b>Net cash (used in) operating activities (A)</b>	<b>(2,333,679)</b>	<b>(2,419,647)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including capital work in progress, capital advances and net of capital creditors and retention money)	(22,665)	(24,432)
Investments in Subsidiaries		(13,668)
<b>Net cash (used in) investing activities (B)</b>	<u>(22,665)</u>	<u>(38,100)</u>
<b>C. Cash flow from financing activities</b>		
Finance costs	(4,530)	(1,034)
Buyback of Shares	(9,769,484)	-
Proceeds from issuance of equity share capital/ Share Conversion/Buyback	21,118,298	-
<b>Net cash from financing activities (C)</b>	<u>11,344,284</u>	<u>(1,034)</u>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>8,987,940</b>	<b>(2,458,781)</b>
Cash and cash equivalents at the beginning of the year	1,751,650	4,210,431
<b>Cash and cash equivalents at the end of the year</b>	<u><b>10,739,589</b></u>	<u><b>1,751,650</b></u>
Components of cash and cash equivalents for the purpose of cash flow statement		
Cash on hand	-	-
With banks - on current accounts	10,739,589	1,751,650
<b>Total cash and cash equivalents (note 8)</b>	<u><b>10,739,589</b></u>	<u><b>1,751,650</b></u>

The accompanying notes are an integral part of these financial statements

For and on behalf of the Board of Directors of  
**SenseHawk, Inc.**  
Registration Number- 30-1090510

**Swarup Ramapriya Mavanoor**  
Director

Place: Abu Dhabi, UAE  
Date: 14th June, 2023

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***1 Corporate information**

SenseHawk, Inc. ('the Company') was incorporated on June 11, 2018 in the State of Delaware. The Company's principal activity is to provide software services. The registered office of the Company is 1875 S. Bascom Ave., Suite 2400 #5, Campbell, California- 95008, USA.

During the current year, Reliance Industries Limited (RIL) acquired 79.3982% stake in SenseHawk, Inc. w.e.f 21st October 2022, thereby making the Company a subsidiary of RIL.

**2 Significant Accounting Policies****2.1 Statement of compliance**

The Company prepares financial statements as per U.S GAAP as notified by Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on accrual basis under the historical cost convention basis except for certain financial assets and liabilities which are measured at fair value or amortised cost.

**2.3 Summary of significant accounting policies****(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when :

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***(b) Property plant and equipment**

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation / amortisation and impairment loss, if any. Cost includes freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to the acquisition/ construction and installation.

The Company provides depreciation on Property, Plant and Equipment on the straight-line method ('SLM'), pro-rata to the period of use based on the useful life of the assets as estimated by the management and is charged to the Statement of profit and loss.

Useful life of assets followed by the Company is summarized below:

<b>Category of assets</b>	<b>Useful life</b>
Computers and accessories	5 years
Machinery & Equipment	7 years

**(c) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

**(d) Leases**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**(e) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***Financial assets****Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- i) Financial assets at amortised cost
- ii) Financial assets at fair value through other comprehensive income (FVTOCI)
- iii) Financial assets at fair value through profit or loss (FVTPL)

**(i) Financial assets at amortised cost**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

For financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 inputs are unobservable inputs for the assets or liability.

**Impairment of financial assets**

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- (i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).



**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)*

For trade receivables the Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**Financial liabilities****Initial recognition and measurement**

All financial liabilities are recognised initially at fair value. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

**Subsequent measurement**

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(f) Revenue recognition***Sale of Services*

Revenue from sale of services is recognised as and when the services are rendered.

*Contract Balances*

Trade receivables represents the Company’s right to an amount of consideration that is unconditional. When a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised and disclosed as advances from customers. Contract liabilities are recognised as revenue when the Company performs under the contract.

Following are the revenue recognition principles for major streams of business:

**(i) Revenue from Operations**

Data analytical services

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***(g) Foreign currency transactions and translation**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year. Monetary assets and liabilities in foreign currency, which are outstanding as at the year end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of profit and loss.

**(h) Employee benefits****Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and compensated absences.

**(i) Tax Expense**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or in equity.

*Current tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date. The company's profit, as adjusted for tax purposes is subject to tax as per the USA tax laws.

*Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**(j) Earnings Per Share (EPS)**

The basic EPS is computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company (after adjusting for interest on optionally fully convertible debentures, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***(k) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**(l) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, which are subject to an insignificant risk of changes in value.

**(m) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.4 Critical Accounting Judgements And Key Sources Of Estimation Uncertainty**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Depreciation/ amortisation and useful lives of property, plant and equipment:**

Property, plant and equipment are depreciated over their estimated useful lives of the assets. Management reviews the estimated useful lives annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivables:**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)*

## c) Provisions

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## (d) Impairment of non- financial assets :

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

In assessing value in use, the estimated future cash flows covering generally a period of five years are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Estimated future cash flows involve judgement and estimates relating to revenue growth rates, net profit margin and perpetual growth rates. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used. Based on the impairment assessment as aforesaid, there is no impairment.

## e) Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, revenue multiples, EBITDA multiples, recent transactions, independent valuer's report and reorganisation of businesses. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## f) Fair Value Measurement:

For estimates relating to fair value of financial instruments refer note 27 of the financial statements.

## g) Estimation uncertainty relating to the global health pandemic

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's Financial Assets and Non-Financial Assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all its assets.

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

## 3 Property, Plant and Equipment

Particulars	Gross block			Depreciation				Net block		
	As at 1st January 2022	Additio ns during the year	Disposals during the year	As at 31st December 2022	As at 1st January 2022	For the year	Deduc tions	As at 31st Decembe r 2022	As at 31st December 2022	As at 31st December 2021
<b>Property, Plant and Equipment Tangible Assets</b>										
Computers	93,069	22,665	-	115,734	32,217	16,783	-	49,000	66,734	60,852
<b>Subtotal</b>	<b>93,069</b>	<b>22,665</b>	<b>-</b>	<b>115,734</b>	<b>32,217</b>	<b>16,783</b>	<b>-</b>	<b>49,000</b>	<b>66,734</b>	<b>60,852</b>
<b>Previous Year</b>				<b>93,069</b>				<b>32,217</b>	<b>60,852</b>	

## 4 Investments

As at  
31st December, 2022As at  
31st December, 2021**Investments in Subsidiaries:**

Sensehawk India Private Limited :

18,19,354 equity shares (December 31,  
2021: 18,19,354 shares)

250,000

250,000

Sensehawk MEA Limited : 50 ordinary  
shares (December 31, 2021: 50 shares)

13,668

13,668

**Total****263,668****263,668**

## 5 Other non-current financial assets

As at  
31st December, 2022As at  
31st December, 2021

Security Deposits

8,483

-

**Total****8,483****-**

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

6 Deferred Tax Assets (Net)	As at 31st December, 2022	As at 31st December, 2021
<b>Components of Deferred Tax</b>		
Deferred Tax Assets	-	-
Deferred Tax Liabilities	-	-
<b>Net Deferred Tax Assets</b>	<b>-</b>	<b>-</b>

Deferred tax assets and liabilities at the end of the reporting period and deferred tax (charge) /credit in Statement of Profit and Loss is as follows.

Movement in deferred tax asset and liabilities	As at 31st December, 2021	Charges / (credit) to Statement of Profit and Loss	Other Comprehensive Income	As at 31st December, 2022
<b>Deferred tax assets</b>				
Net operating loss carry forwards	-	-	-	-
<b>Total Deferred Tax Asset:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities</b>				
Property, Plant and Equipment	-	-	-	-
<b>Total Deferred Tax Liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

7 Trade Receivables (Unsecured and considered good)	As at 31st December, 2022	As at 31st December, 2021
Trade Receivables	584,332	465,540
<b>Total</b>	<b>584,332</b>	<b>465,540</b>

\* Trade receivables are non-interest bearing and are generally on terms of 30 days.

8 Cash and Cash Equivalents	As at 31st December, 2022	As at 31st December, 2021
Balance with banks	10,739,589	1,751,650
<b>Total</b>	<b>10,739,589</b>	<b>1,751,650</b>

9 Other Current Assets	As at 31st December, 2022	As at 31st December, 2021
Prepaid expenses	62,527	75,611
Advance to employees	4,643	-
Balances with government authorities	(1)	978
* Advance to suppliers	1,051,885	419,676
<b>Total</b>	<b>1,119,054</b>	<b>496,265</b>

\* Advance to suppliers are advances given to related parties.

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

## 10 Share Capital

	As at 31st December, 2022	As at 31st December, 2021
<b>Issued, subscribed and fully diluted shares (No.)</b>		
45,96,078 (December 31, 2021: 25,30,900 ) Common Stock	17,270,415	3,062
NIL (December 31, 2021: 9,27,600) Series A Preferred Stock	-	2,029,759
NIL (December 31, 2021: 11,37,578 ) Series A1 Preferred Stock	-	5,150,000
21,18,803 (December 31, 2021: NIL ) Series B Preferred Stock	12,833,893	-
NIL Treasury Stock (December 31,2021: 5,17,500)	(1,803,188)	-
Financing Costs: Preferred Stock	(101,380)	(101,380)
<b>Total</b>	<b>28,199,740</b>	<b>7,081,441</b>

## 10.1 Rights, preferences and restrictions attached to shares:

(i) The Company has only two class of shares: a) Common stock having a par value of USD 0.0001 per share and Series B Preferred Stock of USD 0.00001 per share. Each holder of shares is entitled to one vote per shares held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shares held by:

Particulars	As at 31st December, 2022		As at 31st December, 2021	
	Number of shares held	(In USD)	Number of shares held	(In USD)
* Reliance Industries Limited (79.3982%)	5,331,493	28,519,271	-	-

The investment made by Reliance Industries Limited (RIL) is USD 32 Million, however the shares purchased by RIL from Elevation Capital VI Limited (EC) and Alpha Wave Incubation LP (AWI) remains at original Price Per share (PPS) since it is actually EC and AWI who sold partially their shares to RIL directly and SenseHawk, Inc. is not the recipient of the sale of the shares. Hence, the amount recorded in books is at original PPS.

(iii) Reconciliation of Common Stock outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st December, 2022		As at 31st December, 2021	
	Number of shares held	(In USD)	Number of shares held	(In USD)
<b>Shares</b>	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
At the commencement of the period	2,530,900	3,062	2,530,900	3,062
Issued during the period	1,670,668	10,119,475	-	-
Shares converted from preferred stock to common stock (currently held by AWI & Elevation Capital)	509,556	1,584,098	-	-
Shares converted from preferred stock to common stock (These shares were bought back by the company after conversion)	13,600	29,757	-	-
Shares converted from preferred stock to common stock (currently held by RIL)	1,542,022	5,565,903	-	-
Shares bought back by the company	(1,670,668)	(31,880)	-	-
Outstanding at the end of the period	<b>4,596,078</b>	<b>17,270,415</b>	<b>2,530,900</b>	<b>3,062</b>

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

(iv) Reconciliation of the preferred stock outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st December, 2022		As at 31st December, 2021	
	Number of shares held	(In USD)	Number of shares held	(In USD)
<b>Shares</b>	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
At the commencement of the period	2,065,178	7,179,759	2,065,178	7,179,759
Financing Costs	-	(101,380)	-	(101,380)
Issued during the period	2,118,803	12,833,893	-	-
Shares converted from preferred stock to common stock	(2,065,178)	(7,179,759)	-	-
Outstanding at the end of the period	<b>2,118,803</b>	<b>12,732,513</b>	<b>2,065,178</b>	<b>7,078,379</b>

(v) Reconciliation of the ESOPs outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st December, 2022		As at 31st December, 2021	
	Number of shares held	(In USD)	Number of shares held	(In USD)
<b>Shares</b>	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
At the commencement of the period	517,500	-	517,500	-
ESOP Buyback	(517,500)	(1,803,188)	-	-
Outstanding at the end of the period	<b>-</b>	<b>(1,803,188)</b>	<b>517,500</b>	<b>-</b>

(vi) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31st December, 2022		As at 31st December, 2021	
	shares held	% Holding	shares held	% Holding
Reliance Industries Limited	5,331,493	79.40%	-	0.00%
Rahul Janardan Sankhe	403,416	6.01%	1,000,000	19.56%
Swarup Ramapriya Mavanoor	403,416	6.01%	1,000,000	19.56%
Alpha Wave Incubation LP			883,556	17.28%
Elevation Capital VI Limited			1,168,022	22.84%



## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

11 Other Equity	As at 31st December, 2022	As at 31st December, 2021
A) Retained earnings		
As per last Balance Sheet	(4,240,783)	(2,172,706)
Less: Loss for the year	(1,651,488)	(2,068,077)
<b>Total</b>	<b>(5,892,271)</b>	<b>(4,240,783)</b>
B) Buyback of Shares	(9,769,484)	-
<b>Total (A+B)</b>	<b>(15,661,755)</b>	<b>(4,240,783)</b>
12 Trade Payables	As at 31st December, 2022	As at 31st December, 2021
Trade payables	161,480	100,286
<b>Total</b>	<b>161,480</b>	<b>100,286</b>
13 Other Current Liabilities	As at 31st December, 2022	As at 31st December, 2021
Accrued Expenses	78,831	97,031
Deferred Revenue	3,564	-
<b>Total</b>	<b>82,395</b>	<b>97,031</b>
14 Revenue from Operations	Year Ended December 31, 2022	Year Ended December 31, 2021
Sale of Services		
Data analytical services	1,884,051	1,648,052
<b>Total</b>	<b>1,884,051</b>	<b>1,648,052</b>
15 Other Income	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest Income	23,230	22,811
<b>Total</b>	<b>23,230</b>	<b>22,811</b>

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

16 Cost of Sales	Year Ended December 31, 2022	Year Ended December 31, 2021
Software License Charges	181,481	73,645
Data Collection charges	529,511	389,332
<b>Total</b>	<b>710,992</b>	<b>462,977</b>
17 Employee Benefits Expense	Year Ended December 31, 2022	Year Ended December 31, 2021
Salaries and wages	278,983	67,906
<b>Total</b>	<b>278,983</b>	<b>67,906</b>
18 Finance Costs	Year Ended December 31, 2022	Year Ended December 31, 2021
Bank Charges	4,530	1,034
<b>Total</b>	<b>4,530</b>	<b>1,034</b>
19 Depreciation and Amortisation Expense	Year Ended December 31, 2022	Year Ended December 31, 2021
Depreciation on property, plant and equipment (Refer Note 3)	16,783	13,270
<b>Total</b>	<b>16,783</b>	<b>13,270</b>
20 Other Expenses	Year Ended December 31, 2022	Year Ended December 31, 2021
Legal and Professional fees	165,522	41,819
Travelling and Conveyance expenses	124,042	110,394
Office expense	25,275	24,609
Contractor Fees	135,109	118,450
* Insurance	30,141	30,060
Rent	21,466	39,864
Telephone and Internet charges	12,644	9,435
Sales and Marketing expenses	594,192	794,245
Rates and Taxes	6,183	6,347
Software and Web Charges	157,270	118,961
Software and business Development Charges	1,063,539	1,740,314
Management and Advisory Fees	189,940	148,338
Foreign exchange loss	14,942	664
Miscellaneous expenses	7,216	10,253
<b>Total</b>	<b>2,547,481</b>	<b>3,193,753</b>

\*Insurance includes both Employee Insurance and company Insurance.

## SenseHawk, Inc.

## Notes to the Financial Statements for the year ended 31st December, 2022

(All amounts in USD, unless otherwise stated)

21 Tax Expense (Net)	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Income tax recognised in Statement of Profit or Loss</b>		
<b>(a) Current tax</b>		
In respect of the current year	-	-
( Excess) tax of earlier years	-	-
<b>Total income tax expenses recognised</b>	<b>-</b>	<b>-</b>
<b>(b) Deferred tax relates to the following:</b>		
	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Deferred Tax Asset</b>		
Net operating loss carry forwards	-	-
<b>Deferred Tax Asset</b>		
	-	-
<b>Deferred Tax Liability</b>		
	-	-
<b>* Net Deferred tax</b>	<b>-</b>	<b>-</b>
<b>Notes:</b>		
* No deferred tax asset has been recognised in the absence of reasonable certainty that sufficient future taxable income will be available in the foreseeable future against which such deferred tax can be utilized.		
22 Other Comprehensive Income - Items that will not be reclassified to Statement of Profit and loss	Year Ended December 31, 2022	Year Ended December 31, 2021
Other Comprehensive Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
23 Earnings/(Loss) per share (EPS)	Year Ended December 31, 2022	Year Ended December 31, 2021
The following reflects the basic and diluted EPS computations:		
<b>Basic and diluted earnings/(loss) per share</b>		
Net Loss as per Statement of profit and loss	(0.30) (1,651,488)	(0.40) (2,068,077)
Weighted average number of shares used as denominator for calculating EPS	5,425,064	5,113,578

SenseHawk, Inc.  
Notes to the Financial Statements for the year ended 31st December, 2022  
(All amounts in USD, unless otherwise stated)

## 24 Related party disclosures

### (1) Names of related parties and related party relationship

#### Related parties where control exists

Holding Company	Reliance Industries Limited , India
Subsidiary	Sensehawk India Private Limited, India Sensehawk MEA Limited, UAE
Key management personnel	Mr. Swarup Ramapriya Mavanoor (Director) Mr. Rahul Sankhe (Director) Mr Vishal Rajani (Director) Mr. Sushil Borde (Director) Mr. Karan Suri (Director)

### (2) Related party transactions

Details of transactions entered into with related parties along with balances as at year end are as given below:

#### A. Transactions during the year

	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Management and advisory Fees</b>		
Sensehawk MEA Limited, UAE	189,940	148,338
	<b>189,940</b>	<b>148,338</b>
<b>Recovery of Expenses {Includes Exchange gain/(loss)}</b>		
Sensehawk MEA Limited, UAE	10,306	36,320
	<b>10,306</b>	<b>36,320</b>
<b>Other Expenses {Includes Exchange gain/(loss)}</b>		
Sensehawk India Private Limited, India	5,149	13,770
	<b>5,149</b>	<b>13,770</b>
<b>Software and Business Development Support Services</b>		
Sensehawk India Private Limited, India	1,063,539	1,740,314
	<b>1,063,539</b>	<b>1,740,314</b>

#### B. Balances outstanding

	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Trade Receivable/Advance Given</b>		
Sensehawk India Private Limited, India	10,328	86,017
Sensehawk MEA Limited, UAE	1,041,557	333,660

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***25 Financial Risk Management**

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

**(a) Market Risk:**

The Company is primarily exposed to the following market risks.

**(i) Foreign exchange exposure/ currency risk**

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flow of an exposure will fluctuate because of changes in foreign currency rates. Exposure can arise on account of various assets and liabilities which are denominated in currencies other than functional currency.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as at the year end is as follows:

Particulars	Foreign Currency Denomination	As at 31st December 2022		As at 31st December 2021	
		Foreign Currency	Equivalent (In USD)	Foreign Currency	Equivalent (In USD)
Trade Payables	AUD	1,200	816	5,699	4,054
Trade Payables	EUR	13,553	14,671	13,289	15,197
Trade Payables	INR	55,000	665	-	0
Trade Payables	VND	-	-	33,369,558	1,468
Trade Payables	BRL	-	-	69,790	12,359
Trade Receivables	AUD	29,009	19,464	7,947	6,108
Trade Receivables	EUR	41,743	43,201	19,632	23,172
Trade Receivables	JPY	484,740	3,547	-	-
Advance to Suppliers	INR	854,870	10,328	6,409,203	86,017
Advance to Suppliers	AED	3,825,325		1,225,499	333,660

**(b) Credit risk management:**

Credit Risk is the risk that customers or counter party will not meet its obligations under a Financial instrument or customer contract, leading to Financial loss. The Company is Exposed to credit risk from its operating activities (Primarily trade receivables)

Customers credit risk is managed by each business team subject to the Company's established policy, procedures and control relating to customers credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customers receivables are regularly monitored.

An impairment analysis is performed at each reporting date for major customers. Receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risks with respect to receivables as low.

**(c) Liquidity Risk:**

The Company closely monitors its risks of shortage of funds. The Company assessed the concentration of risk with respect to its debt as low. As at reporting date, the company does not have any loan.

**SenseHawk, Inc.****Notes to the Financial Statements for the year ended 31st December, 2022***(All amounts in USD, unless otherwise stated)***26 Capital Management Risk:**

The Company's objectives when managing capital is to safeguard continuity as a going concern and provide adequate return to shareholders through continuing growth and maintain an optimal capital structure to reduce the cost of Capital.

The Company sets the amount of capital required on the basis of annual business plan and long-term operating plans. The Company monitors capital on basis of total debt to total equity on a periodic basis.

The following table summarizes the capital of the Company:

Gearing ratio:

The gearing ratio at the end of the period was as follows :	As at 31st December, 2022	As at 31st December, 2021
Debt	-	-
Total equity	12,537,985	2,840,658
Net debt to equity ratio	0%	0%

**27 Fair value measurement hierarchy**

The following table provides the fair value measurement hierarchy of financial assets and liabilities of the Company:

Particulars	As at 31st December 2022				As at 31st December 2021			
	Carrying Amount	Level of input used in			Carrying Amount	Level of input used in		
		Level-1	Level-2	Level-3		Level-1	Level-2	Level-3
<b>Financial assets At Ammortised cost</b>								
Trade Receivables	584,332	-	-	-	465,540	-	-	-
Cash and Bank Balances	10,739,589	-	-	-	1,751,650	-	-	-
Other Financial Assets- Non Current	8,483	-	-	-	-	-	-	-
<b>Total</b>	<b>11,332,404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,217,190</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities At Ammortised cost</b>								
Trade payables	161,480	-	-	-	100,286	-	-	-
<b>Total</b>	<b>161,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,286</b>	<b>-</b>	<b>-</b>	<b>-</b>

28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

29 The financial statements were approved for issue by the board of directors on June 14, 2023.

**For and on behalf of the Board of Directors of  
SenseHawk, Inc.**

Registration Number- 30-1090510

**Swarup Ramapriya Mavanoor**

Director

Place: Abu Dhabi, UAE

Date: 14th June, 2023