

BLACK RIVER TECHNOLOGY, INC.
Financial Statements & Supplementary
Independent Audit Report
For the Three-Month Ended September 30, 2021

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JPizars – CPA & Business Consultants LLC

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Stockholder Black River Technology, Inc.

Introduction

We have reviewed the accompanying balance sheet of Black River Technology, Inc. (the "Company") as of September 30, 2021 and the related statements of operations, stockholder's equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the entity as of September 30, 2021, and of its financial performance and its cash flows for the three-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

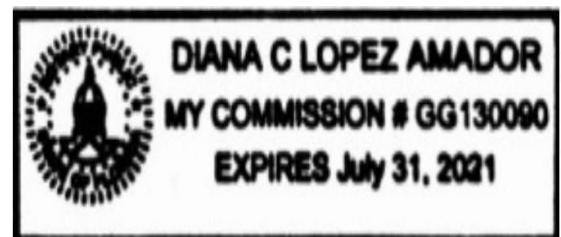
The Company has significant transactions and balances with the Company's sole stockholder, which are described in Note 2 to the financial statements. Transactions involving related parties, such as with the Company's sole stockholder, cannot be presumed to be carried out on an arm's length basis, as the requisite conditions for competitive, free-market dealings may not exist. Our conclusion is not modified as a result of this matter.

JPizars

Hollywood, Florida
November 10, 2021

Juan A. Pizarro Llanos

Juan A. Pizarro, CPA



Black River Technology Inc

2808 Centre Circle Ste A-B

Downers Grove, IL 60515

Profit & Loss Statement**July 2021 through September 2021**

4-0000	Income		
4-4000	Sales	359,757.49	
4-4100	Interest Income	1.42	
	Total Income		359,758.91
5-0000	Cost Of Sales		
5-5000	Product Cost	315,410.39	
5-5050	Freight In	2,411.05	
	Total Cost Of Sales		317,821.44
	Gross Profit		41,937.47
6-0000	Expenses		
6-6000	Wages & Salaries	43,837.20	
6-6060	Simple Emp PensionExpense	972.91	
6-6150	Auto Expenses	290.00	
6-6250	Bank Charges	981.05	
6-6300	Depreciation	376.47	
6-6350	Dues & Subscriptions	738.36	
6-6400	Medical Benefits	3,602.61	
6-6450	Insurance	3,933.33	
6-6700	Miscellaneous Exp	574.74	
6-6750	Office expense	1,442.82	
6-6850	Postage and freight-out	218.14	
6-6900	Rent expense	3,786.88	
6-7050	Payroll expenses	3,869.24	
6-7100	Telephone & Internet expenses	2,282.23	
6-7200	Utilities	223.58	
	Total Expenses		67,129.56
	Operating Profit		-25,192.09
8-0000	Other Income		
9-0000	Other Expenses		
	Net Profit/(Loss)		-25,192.09

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Balance Sheet**As of September 2021**

1-0000	Assets		
1-1060	BMO Harris Bank	27,158.35	
1-1100	Accounts Receivable	221,152.24	
1-1140	Payments in Advce Suppliers	13,058.39	
1-1141	Advces to Personnel	1,931.71	
1-1142	Prepaid Expenses	2,984.47	
1-1199	ProForma Invoices	-480,573.34	
1-1200	Inventory	502,514.11	
1-1201	Goods on Transit	19,500.00	
1-1202	Inventory to be shipped	29,880.38	
1-1300	Furniture, Fixtures & Equip.	15,935.47	
1-1310	Computers	19,110.25	
1-1400	Accumulated Depreciation	-35,043.72	
1-1510	Rental Bonds / Security	2,640.16	
	Total Assets		<u>340,248.47</u>
2-0000	Liabilities		
2-2000	Accounts Payable	99,738.42	
2-2161	Visa	56.30	
2-2162	Amex	78,263.71	
2-2510	Provisions & Other Contingenc.	37,944.04	
2-2900	Deprec.Reserve Goods not Sold	76,757.97	
	Total Liabilities		<u>292,760.44</u>
3-0000	Equity		
3-3900	Net Income	-25,192.09	
3-3910	Retained Earnings Current Year	96,622.40	
3-3920	Common Stock	25,000.00	
3-3930	Additional Paid in Capita	2,042,103.87	
3-3940	Retained Earnings	-2,091,046.15	
	Total Equity		<u>47,488.03</u>
	Total Liability & Equity		<u><u>340,248.47</u></u>

Black River Technology Inc
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A-B Downers Grove, IL
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July 2021 through September 2021

Statement of Changes in Financial Position

	Note/ Reference	09/30/2021
OPERATING ACTIVITIES		
Fiscal year result	P&L	(25,192)
Adjustments for:		
Accounts receivable write offs		-
Deferred income tax (benefit) expense	BS	0
Loss on disposal of fixed assets		-
Amortizations and depreciations	Expenses	376
Decrease in trade receivables	BS	0
Increase in Parent receivables	BS	(31,387)
Increase in inventories	BS	12,200
Increase in other assets	BS	(5,475)
Increase in deposits	BS	0
Increase in trade and other payables	BS	46,186
Increase in income tax receivable		
Increase in income tax payable	BS	0
Increase in other payables and accrued liabilities		4,340
Increase in Parent payables		0
Net cash from operating activities		<u>1,049</u>
INVESTING ACTIVITIES		
Acquisition of fixed and intangible assets	PP&E	(0)
Proceeds from sale of fixed assets (Adjust.Accum Depreciations)		-
Net cash flows from investing activities		<u>(0)</u>
FINANCING ACTIVITIES		
Payments to parent		-
Increase in Equity	BS	2
Payments of note payable	BS	-
Net cash flows from financing activities		<u>2</u>
Net Increase of cash and cash equivalents	BS	1,052
Cash and cash equivalent at the beginning of the year	BS	<u>26,109</u>
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	BS	<u>27,161</u>

Black River Technology Inc

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July 2020 through June 2021

For the 12-month ended

Statement of Stockholder's Equity

Main Account	Capital	Contributions to be capitalized	Retained Earnings	Total Shareholders' Equity
1 INITIAL BALANCES AS Shareholders' contributions Outstanding shares Retained earnings Accounting restatements Unappropriated retained earnings	5.000	1.562.104	(1.994,424)	
SUBTOTAL	5.000	1.562.104	(1.994,424)	(427,300)
2 MODIFICATIONS TO THE INITIAL BALANCES	20.000	480.000		
3 MODIFIED INITIAL BALANCES	25.000	2.042.104	(1.994,424)	(427,300)
4 RESULTS OF THE YEAR			(25,192)	
5 ACCOUNTING RESTATEMENTS				
SUBTOTAL	25.000	2.042.104	(2.019,616)	47,488
6 FINAL BALANCES Shareholders' contributions Outstanding shares Retained earnings Accounting restatements Unappropriated retained earnings	25.000	2.042.104	(2.109,616))	2.067.104 (2.019,616)
TOTAL	25.000	2.042.104	(2.109,616)	47,488

BLACK RIVER TECHNOLOGY, INC. NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended September 30, 2021

NOTE 1 - NATURE OF OPERATIONS AND BASIS OF ACCOUNTING

Black River Technology, Inc. (the "company") is incorporated under the laws of the United States of America. The Company is located in Downers Grove, Illinois and is engaged in buying, selling, distributing and exporting electrical and engineering products to its Parent company INVAP S.E. ("INVAP" or "Parent"). The Company operates on a 12-month period ending June 30, and its functional currency is the US dollar. The Company is wholly-owned by INVAP, an Argentinean entity, which is devoted to the design and construction of complex technological systems. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Inventories: Inventories consist of supplies and equipment held for resale and are stated at the lower of cost (first-in, first-out) or net realizable value.

Revenue recognition and accounts receivable: Revenue on product sales is generally recognized when goods are shipped and the following criteria have been met: a sales arrangement exists, products have been shipped and title has transferred, the price of the product is fixed or determinable, and collectability is reasonable assured.

Management determines an allowance for doubtful accounts by periodically evaluating individual accounts receivable and considering a customer's financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. As of September 30, 2021, no amounts have been recorded.

Related party: As described in Note 1, the Company sells US sourced products to its sole stockholder, INVAP and therefore, all company sales are to the parent. Transactions involving related parties, such as with INVAP, cannot be presumed to be carried out on an arm's length basis, as the requisite conditions for competitive, free-market dealings may not exist. INVAP personnel provides some administrative and accounting support to the Company. The Company was not charged a fee for the services for the three month period ended September 30, 2021.

Shipping and handling fees and costs: The Company records shipping and handling fees and costs billed to customers as revenue, and shipping and handling costs incurred by the Company as cost of sales.

Taxation: The current provision or benefit for income taxes represents actual or estimated amounts payable or refundable on tax returns filed or to be filed. Deferred tax assets and liabilities are recorded for the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the balance sheet. The overall change in deferred tax assets and liabilities for the period measures the deferred tax expense (benefit) for the period. Effects of changes in enacted tax laws on deferred tax assets and liabilities are reflected as adjustments to tax expense in the period of enactment. The measurement of deferred tax assets may be reduced by a valuation allowance based on a judgmental assessment of available evidence if deemed more likely than not that some or all of deferred tax assets will not be realized. (Continued)

BLACK RIVER TECHNOLOGY, INC. NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended September 30, 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company assesses the likelihood of the financial statement effect of a tax position that should be recognized when it is more likely than not that the position will be sustained upon examination by a taxing authority based on the technical merits of the tax position, circumstances, and information available as of the reporting date.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax positions as a component of income tax expense. As of September 30, 2021, the Company did not have any accrued interest or penalties associated with any unrecognized tax positions, nor was any interest expense recognized during the three-month period ended September 30, 2021.

The Company is subject to U.S. federal income tax as well as income tax in the State of Illinois. The Company is no longer subject to examination by taxing authorities for years prior to 2014.

Use of estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events: The Company evaluated subsequent events through November 10, 2021, the date that the Company's financial statements were available to be issued, for consideration of subsequent events to be included in its March 31, 2021 financial statements.

NOTE 3 - ADVANCES, PARENT (Australia Branch)

As of July 1, 2018, The Company owed INVAP Australia (a branch of INVAP) \$500,000 for advances made to the Company on behalf of INVAP during fiscal year 2017. These advances were unsecured, non-interest bearing and were due on demand. In February of 2019, the Company and INVAP agreed to convert the related party debt into equity. The transaction involved converting \$500,000 of debt to 20,000 shares of common stock of the Company at \$25 per share.

NOTE 4 - INCOME TAXES | Not Applicable

NOTE 5 - OPERATING LEASES

The Company leases office and warehouse space under an operating lease that requires monthly payments of \$1,302.30 plus expenses and expires in August 2022. Under the terms of the lease agreement, the Company is responsible for its pro-rata share of taxes, insurance and operating costs. The Company has ceased the lease of a vehicle for an officer. The lease was classified as an operating lease. Cancellation of the lease demanded the expenditure of \$11,400 – as per condition of Contract.

(Continued)

BLACK RIVER TECHNOLOGY, INC. NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended September 30, 2021

NOTE 6 - CONTINGENCY

On December 9, 2014, the Company received a Grand Jury Subpoena requesting the Company to produce documents to the U.S. Federal Bureau of Investigation ("FBI"). BRT produced non-privileged documents that were responsive to the Subpoena requests to the FBI on January 16, 2015. The Company has not been informed of the Government's position as to whether the Company is a target, subject, or witness in this investigation. The Company has also communicated with an investigator from the United States Nuclear Regulatory Commission related to an investigation into certain Company shipments. At this time, the Company is unable to form a judgment as to whether an ultimate outcome unfavorable to the Company in the matter or matters described above is either "Probable" or "Remote". At this time, the Company also is unable to give an estimate of the amount or range of potential loss, if any, which might result to the Company if the outcome in the matter or matters described above were unfavorable.

Company has been informed that no action will be taken, nor filed, against it by Grand Jury

NOTE 7 - MANAGEMENT'S PLANS

Management assesses, considering both quantitative and qualitative factors, whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. Based on management's assessment, the Company did not identify any conditions that raise substantial doubt about the Company's ability to continue as a going concern. Due to economic conditions that affected the Parent, the Company has experienced a continuous reduction in its revenues. The Company has restructured its operations and significantly decreased its overhead costs, with focus to maintain its operational efficiency. The Company will continue to seek overhead costs reductions whenever possible without compromising its operating delivery quality and believes it has taken all actions necessary. The Company has a financial support commitment from its Parent to help it implement its strategic plans.