

INNOVAZIT TECHNOLOGIES L.L.C
SPECIAL PURPOSE FINANCIAL STATEMENTS
PERIOD ENDED
31 MARCH 2025

Registered Office:
Dubai Outsource City,
Dubai, United Arab Emirates

INNOVAZIT TECHNOLOGIES L.L.C

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

I N D E X

	<u>PAGE</u>
DIRECTOR'S REPORT	2
INDEPENDENT AUDITOR'S REPORT	3 TO 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 TO 25

INNOVAZIT TECHNOLOGIES L.L.CDIRECTOR'S REPORT

The Director is pleased to present his report and audited financial statements of Innovazit Technologies LLC for the two months Period ended March 31, 2025. Director approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgements underlying them.

RESULTS

Particuars	31.03.2025
Revenue	2,331,275
Gross Profit	(8,331)
Net Profit	(138,866)

REVIEW OF THE BUSINESS

The Company is primarily engaged in IT related services.

EVENTS SINCE THE END OF THE YEAR

There were no important events occurred since the year end that materially affect the company.

INDEPENDENT AUDITOR

VSP Auditing Associates were appointed as independent auditors of the company for the two months period ended 31 March 2025. VSP Auditing Associates are eligible for reappointment for the year ending 31 March 2026 and have expressed their willingness to continue in office.



Authorised Signatory
25 April 2025



Independent Auditor's Report

To the Shareholders of InnovazIT, Dubai

Opinion

We have audited the accompanying special purpose financial statements of InnovazIT, Dubai (the "Company") for the period from 1 February 2025 to 31 March 2025, which comprise the statement of financial position as at 31 March 2025, and the related statements of comprehensive income, changes in equity, and cash flows for the two-month period then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of InnovazIT, Dubai as at 31 March 2025, and its financial performance and its cash flows for the two-month period then ended, in accordance with the financial reporting framework described in Note 1 (ii) to the special purpose financial statements.

This special purpose financial statements have been prepared solely to enable management to prepare its consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). 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 InnovazIT, Dubai in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

As disclosed in Note 1 (ii), the opening balances as at 1 February 2025 were provided by management and were not subject to audit procedures by us. Accordingly, our audit procedures were confined to the transactions and financial activities of the Company during the two-month period from 1 February 2025 to 31 March 2025. We have relied on management's representations regarding the opening balances for the purposes of this audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





Emphasis of Matter and Other Matter

Emphasis of Matter – Basis of Preparation and Purpose of Financial Statements

We draw attention to Note 1 (ii) to the special purpose financial statements, which describes the basis of preparation of these special purpose financial statements. These financial statements have been prepared solely for the purpose of *special audit to consolidate the Happiest Minds books* and are not intended to be a presentation in accordance with a general-purpose financial reporting framework. This special purpose financial statements may, therefore, not be suitable for another purpose.

Other Matter – Limitation of Audit Scope and Opening Balances

Further, as noted above, we did not audit or review the financial information relating to the period before 1 February 2025. Our audit scope was limited to the two-month period ended 31 March 2025, and accordingly, we express no opinion on the opening balances.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the financial reporting framework described in Note 1 (ii) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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.

We communicate with those charged with governance 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.


VSP Auditing Associates
Chartered Accountants



Dubai, United Arab Emirates
28 April 2025

INNOVAZIT TECHNOLOGIES L.L.CSTATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	<u>31.03.2025</u>
<u>NON-CURRENT ASSETS</u>		
Property, plant & equipment	5	6,496
TOTAL NON-CURRENT ASSETS		6,496
<u>CURRENT ASSETS</u>		
Trade receivables	6	2,789,701
Other current financial assets	7	3,237,923
Cash & cash equivalents	8	2,219,332
TOTAL CURRENT ASSETS		8,246,956
TOTAL ASSETS		8,253,452
=====		
<u>EQUITY</u>		
Share Capital		820,000
Retained Earnings		608,679
TOTAL EQUITY		1,428,679
<u>NON-CURRENT LIABILITIES</u>		
Employee's end-of-service gratuity	9	682,803
TOTAL NON-CURRENT LIABILITIES		682,803
<u>CURRENT LIABILITIES</u>		
Trade & Other payables	10	67,189
Corporate tax payable		-
Accruals & Provisions	11	1,830,949
Due to a related party	12	1,284,878
Loan from a related party		1,680,404
Share application money pending allotment		1,278,550
TOTAL CURRENT LIABILITIES		6,141,970
TOTAL LIABILITIES		6,824,773
TOTAL EQUITY & LIABILITIES		8,253,452
=====		

Annexed schedule of notes form an integral part of these financial statements.

The report of the independent auditor is set forth on page 3 to 5.

Approved by the directors on 25 April 2025

FOR INNOVAZIT TECHNOLOGIES LLC



Authorised Signatory

INNOVAZIT TECHNOLOGIES L.L.CSTATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOMEFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	From 01.02.2025 to 31.03.2025
REVENUE	13	2,331,275
Less: Direct cost	14	(2,339,606)
GROSS PROFIT	-	8,331
General and administrative expenses	15	(129,975)
Depreciation expenses	16	(560)
(LOSS) BEFORE TAX		(138,866)
Corporate Tax		-
<u>(LOSS) AFTER TAX</u>		(138,866)
		=====
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		(138,866)
		=====

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The report of the independent auditor is set forth on page 3 to 5.
Approved by the directors on 25 April 2025

FOR INNOVAZIT TECHNOLOGIES LLC



Authorised Signatory

INNOVAZIT TECHNOLOGIES L.L.CSTATEMENT OF CHANGES IN EQUITYFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
As at 01.02.2025	<u>820,000</u>	<u>747,545</u>	<u>1,567,545</u>
Total comprehensive (loss) for the period	-	(138,866)	(138,866)
As at 31.03.2025	<u>820,000</u> =====	<u>608,679</u> =====	<u>1,428,679</u> =====

Annexed schedule of notes form an integral part of these financial statements.

The report of the independent auditor is set forth on page 3 to 5.

Approved by the directors on 25 April 2025

FOR INNOVAZIT TECHNOLOGIES LLC



 Authorised Signatory

INNOVAZIT TECHNOLOGIES L.L.CSTATEMENT OF CASH FLOWSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

	<u>NOTES</u>	<u>31.03.2025</u>
Cash flows from operating activities		
Net (loss) for the period		(138,866)
Add: Depreciation		560
Provision for employees' end of service gratuity		54,420

Operating profit before changes in operating assets and liabilities		(83,886)
Decrease in Trade Receivable		547,838
(Increase) in Other Current Financial Assets		(27,936)
(Decrease) in Trade and Other payables		(103,306)
Corporate tax payable		-
Increase in Accruals & Provisions		78,805
Due to a related party		1,284,878
Loan from a related party		(1,696,170)

Cash generated from operations		223
Gratuity paid & transferred during the period		(6,829)

Net cash (used in) operating activities	(A)	(6,606)
Cash flows from investing activities		
Purchase of Property, plant & equipment		-

Net cash in investing activities	(B)	-
Cash flows from financing activities		
Dividend paid		(184,650)
Share application money pending allotment		1,278,550

Net cash from financing activities	(C)	1,093,900
Net Increase in cash & cash equivalents	(A+B+C)	1,087,294
Cash and cash equivalents at beginning of the year		1,132,038

Cash & cash equivalents at end of the year	8	2,219,332
		=====

Annexed schedule of notes form an integral part of these financial statements.
The report of the independent auditor is set forth on page 3 to 5.
Approved by the directors on 25 April 2025

FOR INNOVAZIT TECHNOLOGIES LLC



Authorised Signatory

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD ENDED 31 MARCH 2025

(IN U.A.E. DIRHAMS)

1 LEGAL STATUS AND BUSINESS ACTIVITIES(i) LEGAL STATUS

Innovaz IT Technologies L.L.C ("the Company") is a Limited Liability Company, incorporated on March 04, 2013 in the Emirate of Dubai under Commercial License number 684542 as per UAE Commercial Companies Federal Law No. 32 of 2021. The principal place of the Company is located at P.O. Box 121059, Dubai, United Arab Emirates.

GAVS Technologies Limited, a company existing under the laws of British Virgin Islands and having its registered office at Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Island, VG 1110 is 100% owner of the company.

InnovazIT Technologies ("the company"), incorporated on January 27, 2016 in the Emirate of Dubai via Commercial License number 93418 under Dubai Development Authority regulations. The principal place of the company is located at Dubai Outsource City, Dubai, United Arab Emirates. The company is managed by Rolland Ferrao.

As per the sale and purchase agreement dated 1 Feb 2025, GAVS Technologies Limited, a company existing under the laws of British Virgin Islands and having its registered office at Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Island, VG 1110 sold 820,000 shares of Innovaz IT Technologies LLC, a company existing under the laws of Dubai, and having its registered office at Off no. 1164, PO box 124195, Tamani Arts, Burj Khalifa Street, Business Bay Dubai, representing 100 % of its holding in the investee company.

The key details of the transaction are as follows:

Date of Agreement and Sale: February 1, 2025

Number of Shares Sold: 820,000

Percentage of Shareholding Sold: 100%

Sale Consideration: USD 1,000,000

Amount Received as on Balance Sheet Date: USD 900,000

Outstanding Consideration: USD 100,000

As of the balance sheet date, the sale transaction is still in process and the final transfer of ownership is pending completion. The balance consideration is expected to be received in due course. Appropriate accounting treatment has been applied in line with the applicable financial reporting framework.

INNOVAZIT TECHNOLOGIES L.L.C

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

(IN U.A.E. DIRHAMS)

LEGAL STATUS AND BUSINESS ACTIVITIES (continued...)

- (ii) These financial statements have been prepared solely for the purpose of *special audit to consolidate the* Happiest Minds books and are not intended to be a presentation in accordance with a general-purpose financial reporting framework. This special purpose financial statements may, therefore, not be suitable for another purpose.

(iii) PRINCIPAL ACTIVITY

The principal activity of the company is to function as following:

- a) IT Infrastructure
- b) Information Technology Consultant
- c) Computer Consultancies
- d) Software House
- e) Internet Consultancy

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- 2.1 These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued or adopted by the International Accounting Standards Board (IASB) and the requirements of . UAE Federal Law No. (2) of 2021.

2.2 GOING CONCERN

The financial statements are prepared on a going concern basis.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in UAE Dirhams, which is also the company's functional currency.

2.4 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the company's financial statements.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025
(IN U.A.E. DIRHAMS)

BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued...)

- i) Classification of Liabilities as Current or Non Current and Non Current with Covenants (Amendments to IAS1) (effective from 1 January 2024).
- ii) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024).
- iii) Supplier Finance Arrangements (Amendments IAS 7 and IFRS 7) (effective from 1 January 2024).
- iv) Lack of Exchangeability (Amendments to IAS 21) (effective from 1 January 2025).
- v) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective from 1 January 2025).

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are consistent with that of the previous year and are as follows:

3.1 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Capital work in progress is initially and subsequently measured at cost and is not depreciated.

The cost of property, plant and equipment is depreciated using the straight line method over their useful lives as under:

Office Equipment's	3 Years
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The residual value, useful life and depreciation method of each are reviewed at the end of each reporting period. If the expectation differ from previous estimates, the changes is accounted for as a change in accounting estimates.

The depreciation charge for each period is recognized in profit or loss unless it is included in the carrying amount of another asset. The gain or loss arising from de-recognition of an item of property and equipment is included in profit or loss when the item is derecognized. The gain or loss arising from de-recognition of an item of property and equipment is determined between the net disposal proceeds, if any, and the carrying amount of the item.

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE PERIOD ENDED 31 MARCH 2025(IN U.A.E. DIRHAMS)**3.2 IMPAIRMENT OF TANGIBLE ASSETS**

At each reporting date, the management conducts a review of the carrying amounts of its tangible assets, to determine whether there is any indication that they may be impaired, in the absence of such indications, no further action is taken. If any such indication exists, the recoverable amount of each asset is estimated to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3.3 FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

Recognition

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized on trade-date, the date on which the company commits to purchase or sell the asset.

Financial assets

Financial assets, measured at fair value on initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), and the fair value through profit or loss (FVTPL).

Amortized cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025
(IN U.A.E. DIRHAMS)

Fair value through other comprehensive income

They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve.

Fair value through profit or loss

They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of profit or loss.

Impairment

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

Impairment provisions for receivables from related parties and due to/from related parties are recognized based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized.

For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized.

For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

Derecognition

A financial asset is primarily derecognized when:

- 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

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

(IN U.A.E. DIRHAMS)

FINANCIAL INSTRUMENTS (continued...)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR (Effective Interest Rate) amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Derivative financial instruments

Derivative foreign exchange contracts are initially recognized at fair value and subsequently re-measured at their fair value which are obtained from quoted market prices. All derivative contracts are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative contracts are included in statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.4 CASH & CASH EQUIVALENTS

Cash and cash equivalents comprises of cash on hand and at banks balances together with short-term deposits with an original maturity of three months or less and which are subject to an insignificant risk of changes in value.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025
(IN U.A.E. DIRHAMS)

3.5 EQUITY AND RESERVES

Shareholders' account includes all current and prior period contributions from the Shareholders.

Retained earnings include all current and prior period profits.

3.6 REVENUE

To determine whether to recognize revenue, the company follows a 5-step process:

- i) Identifying the contract with a customer
- ii) Identifying the performance obligations
- iii) Determining the transaction price
- iv) Allocating the transaction price to the performance obligations
- v) Recognizing revenue when/as performance obligation(s) are satisfied.

The company recognizes revenue over time if any one of the following criteria is met:

- i) the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs; or
- ii) the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance obligation completed to date.

The company has elected to apply the input method. The company considers that the use of input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned. In applying the input method, the company estimates the cost to complete the projects in order to determine the amount of revenue to be recognized. These estimates include the cost of providing infrastructure, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

In cases where the company determines the performance obligations are satisfied at a point in time, revenue is recognized when control over the assets is transferred to the customer.

When the company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset/trade receivables based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability/advance from customers. The company's obligation of refund liability upon termination of contract with customers are governed by the contract and the regulations prevailing in the respective jurisdictions.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025
(IN U.A.E. DIRHAMS)

REVENUE (continued...)

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the financial statements to the extent that it is probable that the economic benefits will flow to the company and the revenue and costs, if and when applicable, can be measured reliably.

3.7 TRADE RECEIVABLES

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

3.8 EXPENSES

Cost of revenues include all costs direct attributable to the generation of revenue and solely includes cost of goods sold. Selling and marketing expenses include business promotion and advertising costs. All other expenses are classified as general and administrative expenses (including salaries costs, rental costs, depreciation etc.) or finance costs, as appropriate.

3.9 STAFF END-OF-SERVICE GRATUITY

Provision is made for end-of-service gratuity payable to the staff as on the date of statement of financial position in accordance with local labour laws.

3.10 PROVISIONS

A provision is recognized when present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025

(IN U.A.E. DIRHAMS)

PROVISIONS (continued...)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.11 VALUE ADDED TAX

Value added tax (VAT) is charged on supply of goods and services in the United Arab Emirates and recovered on purchases of goods and services locally purchased. Expenses and assets are recognized net of the amount of VAT except for when it is not recoverable. The net amount of VAT recoverable from, or payable to the taxation authority is included as part of current asset or current liability.

Management is responsible for other its adherence.

3.12 FOREIGN CURRENCY TRANSACTIONS

- i) Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transaction.
- ii) Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling as on the date of statement of financial position.
- iii) Gains and losses resulting from foreign currency transactions are taken to the statement of profit or loss and other comprehensive income.

3.13 INCOME AND DEFERRED TAX

The UAE CT Law shall apply to the company with effect from 1 January 2024. Since the provisions of UAE CT Law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the financial statements for the period beginning 1 January 2024.

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred red tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

INNOVAZIT TECHNOLOGIES L.L.C
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2025
(IN U.A.E. DIRHAMS)

4 SIGNIFICANT JUDGMENTS, ESTIMATIONS AND KEY

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the a companying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The significant judgments, estimations and key assumptions made in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are as follows:

i) Carrying values of property, plant and equipment

The useful lives and residual values of property, plant and equipment are estimated based on intended use of assets and their economic lives. Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets estimated useful lives.

ii) Impairment

Management conducts an assessment of tangible assets at each reporting date to determine whether there are any indications that they may be impaired. Assessments of net recoverable amounts of tangible assets are based on assumptions regarding future cash flows expected to be received from the related assets or the cash generating unit to which the asset belongs.

Management regularly undertakes a review of the financial assets and assesses the likelihood of non-recovery. Such assessment is based on the management's best estimate of uncollectible receivables based on expected credit loss (ECL), for which the company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. It is based on a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors to the debtors and the economic environment. Bad debts are written off against provision

iii) Staff end-of-service gratuity

The company computes the liability to staff end-of-service gratuity assuming that all employees were to leave as on the date of statement of financial position. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)5 PROPERTY, PLANT & EQUIPMENT

	<u>Office Equipment</u>	<u>Total</u>
<u>COST</u>		
As at 01.02.2025	7,663	7,663
Additions	-	-
	-----	-----
As at 31.03.2025	7,663	7,663
	-----	-----
 <u>ACCUMULATED DEPRECIATION</u>		
As at 01.02.2025	607	607
Depreciation for the period	560	560
	-----	-----
As at 31.03.2025	1,167	1,167
	-----	-----
 <u>NET BOOK VALUE</u>		
As at 31.03.2025	6,496	6,496
	=====	=====
As at 01.02.2025	7,056	7,056
	=====	=====

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

6	<u>TRADE RECEIVABLES</u>	<u>31.03.2025</u>
	Trade receivables	2,789,701

		2,789,701
		=====

Note:

- i) All of the company's trade receivables have been reviewed for indications of impairment. As at the reporting date, none of the financial assets were impaired.
- ii) It is not the practice of the company to obtain collateral over receivables and receivables are, thereof, unsecured.
- iii) In the opinion of the management, there are no lifetime expected credit loss on receivables based on management's best estimation as on the date of statement of financial position.

7	<u>OTHER CURRENT FINANCIAL ASSETS</u>	<u>31.03.2025</u>
	Advances	105,126
	Prepayments	462,059
	Deposits	70,815
	Other receivables	1,356,751
	Unbilled receivables	1,243,172

		3,237,923
		=====

Note:

Unbilled receivables related to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the company issues an invoice to the customer.

8 CASH & CASH EQUIVALENTS

Cash and cash equivalents for the purpose of the statement of cash flows include the following:

	<u>31.03.2025</u>
Bank balances	2,219,332

	2,219,332
	=====

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)9 EMPLOYEES' END OF SERVICE BENEFITS31.03.2025

Opening balance	635,212
Charge for the period	54,420
Payments made during the period	(6,829)

Closing balance	682,803
	=====

10 TRADE AND OTHER PAYABLES31.03.2025

Trade payables & Other Payables	25,596
VAT Payable	41,593

	67,189
	=====

11 ACCURALS AND PROVISIONS31.03.2025

Salary and Wages Payable	3,732
Provision for expenses	255,705
Provision for compensated absences	284,758
Provision for doubtful loans & advances	1,286,754

	1,830,949
	=====

12 RELATED PARTIES31.03.2025

Happiest Minds Inc - (Due to a related party)	1,284,878
Loan from Gavs Oman - (Loan from a related party)	1,680,404

Note:

Interest has not been charged on the above transactions, which is not in accordance with the Arm's Length Principle (ALP).

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

	<u>From 01.02.2025</u>
	to
	<u>31.03.2025</u>
13 <u>REVENUE</u>	
Services of IT Related	2,331,275

	2,331,275
	=====
<u>Note:</u>	
The service fee pertaining to UAE operations and Offshore operations are given below:	
Domestic Revenue	3,856,503
Offshore Revenue	-

	3,856,503
	=====
14 <u>DIRECT COST</u>	<u>From 01.02.2025</u>
	to
	<u>31.03.2025</u>
Salaries, allowances, and other benefits	2,285,186
End of service benefit	54,420

	2,339,606
	=====
15 <u>GENERAL AND ADMINISTRATIVE EXPENSES</u>	<u>From 01.02.2025</u>
	to
	<u>31.03.2025</u>
Rent - office	19,831
Rates and taxes - Others	3,781
Software licenses / Support	4,000
Other professional charges	67,329
Miscellaneous expenditure	6,216
Bank charges	8,531
Exchange loss	20,287

	129,975
	=====

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)

16	<u>DEPRECIATION AND AMORTISATION EXPENSES</u>	From 01.02.2025 to 31.03.2025
	Depreciation (note 5)	560

		560
		=====

17 FINANCIAL INSTRUMENTS

The net carrying amounts as at the reporting date of financial assets and liabilities are as follows:

	<u>Amortised cost</u> <u>31.03.2025</u>	Fair value through profit or loss <u>(FVTPL)</u> <u>31.03.2025</u>
<u>FINANCIAL ASSETS</u>		
Trade receivables	2,789,701	-
Other current financial assets	3,237,923	-
Cash and cash equivalents	2,219,332	-
	=====	=====
<u>FINANCIAL LIABILITIES</u>		
Trade payables	67,189	-
Accruals and provisions	1,830,949	-
	=====	=====

18 Management of risk

The company is exposed to various risks in relation to financial instrument. The main types of risks are interest rate risk, Capital risk, Currency risk, Credit risk and Liquidity risk.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of a change in interest rates, The company is not exposed to any significant interest rate risk.

ii) Capital Risk

The primary objective of the company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business.

The company manages its capital structure and makes adjustments to it in light of changes in business conditions.

INNOVAZIT TECHNOLOGIES L.L.CNOTES TO THE FINANCIAL STATEMENTSFOR THE TWO MONTHS PERIOD FROM 01 FEBRUARY 2025 TO 31 MARCH 2025(IN U.A.E. DIRHAMS)iii) Currency Risk

Currency risk is the risk that the fair value of future cash flows of foreign currency denominated assets and liabilities will fluctuate because of changes in foreign exchange rates. The company is not exposed to any significant currency risk as almost all transactions are denominated in AED. However, expenses incurred in India pertaining UAE company may have foreign currency exchange risk.

iv) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk comprise principally of bank accounts, trade & other receivables, fixed deposits and due from a related party.

The company's bank accounts are placed with high credit quality financial institutions.

Credit risk of financial assets are summarised below:

	<u>31.03.2025</u>
<u>Financial assets</u>	
Trade receivables	2,789,701
Other current financial assets	3,237,923
Cash at banks	2,219,332
	=====

v) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, an adequate amount of credit facilities and the ability to close out market positions. Due to dynamic nature of the underlying businesses, the company maintains flexibility in funding by maintaining adequate availability under credit facilities.

20 CAPITAL COMMITMENTS

There were no capital commitments of a significant amount as on the date of statement of financial position.

21 COMPARATIVE FIGURES

This being first period of financials under the new management, comparative figures could not be provided.