INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ADDVERB TECHNOLOGIES PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Addverb Technologies Pte. Ltd. (the "Company") set out on pages 5 to 24, which comprise the statement of financial position (balance sheet) as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 14 January 2020 (date of incorporation) to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the period from 14 January 2020 (date of incorporation) to 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAAs"). 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 independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for designing and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and 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.

The directors' responsibilities include overseeing the Company's financial reporting process.
Continued

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 a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Material 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Singapore, 28 JUL 2021

[Signature]

LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS, SINGAPORE
### ADDVERB TECHNOLOGIES PTE. LTD.

(Incorporated in the Republic of Singapore)

**Statement of Comprehensive Income**
for the period from 14 January 2020 (date of incorporation) to 31 March 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>14.01.2020 to 31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Revenue</td>
<td>3</td>
</tr>
<tr>
<td>Purchases and other attributable costs</td>
<td>4</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>5</td>
</tr>
<tr>
<td>Other expenses</td>
<td>6</td>
</tr>
<tr>
<td>Loss before tax</td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td></td>
</tr>
<tr>
<td>Loss for the period</td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
## ADDVERB TECHNOLOGIES PTE. LTD.

(incorporated in the Republic of Singapore)

Statement of Financial Position as at 31 March 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$</strong></td>
<td></td>
</tr>
</tbody>
</table>

### ASSETS

#### Non-Current Assets

- Plant and equipment: 7 - 2,007

#### Current Assets

- Inventories: 9 - 62,436
- Trade receivables: 9 - 93,300
- Other receivables: 10 - 43,064
- Cash and bank balances: 14 - 136,808
  
**Total Assets:** 334,589

### EQUITY AND LIABILITIES

#### Equity

- Share capital: 11 - 255,000
- Accumulated losses:  (60,257)
  
**Total Equity:** 194,743

#### Current Liabilities

- Trade payables: 12 - 127,104
- Other payables: 13 - 14,759
  
**Total Liabilities:** 141,863

**Total Equity and Liabilities:** 336,006

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The accompanying notes form an integral part of these financial statements.
### ADDVERB TECHNOLOGIES PTE. LTD.
(Incorporated in the Republic of Singapore)

**Statement of Changes in Equity**
for the period from 14 January 2020 (date of incorporation) to 31 March 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>Share capital</th>
<th>Accumulated losses</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Balance as at date of incorporation on 14 January 2020</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issuance of share capital</td>
<td>11</td>
<td>255,000</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>(60,257)</td>
<td>(60,257)</td>
</tr>
<tr>
<td>Balance as at 31 March 2021</td>
<td>255,000</td>
<td>(60,257)</td>
<td>194,743</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
ADDVERB TECHNOLOGIES PTE. LTD.
(Incorporated in the Republic of Singapore)

Statement of Cash Flows
for the period from 14 January 2020 (date of incorporation) to 31 March 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>14.01.2020 to 31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**CASH FLOWS USED IN OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax, representing operating cash flows before working capital changes</td>
<td>(60,257)</td>
</tr>
<tr>
<td>Increase in inventories</td>
<td>(62,436)</td>
</tr>
<tr>
<td>Increase in receivables</td>
<td>(136,354)</td>
</tr>
<tr>
<td>Increase in payables</td>
<td>141,983</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(66,927)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(117,184)</td>
</tr>
</tbody>
</table>

**CASH FLOWS USED IN INVESTING ACTIVITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of plant and equipment</td>
<td>(2,007)</td>
</tr>
<tr>
<td>Net cash used in investing activity</td>
<td>(2,007)</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM FINANCING ACTIVITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of share capital</td>
<td>255,000</td>
</tr>
<tr>
<td>Net cash from financing activity</td>
<td>255,000</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>135,809</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the period</td>
<td>135,809</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
NOTES TO THE FINANCIAL STATEMENTS - 31 March 2021

The following notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Addverb Technologies Pte. Ltd. ("the Company") is a private limited liability company domiciled and incorporated in the Republic of Singapore. Its registered office is located at 101A Upper Cross Street #11-16 People's Park Centre, Singapore 068358. The principal place of business is located at 1 Paya Lebar Link #04-01, Paya Lebar Quarter 1, Singapore 408533.

The principal activities of the Company consist of robotics and warehouse automation.

The immediate and ultimate holding company of the Company is Addverb Technologies Pvt. Ltd., a company incorporated in India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Company presents its financial statements in Singapore Dollar ("S"), which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Council, as required by the Companies Act, Chapter 50.

During financial period, the Company adopted all the new and amended FRSs which are relevant to the Company and are effective for the current financial period.

2.2 Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Expected Credit Losses on Receivables

Expected credit losses ("ECLs") are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its receivables, the Company has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

Based on the management's assessment, there are no significant ECLs on the Company's receivables as at the balance sheet date.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgments (continued)

(B) Critical Judgments Made in Applying Accounting Policies

In the process of applying the Company’s accounting policies, there are no significant items in the financial statements which require the exercise of critical judgment on the part of the management.

2.3 Events issued but not yet effective

The Company has not applied any new or amended FRS that has been issued but is not yet effective. The directors plan to adopt these FRSs in the first financial year commencing on or after their respective effective dates. The directors do not expect the adoption of the new or amended FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

2.4 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 recognised 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 recognised is the amount allocated to the satisfied performance obligation.

(i) Sale of Goods

Revenue is recognised 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.

(ii) 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 recognised 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 recognised 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.

(iii) Composite contract comprising goods, installation and commissioning and software

Revenue from these contracts are recognised 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.

Input method recognise 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.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue Recognition (continued)

(iii) Composite contract comprising goods, installation and commissioning and software (continued)

Output method recognise 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 method include methods such as appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered.

The Company apply a single method of measuring progress for each performance obligation satisfied over time depending upon the essence of the contract and the Company apply that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company reestimate 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 continuation of the original contract and the change is recognised 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 period in which the circumstances that give rise to the revision become known by management.

The period 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.

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

2.5 Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the conditions attached to the grant will be complied with. Grants related to income are recognised in profit or loss on a systematic basis over the period in which the Company recognises as expenses the related costs for which the grant is intended to compensate.

2.6 Employee Benefits

(i) Defined Contribution Plans

As required by law, the Company makes contributions to the state provident funds. Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

(ii) Short-term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Income Taxes

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss (either in other comprehensive income or directly to equity). In which case, it is recognised in other comprehensive income or directly to equity accordingly.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years, if any.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority.

Net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to other comprehensive income or directly to equity if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income or directly to equity.

2.8 Foreign Currency Transactions and Translation

Foreign currency transactions are recorded, on initial recognition, in the functional currency (Singapore Dollar) by applying to the foreign currency amounts the rates of exchange prevailing on the transaction dates. Recorded monetary items that are denominated in foreign currencies as at balance sheet date are translated at the rates ruling on that date. Gain or loss on foreign currency translation are included in profit or loss. Non-monetary assets and non-monetary liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and non-monetary liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Plant and Equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the plant and equipment.

Depreciation is calculated on the straight-line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The estimated useful life is computer equipment at 3 years.

Fully depreciated assets are retained in the financial statements until they are no longer in use.
2. **SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.9 **Plant and Equipment (continued)**

The residual values, useful lives and depreciation methods of plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

2.10 **Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As lessors**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**Right-of-use assets ("ROUs")**

The Company recognises ROUs at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROUs are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of ROUs includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and an estimate of the costs to dismantle and remove the underlying asset and to restore the asset to its original condition (reinstatement costs).

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROUs are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expenses on a straight-line basis over the lease term.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial Assets

Classification and Measurement

Financial assets are classified into the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income ("FVOCI"), and
- Fair value through profit or loss ("FVPL").

The basis of classification depends on the Company’s business model and the contractual cash flow characteristics of the financial assets.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Company’s business model for managing the financial assets and the cash flow characteristics of the assets.

The Company's financial assets, comprising mainly trade and other receivables, and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows that are held for collection which are solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

Impairment of Financial Assets

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For receivables, the Company applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories

Inventories are stated at lower of cost and net realisable value after adequate allowance has been made for all disaturated, damaged, obsolete or slow-moving inventories. Cost is calculated using the first-in first-out method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits which are subject to insignificant risks of changes in value. Cash and cash equivalents are stated at amounts at which they are convertible into cash.

2.14 Trade and Other Receivables

Trade and other receivables that do not have a significant financing component are measured at their transaction price at initial recognition and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.11. Receivables with a short duration are not discounted.

2.15 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Financial Liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.18 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.19 Related Parties

A related party is defined as follows:

(A) A person or a close member of that person’s family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary are related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Related Parties (continued)

(B) An entity is related to the Company if any of the following conditions applies (continued):

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Company of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. REVENUE

<table>
<thead>
<tr>
<th></th>
<th>14.01.2020 to 31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

(a) Disaggregation of revenue

Transfer of goods and services:
  At a point in time
    - Sales of goods 305,483
  Over time
    - Software and other services 34,354
  Total 349,837

(b) Transaction price allocated to remaining performance obligations

Management expects that the approximate transaction price allocated to remaining unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2021 may be recognised as revenue in the next reporting period are as follows:

<table>
<thead>
<tr>
<th></th>
<th>14.01.2020 to 31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td>31 March 2022</td>
<td>442,000</td>
</tr>
</tbody>
</table>

This amount does not include variable consideration which may arise during the course of the contract work except when it is highly probable that a significant reversal in the amount of cumulative revenue recognised not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company has applied the practical expedient under the FRS 115 not to disclose the aggregated transaction price allocated to unsatisfied contracts where the performance obligation is part of a contract that has an original expected duration of one year or less.
4. **EMPLOYEE BENEFITS EXPENSE**

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.01.2020</td>
<td>$99,650</td>
</tr>
<tr>
<td>to 31.03.2021</td>
<td></td>
</tr>
<tr>
<td>831</td>
<td></td>
</tr>
<tr>
<td>3,894</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104,635</strong></td>
</tr>
</tbody>
</table>

The total key management personnel compensation included in employee benefits expense are as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.01.2020</td>
<td>$5,269</td>
</tr>
<tr>
<td>to 31.03.2021</td>
<td></td>
</tr>
</tbody>
</table>

5. **OTHER EXPENSES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>4,500</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,609</td>
</tr>
<tr>
<td>Food expense</td>
<td>88</td>
</tr>
<tr>
<td>Hotel expense</td>
<td>593</td>
</tr>
<tr>
<td>Lease expense</td>
<td>3,649</td>
</tr>
<tr>
<td>Loss on foreign exchange</td>
<td>207</td>
</tr>
<tr>
<td>Marketing expense</td>
<td>9,000</td>
</tr>
<tr>
<td>Professional fees</td>
<td>20,086</td>
</tr>
<tr>
<td>Sundry expenses</td>
<td>134</td>
</tr>
<tr>
<td>Travelling expense</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41,296</strong></td>
</tr>
</tbody>
</table>

6. **INCOME TAX**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for current taxation</td>
<td></td>
</tr>
<tr>
<td>Reconciliation of income tax:</td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(60,257)</td>
</tr>
<tr>
<td>Taxation at statutory rate of 17%</td>
<td>(10,244)</td>
</tr>
<tr>
<td>Tax effects of:</td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets not recognised</td>
<td>10,244</td>
</tr>
</tbody>
</table>
ADDVERB TECHNOLOGIES PTE. LTD.
(Incorporated in the Republic of Singapore)

6. INCOME TAX (continued)

As at the balance sheet date, the Company has unutilised tax losses amounting to approximately $60,000, available for set-off against future taxable income, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets amounting to approximately $10,000 arising from the above tax losses are not recognised in the accounts due to the uncertainty of future taxable profits being available against which the tax losses can be utilised.

7. PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Cost</th>
<th>Computer Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>At date of incorporation</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>2,007</td>
</tr>
<tr>
<td>At 31 March 2021</td>
<td>2,007</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
</tr>
<tr>
<td>At date of incorporation</td>
<td></td>
</tr>
<tr>
<td>Charge for the period</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2021</td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td></td>
</tr>
<tr>
<td>At 31 March 2021</td>
<td>2,007</td>
</tr>
</tbody>
</table>

8. INVENTORIES

<table>
<thead>
<tr>
<th>31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
<tr>
<td>Goods-in-transit</td>
</tr>
</tbody>
</table>

The amount of inventories recognised as an expense during the period is $242,460.

9. TRADE RECEIVABLES

<table>
<thead>
<tr>
<th>31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
<tr>
<td>Trade receivables - third parties</td>
</tr>
</tbody>
</table>

Trade receivables are unsecured, non-interest bearing and are generally on 15 to 45 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
<tr>
<td>Advance payment to supplier</td>
</tr>
<tr>
<td>Deposits</td>
</tr>
<tr>
<td>Prepayments</td>
</tr>
</tbody>
</table>

Other receivables are unsecured, non-interest bearing and repayable on demand.
11. SHARE CAPITAL

31.03.2021

$ 

Issued and fully paid:

265,000 ordinary shares at $1 each

255,000

The issued and fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

On 23 April 2020 and 16 July 2020, the Company increased its issued and paid-up share capital by way of allotment and issuance of 136,000 and 120,000 new ordinary shares respectively at $1 per ordinary share for an aggregate cash consideration of $255,000.

12. TRADE PAYABLES

31.03.2021

$ 

Trade payables
- related company

12,300

- third parties

54,708

127,104

Trade payables are unsecured, non-interest bearing and are normally settled within 30 to 90 days.

13. OTHER PAYABLES

31.03.2021

$ 

Accruals
Amount owing to a director

8,143

Goods and services tax payable

2,006

Non-trade payables

1,887

Withholding tax payable

522

14,756

Amount owing to a director is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Non-trade payables are unsecured, non-interest bearing and are normally settled within 90 days.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances as shown in the statement of financial position.
15. RELATED PARTIES DISCLOSURES

Significant transactions with related parties, not otherwise disclosed in the financial statements, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>14.01.2020 to 31.03.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>With immediate holding company</td>
<td></td>
</tr>
<tr>
<td>Deposit</td>
<td>4,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>127,529</td>
</tr>
<tr>
<td>Installation and commissioning expense</td>
<td>3,956</td>
</tr>
<tr>
<td>Liabilities settled on behalf of</td>
<td>9,057</td>
</tr>
</tbody>
</table>

Related party transactions are based on terms agreed between the parties concerned.

16. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and foreign exchange risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

16.1 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Company as and when they fall due.

(i) Risk Management

The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, including cash and cash equivalents, the Company mitigates credit risks by transacting with high credit rating counter parties and financial institutions which are regulated.

Credit reviews are performed on new customers before acceptance. Ongoing credit reviews are conducted for existing customers. Credit reviews take into account evaluation of financial strength, the Company's past experiences with the customers and other relevant factors.

The Company defines counterparties as having similar characteristics if they are related entities. Ongoing evaluation is performed on the financial condition of account receivables.

As at the balance sheet date, the Company does not have any significant concentration of credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for an outstanding trade receivable from a customer group which represents 99% of total trade receivables balances.

(ii) Recognition of expected credit losses ("ECLs")

The Company's financial assets that are subject to credit losses where the expected credit loss model has been applied are receivables. The Company assesses on forward looking basis the ECLs on its receivables, and recognises a loss allowance in accordance with FRS 109.
16. FINANCIAL RISK MANAGEMENT (continued)

16.1 Credit risk (continued)

(ii) Recognition of expected credit losses ("ECLs") (continued)

Based on the Company's historical collection trends, most outstanding trade receivables are generally settled within the credit term. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. If credit risk on the receivables has not increased significantly since initial recognition, the loss allowance is recognised based on 12-month ECLs. Lifetime ECLs are recognised for specific receivables for which credit risk is deemed to have increased significantly.

Based on the management's assessment, there are no significant ECLs on the Company's receivables as at the balance sheet date.

16.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

All financial liabilities of the Company are repayable on demand or mature within one year.

16.3 Foreign exchange risk

The Company is primarily exposed to fluctuations in United States Dollar ("USD") exchange rates arising from cash flows from anticipated transactions. The Company reviews periodically monetary assets and monetary liabilities held in currency other than its functional currency to ensure that such exposure is kept at an acceptable level.

The significant monetary assets and monetary liabilities held by the Company in foreign currency are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03.2021</td>
<td>$</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>116</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>60,427</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(68,597)</td>
</tr>
<tr>
<td></td>
<td>(8,154)</td>
</tr>
</tbody>
</table>
16. **FINANCIAL RISK MANAGEMENT (continued)**

16.3 **Foreign exchange risk (continued)**

*Sensitivity analysis*

A 10% strengthening of the Singapore Dollar against the following currency at the balance sheet date would increase/(decrease) equity and profit by the approximate amount shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

\[
\text{Increase/(decrease) in equity and profit} \\
\begin{array}{c|c|c}
\text{14.01.2020} & \text{USD} & 1.000 \\
\hline
\text{to} & \text{31.03.2021} & \\
\end{array}
\]

A 10% weakening of the Singapore Dollar against the above currency would have had the equal but opposite effects on the above currency to the amount shown above, on the basis that all other variables remain constant.

17. **FAIR VALUE OF ASSETS AND LIABILITIES**

*Financial Instruments Not Measured at Fair Value*

Cash and cash equivalents, receivables and payables classified as current assets and current liabilities are measured at amortised cost. Financial instruments with a short duration are not discounted.

18. **FINANCIAL INSTRUMENTS BY CATEGORY**

As at the reporting date, the aggregate carrying amounts of financial instruments by category were as follows:

\[
\begin{align*}
\text{31.03.2021} & \\
\text{Financial assets at amortised cost} & 259,632 \\
\text{Financial liabilities at amortised cost} & 136,182
\end{align*}
\]

19. **CAPITAL MANAGEMENT**

The capital management objective of the Company is to safeguard the Company’s ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Company monitors its cash flow, debt maturity profile, cost of funds and overall liquidity position on a continuous basis.

The directors also monitor the return on capital and the amount of dividend payments to shareholders. The Company’s return on capital was a loss of 24%.

In order to maintain or achieve an optimal capital structure, the Company may issue new shares, obtain new borrowings or sell assets to reduce debts.

The Company is not subject to externally imposed capital requirements.
20. COMPARATIVE FIGURES

No comparative figures are shown in these financial statements as this is the first set of financial statements prepared by the Company since its incorporation on 14 January 2020.

21. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 21 July 2021, the Company increased its issued and paid-up share capital by way of allotment and issuance of 500,000 new ordinary shares at S1 per ordinary share for cash consideration of $500,000.

22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial period ended 31 March 2021 were authorised for issue in accordance with a directors' resolution dated 28 JUL 2021.