

**EXATO.AI PTE. LTD.**  
*(Incorporated in Singapore)*

**(Company Registration No.: 202226957C)**

**DIRECTOR'S STATEMENT  
AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**FOR THE FINANCIAL PERIOD  
FROM 2 AUGUST 2022 TO 31 MARCH 2023**

# EXATO.AI PTE. LTD.

## GENERAL INFORMATION

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### **DIRECTORS**

SINHA APPUORV  
SINHA SWATI  
SRIVIDYA VENKATRAM

### **COMPANY SECRETARY**

SRIVIDYA VENKATRAM

### **REGISTERED OFFICE**

1 SCOTTS ROAD,  
#24 - 10 SHAW CENTRE  
SINGAPORE 228208

### **AUDITORS**

EVEREST ASSURANCE PAC  
7500A Beach Road  
#14-302 The Plaza  
Singapore 199591

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# EXATO.AI PTE. LTD.

## DIRECTORS' STATEMENT

*For the financial period ended 31 March 2023*

The directors are pleased to present their statement to the sole member of the Company together with the audited financial statements of Exato.AI Pte. Ltd, ("the Company") for the financial period ended 31 March 2023.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors:

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the period then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the sole shareholder have undertaken to support the Company financially in meeting its liabilities as and when they fall due.

### 2. DIRECTORS

The directors in office at the date of this statement are:

SINHA APPUORV  
SINHA SWATI  
SRIVIDYA VENKATRAM

### 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

### 4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967, the directors of the Company who held office at the end of the financial period had no interests in the shares or debentures of the Company and its related corporations except as stated below:

| Name of Director                                                                      | Direct interest                          |                                | Deemed interest                          |                                |
|---------------------------------------------------------------------------------------|------------------------------------------|--------------------------------|------------------------------------------|--------------------------------|
|                                                                                       | At the beginning of the financial period | At the end of financial period | At the beginning of the financial period | At the end of financial period |
| <b>The Company</b><br><b>(no. of ordinary shares)</b>                                 |                                          |                                |                                          |                                |
| SINHA APPUORV                                                                         | -                                        | -                              |                                          |                                |
| SINHA SWATI                                                                           | -                                        | -                              |                                          |                                |
| <b>Holding Company, EXATO TECHNOLOGIES PVT. LTD.</b><br><b>(% of ordinary shares)</b> |                                          |                                |                                          |                                |
| SINHA APPUORV                                                                         | 78.30 %                                  | 78.30 %                        | -                                        | -                              |
| SINHA SWATI                                                                           | 0.08 %                                   | 0.08 %                         | -                                        | -                              |

### 5. SHARE OPTIONS

During the financial period, no option to take up unissued shares of the Company was granted.

At the end of the financial period, there were no shares of the Company issued by virtue of the exercise of any option to take up unissued shares.

There are no unissued shares under option.

**EXATO.AI PTE. LTD.**

**DIRECTORS' STATEMENT**

*For the financial period ended 31 March 2023*

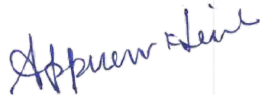
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**6. INDEPENDENT AUDITORS**

Pursuant to a board resolution on 24 April 2025, M/s Everest Assurance PAC, Public Accountants and Chartered Accountants, were appointed as independent auditors of the Company.

Messrs Everest Assurance PAC, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



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SINHA APPUORV  
Director



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SINHA SWATI  
Director

Singapore,  
28 April 2025

**Independent Auditor's Report**  
**To the Sole Member of EXATO.AI PTE. LTD.**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **EXATO.AI PTE. LTD.** (the Company), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, 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 1967 (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 2023 and of the financial performance, changes in equity and cash flows of the Company for the period ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 (ACRA) *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 Directors' Statement set out on pages 1 to 2.

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

In connection with our audit on the financial statements, our responsibility is to read the other information 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, we conclude that there is 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 devising 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.

### **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. 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 April 2025



**EVEREST ASSURANCE PAC**  
Public Accountants and  
Chartered Accountants

**EXATO.AI PTE. LTD.**

**STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2023*

*(Expressed in Singapore Dollars)*

|                                     | <b>Note</b> | <b>2023<br/>\$</b> |
|-------------------------------------|-------------|--------------------|
| <b>ASSETS</b>                       |             |                    |
| <b>Current assets</b>               |             |                    |
| Other current assets                | 4           | 3,000              |
| Amount due from holding company     | 6           | 500                |
|                                     |             | <b>3,500</b>       |
| <b>TOTAL ASSETS</b>                 |             | <b>3,500</b>       |
| <b>EQUITY</b>                       |             |                    |
| Share capital                       | 5           | 500                |
| Accumulated losses                  |             | (4,800)            |
|                                     |             | <b>(4,300)</b>     |
| <b>LIABILITIES</b>                  |             |                    |
| <b>Current liabilities</b>          |             |                    |
| Amount due to holding company       | 6           | 7,800              |
|                                     |             | <b>7,800</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |             | <b>3,500</b>       |

*(The accompanying accounting policies and explanatory notes form  
an integral part of the financial statements)*

EXATO.AI PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the financial period ended 31 March 2023*

*(Expressed in Singapore Dollars)*

|                                                       | Note | 2023<br>\$     |
|-------------------------------------------------------|------|----------------|
| <b>Continuing operations</b>                          |      |                |
| Revenue                                               |      | -              |
| Administrative expenses                               |      | (4,800)        |
| <b>Loss before tax</b>                                | 7    | (4,800)        |
| Income tax expenses                                   | 8    | -              |
| <b>Loss after tax</b>                                 |      | (4,800)        |
| <b>Other comprehensive income</b>                     |      |                |
| Other comprehensive income for the period, net of tax |      | -              |
| <b>Total comprehensive income Loss for the period</b> |      | <b>(4,800)</b> |

*(The accompanying accounting policies and explanatory notes form  
an integral part of the financial statements)*



EXATO.AI PTE. LTD.

**STATEMENT OF CHANGES IN EQUITY**  
*For the financial period ended 31 March 2023*  
*(Expressed in Singapore Dollars)*

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|                                         | Note | Share Capital<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>\$    |
|-----------------------------------------|------|---------------------|-----------------------------|----------------|
| Issue of share capital upon formation   | 5    | 500                 | -                           | -              |
| Total comprehensive loss for the period |      | -                   | (4,800)                     | (4,800)        |
| <b>Balance as on 31 March 2023</b>      |      | <b>500</b>          | <b>(4,800)</b>              | <b>(4,300)</b> |

*(The accompanying accounting policies and explanatory notes form  
an integral part of the financial statements)*

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EXATO.AI PTE. LTD.

**STATEMENT OF CASH FLOWS**  
*For the financial period ended 31 March 2023*  
*(Expressed in Singapore Dollars)*

|                                                                 | 2023<br>\$     |
|-----------------------------------------------------------------|----------------|
| <b>Cash flows from operating activities</b>                     |                |
| Loss before tax for the period                                  | (4,800)        |
| <b>Operating cash flows before movements in working capital</b> | <u>(4,800)</u> |
| <b>Movements in working capital</b>                             |                |
| Other current assets                                            | (3,000)        |
| <b>Cash generated used in operations</b>                        | <u>(7,800)</u> |
| Income taxes paid                                               | -              |
| <b>Net cash generated used in operating activities</b>          | <u>(7,800)</u> |
| <b>Cash flows from financing activities</b>                     |                |
| Amount from holding company                                     | 7,800          |
| <b>Net cash generated from financing activities</b>             | <u>7,800</u>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | -              |
| Cash and cash equivalents at the beginning of the period        | -              |
| <b>Cash and cash equivalents at the end of the period</b>       | <u>-</u>       |

*(The accompanying accounting policies and explanatory notes form  
an integral part of the financial statements)*

# EXATO.AI PTE. LTD.

## NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

### 1. GENERAL AND PRINCIPAL ACTIVITIES

The Company is domiciled and incorporated in the Republic of Singapore. The principal place of business and registered address of the Company is 1 Scotts Road, #24-10 Shaw Centre, Singapore 228208.

The principal activity of the Company is that of information technology consultancy.

The company is wholly-owned subsidiary of Exato Technologies Pvt. Ltd. a company incorporated in the the Republic of India, which is also the ultimate holding company.

The company has not commenced its business activities since the date of incorporation.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 28 April 2025.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRSs).

The financial statements have been prepared on a historical cost basis, except where otherwise disclosed in the notes hereto.

All financial information is presented in Singapore Dollars (SGD or S\$ or \$) which is the Company's functional currency and has been rounded to the nearest dollar, unless otherwise stated.

The preparation of financial statements requires management to exercise its judgment in the process of applying the accounting policies of the Company. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### (b) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 2 August 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

The following standards and interpretations are effective for the annual period beginning on or after 1 April 2023:

- Amendments to FRS 103 *Business Combinations*: Reference to the Conceptual Framework
- Amendments to FRS 16 *Property, Plant and Equipment*: Proceeds before Intended Use
- Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to FRSs 2018-2021

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## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

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#### (c) STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

| Description                                                                                                                                                                                                           | Effective for annual periods beginning on or after |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies                                                                                       | 1 January 2023                                     |
| Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates                                                                                       | 1 January 2023                                     |
| Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related Assets and Liabilities arising from a Single Transaction                                                                                              | 1 January 2023                                     |
| Amendments to FRS 117 Insurance Contracts                                                                                                                                                                             | 1 January 2023                                     |
| Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current                                                                                             | 1 January 2024                                     |
| Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants                                                                                                              | 1 January 2024                                     |
| Amendments to FRS 7 <i>Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures</i> Supplier Finance Arrangements                                                                                       | 1 January 2024                                     |
| Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability                                                                                                                | 1 January 2025                                     |
| Amendments to FRS 116 Lease Liability in a Sale and Leaseback                                                                                                                                                         | 1 January 2024                                     |
| Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Date to be determined                              |

#### (d) FOREIGN CURRENCIES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the end of the financial year. Non-monetary items 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 items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the financial year are recognised in profit or loss.

#### (e) FINANCIAL INSTRUMENTS

##### Financial assets -

##### *Recognition and derecognition*

All regular way purchases or sales of financial assets are initially measured at fair value.

Financial assets are classified into the following categories: financial assets at amortised cost, investments in equity instruments at fair value through other comprehensive income (FVTOCI) and Financial assets at fair value through profit or loss (FVTPL).

## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

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#### *Financial assets at amortised cost*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, debt investments with no active market, account receivables at amortized cost and other financial assets, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognised in profit or loss.

#### *Investments in equity instruments at FVTOCI*

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other equity.

#### *Investments in equity instruments at FVTPL*

Financial asset is classified as at FVTPL when the financial asset is mandatorily measured as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss does not incorporate any dividend or interest earned on the financial asset.

#### *Impairment*

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS *For the financial period ended 31 March 2023*

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- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### **Offset**

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Financial liabilities -**

##### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All 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 measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts is recognised in profit or loss.

#### **(f) IMPAIRMENT OF NON-FINANCIAL ASSETS**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when an annual impairment testing for an asset is required, then the asset's recoverable amount is estimated.

## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS *For the financial period ended 31 March 2023*

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The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit 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 its present value using an appropriate 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 to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use.

Impairment losses of continuing operations are recognised in profit or loss in those categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. If the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses in relation to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro-rated basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exist, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised, increasing the carrying amount of the asset to its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying value does exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment been recognised. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

#### (g) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdraft that form an integral part of the Company's cash management.

#### (h) SHARE CAPITAL

Ordinary shares are classified as equity and dividends on ordinary shares are recognised in the period in which they are declared.

Preference Share Capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the shareholder, or if dividend payments are not discretionary. Non- discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

#### (i) 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.

## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

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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.

#### (j) PROVISIONS

##### *General*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate. A provision is reversed only if it is no longer probable that an outflow of economic resources will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using an appropriate pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### *Audit fee*

Audit fee is accrued in the year in which the audit is carried out.

#### (k) TAXES

Income tax expense on the profit or loss for the financial year comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for certain temporary differences, viz., the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and joint ventures to the extent that they probably will not be reversed in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted by the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that related tax benefits will be realised.

#### (l) RELATED PARTY

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Group and Company if that person:
  - a) Has control or joint control over the Company;
  - b) Has significant influence over the Company; or
  - c) Is a member of the key management personnel of the Group or Company or of a parent of the Company.



## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

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

- a) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- c) Both entities are joint ventures of the same third party;
- d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- e) 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;
- f) The entity is controlled or jointly controlled by a person identified in (i) above;
- g) A person identified in (i)a) above has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

### 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 3.1 Judgments made in applying accounting policies

##### a) Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

#### 3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no estimation uncertainty at the end of the reporting period

### 4. OTHER CURRENT ASSETS

|                                                                 |              |
|-----------------------------------------------------------------|--------------|
|                                                                 | <b>2023</b>  |
|                                                                 | <b>\$</b>    |
| Deposits                                                        | 3,000        |
|                                                                 | <u>3,000</u> |
| Other current assets are denominated in Singapore dollars only. |              |

### 5. SHARE CAPITAL

|                                       |             |
|---------------------------------------|-------------|
|                                       | <b>2023</b> |
|                                       | <b>\$</b>   |
| Issued and Subscribed Capital         | 500         |
| 500 Ordinary shares with no par value | <u>500</u>  |

**EXATO.AI PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
*For the financial period ended 31 March 2023*

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The holders of ordinary shares are entitled to receive dividends as and when declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to residual assets of the Company.

During the financial period, the Company issued 500 subscriber share at \$1.00 on 2 August 2022 (date of incorporation) for cash. The shares remain unpaid as the Company has yet to open a bank account in its name (note 6).

**6. AMOUNT DUE FROM / TO HOLDING COMPANY**

|                                 |              |
|---------------------------------|--------------|
|                                 | <b>2023</b>  |
|                                 | <b>\$</b>    |
| Amount due from Holding Company | 500          |
| Amount due to Holding Company   | <u>7,800</u> |

Amounts due from / to holding company are unsecured, interest-free and are repayable on demand.

Amount due from holding company pertains to amount receivable towards subscription of 500 shares amounting to SGD 500 (note 5).

**7. LOSS BEFORE TAX**

Loss before tax is derived after charging the following:

|                   |              |
|-------------------|--------------|
|                   | <b>2023</b>  |
|                   | <b>\$</b>    |
| Professional Fees | <u>4,800</u> |

**8. INCOME TAX EXPENSE**

|                                            |             |
|--------------------------------------------|-------------|
|                                            | <b>2023</b> |
|                                            | <b>\$</b>   |
| <u>Income Statement:</u>                   |             |
| Current income tax - continuing operations | <u>-</u>    |
|                                            | <u>-</u>    |

The current period income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit / (loss) before income tax as a result of the following:

|                                                 |                |
|-------------------------------------------------|----------------|
|                                                 | <b>2023</b>    |
|                                                 | <b>\$</b>      |
| Accounting loss before tax                      | <u>(4,800)</u> |
| Income tax expense at statutory rate            | (816)          |
| Non-deductible expense                          | <u>816</u>     |
| Income tax expense recognised in profit or loss | <u>-</u>       |

**9. RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial period:

**(a) Sale and purchase of goods and services, loans, assets and liabilities**

|                                      |              |
|--------------------------------------|--------------|
|                                      | <b>2023</b>  |
|                                      | <b>\$</b>    |
| Payment on behalf by holding company | <u>7,800</u> |

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**EXATO.AI PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
*For the financial period ended 31 March 2023*

**10. CATEGORIES OF FINANCIAL INSTRUMENTS**

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

|                                                               |              |
|---------------------------------------------------------------|--------------|
|                                                               | <b>2023</b>  |
| <b>Financial Assets measured at amortised cost</b>            | <b>\$</b>    |
| Other current assets                                          | 3,000        |
| Amount due from holding company                               | 500          |
| <b>Total Loans and Receivables</b>                            | <b>3,500</b> |
|                                                               | <b>2023</b>  |
| <b>Financial Liabilities measured at amortised cost</b>       | <b>\$</b>    |
| Amount due to holding company                                 | 7,800        |
| <b>Total Financial Liabilities measured at amortised cost</b> | <b>7,800</b> |

**11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the risk management process of the Company to ensure that an appropriate balance between risk and control is achieved. The key financial risks of the Company include liquidity risk, foreign currency risk, interest rate risk and credit risk.

**(a) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches in maturities of financial assets and liabilities. When required the Company borrows from its holding company.

The table below summarises the maturity profile of the Group's financial assets and liabilities at the balance sheet date based on the contractual undiscounted repayment obligations.

| <b>2023</b>                                              | <b>Carrying<br/>amount<br/>\$</b> | <b>Contractual<br/>cash flows<br/>\$</b> | <b>One year<br/>or less<br/>\$</b> |
|----------------------------------------------------------|-----------------------------------|------------------------------------------|------------------------------------|
| <u>Financial Assets</u>                                  |                                   |                                          |                                    |
| Other current assets                                     | 3,000                             | 3,000                                    | 3,000                              |
| Amount due from holding company                          | 500                               | 500                                      | 500                                |
|                                                          | <b>3,500</b>                      | <b>3,500</b>                             | <b>3,500</b>                       |
| <u>Financial Liabilities</u>                             |                                   |                                          |                                    |
| Amount due to holding company                            | 7,800                             | 7,800                                    | 7,800                              |
|                                                          | <b>7,800</b>                      | <b>7,800</b>                             | <b>7,800</b>                       |
| <b>Net undiscounted financial assets / (liabilities)</b> | <b>(4,300)</b>                    | <b>(4,300)</b>                           | <b>(4,300)</b>                     |

**(b) Foreign Currency Risk**

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any foreign currency transactions. The Company does not hold cash denominated in foreign currencies. Thus, the Company is not exposed to risk due to changes in foreign exchange rates.

**(c) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any fixed-rate or variable-rate debt securities or borrowings. Short-term receivables and payables are not exposed to interest rate risk. Thus, the Company is not exposed to risk due to changes in interest rates.

## EXATO.AI PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS For the financial period ended 31 March 2023

#### (d) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from other receivables.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive -looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Company and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

| Category | Definition of category                                                                                                               | Basis for recognising expected credit loss (ECL) |
|----------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| I        | Counterparty has a low risk of default and does not have any past-due amounts.                                                       | 12-month ECL                                     |
| II       | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.                       | Lifetime ECL - not credit-impaired               |
| III      | Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).                               | Lifetime ECL - credit-impaired                   |
| IV       | There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. | Amount is written off                            |

# EXATO.AI PTE. LTD.

## NOTES TO FINANCIAL STATEMENTS

For the financial period ended 31 March 2023

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

|                         | Note | Category | 12-month or<br>lifetime ECL<br>US\$ | Gross<br>carrying<br>amount<br>US\$ | Loss<br>allowance<br>US\$ | Net carrying<br>amount<br>US\$ |
|-------------------------|------|----------|-------------------------------------|-------------------------------------|---------------------------|--------------------------------|
| 31 Mar 2023             |      |          |                                     |                                     |                           |                                |
| Other current<br>assets | 4    | Note 1   | 12-month<br>ECL                     | 3,000                               | -                         | 3,000                          |
|                         |      |          |                                     |                                     | -                         |                                |

### Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

### Other receivables (Note 1)

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

### (e) Capital Management

The capital of the Company consists of the issued share capital and retained earnings.

The objectives of the Company when managing capital are 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. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, obtain new borrowings, redeem existing borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements.

## 12. GOING CONCERN

The Company incurred a loss of SGD 4,800 for the period ended 31 Mar 2023 and was apparently insolvent in that it has a position of net current liabilities and deficit shareholders' equity of SGD 4,300 as at 31 March 2023 and the holding company has undertaken to support the Company financially in meeting its liabilities as and when they fall due.

## 13. COMPARATIVE FIGURES

There are no comparative figures as these are the first set of financial statements since the date of incorporation (2 August 2022).

EXATO.AI PTE. LTD.

**NOTES TO FINANCIAL STATEMENTS**  
*For the financial period ended 31 March 2023*

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