

Registered number
04487373C

Inatech Europe Limited
Annual report and financial statements
for the year ended 31 December 2021



Inatech Europe Limited

Annual report and financial statements

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Inatech Europe Limited

Company Information

Directors

Michael Assi

Patrick James Cusk

Davide Felicissimo

Registered office

3 Shortlands

Hammersmith

London

W6 8DA

Auditor

KPMG

Chartered Accountants

1 Stokes Place

St. Stephen's Green

Dublin 2

Registered number

04487373

Strategic Report

Principal activities

The principal activity of Inatech Europe Limited (the "Company" or "Inatech") is that of providing Software as a Service ("SaaS") and software consultancy services to companies internationally in the oil trading and the shipping industries. The development of its software products and most of its consultancy services are provided to the Company by its wholly owned subsidiary Inatech India PVT based in Chennai, India.

The Company was incorporated on 16 July 2002 in the United Kingdom under the Companies Act 2006 and is a wholly owned subsidiary of Inatech Holdings Pte Ltd, a company registered in Singapore ("Inatech Holdings"). Inatech Holdings has four subsidiaries, including the Company, which together make up the Inatech Group (the "Group").

Review of Business

All of the Group's sales are made by the Company and materially all of the costs of all other Group Companies are transferred to the Company with a Transfer Pricing margin that accords with the local tax requirements of the supplying transferors. Thus, the results of the Company also reflect closely the results of the entire Group.

Key Performance Indicators ("KPIs") are set at Group level and the performance of the Company is assessed against the KPIs of the Group.

For 2021, the Group had fixed a KPI to achieve a Sales Contract Value of US \$7.96 million and a loss of US \$1.58 million before interest, depreciation and taxes. The actual results for 2021 shows that the Group achieved a sales contract value of US \$6.19 million with a loss of US \$3.59 million before interest, depreciation and taxes. The Company loss was attributable to the effects of COVID 19 on the investment attitude of its potential clients. This is expected to improve in 2022 and the Company is expected to move towards a profitable result for 2022.

Given the ongoing economic conditions and the phase of the Company's development, the Directors are satisfied with the Company's performance over the past year.

In 2021, the Company had a loss before taxation of US \$4,609,843 (2020: US \$4,495,970), with turnover of US \$4,052,670 (2020: US \$3,236,422). During the year, the Company only had revenue from continuing operations.

Strategic Report (continued)

Principal risks and uncertainties

At the balance sheet date, the Company had current assets of US \$1,727,581 (2020: US \$2,527,662). There are several factors which have adversely affected the results for the year and we believe there is a significant risk that some or all may continue to do so for the short to medium term.

Principal Risks

The impact of shut-downs in response to COVID19, in many of the world's major markets massively impacted demand for goods and services. The resulting economic downturn and uncertainty over future economic conditions has caused many businesses to postpone investments, including those in the services provided by the Company. There is a risk that the downturn may continue or recur. The Company addressed this downturn by increasing funding from its parent company to compensate for lower revenues and reducing replacements for staff attrition. It also moved into smaller office facilities and reduced variable compensation. The Company expects to see an increase in demand in the latter part of 2022 as pent-up demand returns to markets but has adapted working methods to be able to respond quickly to changes.

During 2021, the coronavirus (Covid-19) pandemic spread into all of the Company's markets and into India, its main engineering centre. The lockdown restrictions imposed as a response to limit the spread of the pandemic has made it challenging to maintain sales targets throughout 2020 and into 2021, principally due to lack of interaction with potential clients, and to difficulties in delivery by remote control. It has also presented challenges to the development of the Company's products which requires extensive collaboration within the Company's teams and with clients. Whilst the risk of reduced sales due to reduced interaction with buyers remains, the Company has been able to reduce the impact by successfully transitioning its sales and delivery staff to remote working. As such, operations have now resumed in line with revised targets. The Company has devised new ways to collaborate remotely, in order to adapt to the challenges of enforced isolation of staff. As the coronavirus pandemic recedes, the Company will continue to monitor its impact on the business.

Volatility in world oil prices, and specifically in the price of ship fuels is a perpetual risk to demand for the Company's products and services. Risks remain that those prices will continue to fluctuate. Low shipping fuel prices can lead to lower interest by ship owners in fuel management software such as the Company's "Shiptech", whilst volatility in product prices can increase demand for its products such as "Techoil" and "Bunkertech" which facilitate the management of exposure to price changes. The Company expects oil prices to rise in the latter part of 2022 as markets recover and to become less volatile. However if they do not, these market responses described above provide a natural hedge against price changes.

The transformation of many businesses during shutdown has revolved principally around the provision of e-commerce platforms and remote communication and working. This has led to a huge increase in demand for talented IT engineers and related skills, including in India where the Company's main engineering centre is located. Staff attrition rates have risen and the cost of replacement can be as much as a 100% increase in cost to the Company. There is a severe shortage of certain skills. The shortage of skills and the price increases are a major risk to the business and are likely to continue through 2022/23. The Company has mitigated the risks by changing its staff demographic to include more trainees, and to invest in the development of existing staff. It has also added other attractive incentives to retain existing staff, including more flexibility over location and hours. The Company is also assessing a number of partnerships with other software providers in order to incorporate existing products into its offerings rather than recreating that functionality in-house.

Strategic Report (continued)

Principal risks and uncertainties (continued)

When the Company launched its products, it had very little competition in the Cloud SaaS market and it was able to position itself as one of the main providers in certain markets. Since then, a number of companies have launched products to compete with the Company's, and most providers hold themselves out to be "cloud providers". There is a risk that this increased competition will reduce the growth available to the Company, and/or drive down the prices of its services. The Company is attempting to mitigate these risks by leveraging its established connections to major clients, and by joining with "best in class" providers of complimentary products in order to differentiate itself from newer entrants.

Part of the Company's business is run from the UK and thus incurs costs in Sterling. Whilst most of the Company's revenue is denominated in United States Dollars, some used to be billed in Euro and in Sterling. Most of its costs are in Rupees. Inatech Europe Limited used Sterling as its functional currency. Thus fluctuations in the exchange rate between USD and Pound Sterling, and USD and Rupees could have a large impact on the Company's reported financial results, and indeed on its actual profitability. Whilst this risk remains the Company has taken steps to reduce its exposure to currency movements by billing all customers in USD; greatly reducing the amount of its costs that are based in Sterling, and changing its functional currency to match the USD revenue. The Indian Rupee has consistently weakened against the US dollar and is thus not perceived as a major risk.

Results for the year

The loss of the Company for the year is set out in the income statement on page 11 and in the related notes.

Future developments in the business

The business environment continues to look challenging due to the ongoing economic market conditions. Inatech Europe Limited will continue to follow its plan of customer diversification and geographical diversification, optimise the use of networking to increase growth and improve profitability.

This report was approved by the board on 19 June 2023 and signed on its behalf.



Patrick James Cusk
Director

Inatech Europe Limited Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2021.

Within the strategic report on pages 4 to 6, the directors have provided commentary on the following:

- the principal activities of the business;
- the performance of the business for the financial year under review;
- the key performance indicators used by management to monitor the business; and
- the principal risks and uncertainties to the Company.

Future developments and events after the balance sheet date

The business environment continues to look challenging due to the ongoing economic market conditions. Inatech Europe Limited will continue to follow its plan of customer diversification and geographical diversification, optimise the use of networking to increase growth and improve profitability.

On 2 June 2022, the Company was acquired by Valsoft Corporation Inc., a Canadian-based company specialising in the acquisition and development of vertical market software businesses. There have been no other events since the balance sheet date that require adjustment to or disclosure in the financial statements.

Results for the year and change in functional currency

The loss of the Company for the year is set out in the income statement on page 11 and in the related notes. The Company changed its functional currency from Sterling to US Dollars, prospectively with effect from 1 January 2021. These financial statements have been presented in US Dollars. The comparatives for 2020 have been translated from Sterling (as previously reported) to US Dollars at the average rate for 2020 (for the income statement) and the year end rate (for balance sheet items) and at historic rates (for equity items).

Dividends

The directors do not recommend payment of an ordinary dividend (2020: Nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Directors

The following persons served as directors during the year and up to the date of signing the financial statements:

Michael Assi	(appointed on 14 June 2022)
Patrick James Cusk	(appointed on 14 June 2022)
Davide Felicissimo	(appointed on 14 June 2022)
Jean - Herve Tony Jenn	(resigned on 14 June 2022)
Frederick Ivor Bendle	(resigned on 14 June 2022)

Financial risk management objectives and policies

Cash flow risk

The Company's activities expose it to changes in foreign currency exchange rates as cash flows are in both USD and GBP. Intercompany funding arrangements are interest free, and there is no

Inatech Europe Limited
Directors' Report
(continued)

Financial risk management objectives and policies (continued)

Cash flow risk (continued)

significant exposure of the Company's cash-flows to changes in interest rates. These risks are not considered significant and are not hedged. The Company does not use any derivative instruments to manage cash flow risks.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company receives funding from various Glencore group companies as detailed in note 13.

Going concern

The directors believe that given the need of the physical oil industry to drive cost savings and efficiency as well as the consolidation in the shipping industry, the company will be able to grow revenues in the next year and generate profit in the short term by maintaining our costs. Subsequent to the sale of Oracle services division during 2016 the Company has focused on the core business model which is software product development. We are also working closely with our customers and meeting their needs and expectations in these difficult times.

The directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The Company's ultimate parent, Valsoft Corporation Inc. has provided the Company with confirmation of ongoing financial support. The directors consider that the immediate parent has adequate liquidity and sufficient capacity to continue to provide this funding. Thus the directors continue to adopt the going concern basis in preparing the annual financial statements

Further details regarding the adoption of the going concern basis can be found in the Significant Accounting Policies in the financial statements.

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Inatech Europe Limited
Directors' Report (continued)**

Auditor

Subsequent to the year end, Deloitte LLP resigned as auditor and KPMG, Chartered Accountants, were appointed auditor pursuant to Section 485 of the Companies Act 2006. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office

Statement of directors' responsibilities in respect of the Directors' report, the Strategic report and the financial statements

The directors are responsible for preparing the Director's report, the Strategic report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 101 "Reduced Disclosure Framework".

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This report was approved by the board on 19 June 2023 and signed on its behalf.



Patrick James Cusk
Director
3 Shortlands
Hammersmith
London
W6 8DA



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Inatech Europe Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Inatech Europe Limited ("the Company") for the year ended 31 December 2021 set out on pages 14 to 30, which comprise the income statement, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework* issued by the UK's Financial Reporting Council; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.



Independent auditor's report to the members of Inatech Europe Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Conclusions relating to going concern (*continued*)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



Independent auditor's report to the members of Inatech Europe Limited (*continued*)

Report on the audit of the financial statements (*continued*)

Detecting irregularities including fraud (continued)

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.



Independent auditor's report to the members of Inatech Europe Limited (*continued*)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Tom McEvoy (**Senior Statutory Auditor**)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

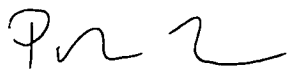
19 June 2023

Inatech Europe Limited
Income Statement
For the year ended 31 December 2021

	Notes	Continuing Operations 31-Dec-2021 US \$	Continuing Operations 31-Dec-2020 US \$
Revenue	3	4,052,670	3,236,422
Cost of sales		(6,225,814)	(5,541,988)
Gross Loss		<u>(2,173,144)</u>	<u>(2,305,566)</u>
Administrative expenses		(2,419,622)	(2,920,708)
Operating Loss		<u>(4,592,766)</u>	<u>(5,226,274)</u>
Exchange (loss) / gain		(13,715)	738,412
Finance costs		(3,362)	(9,498)
Interest Income		-	-
Loss before taxation		<u>(4,609,843)</u>	<u>(4,497,360)</u>
Tax	6	-	-
Loss for the year attributable to owners of the Company	7	<u>(4,609,843)</u>	<u>(4,497,360)</u>

There are no items of comprehensive income in the financial year or preceding financial year other than those dealt with in the income statement. Accordingly, no statement of other comprehensive income has been prepared.

On behalf of the Board



Patrick James Cusk
Director

Inatech Europe Limited
Balance Sheet
as at 31 December 2021

	Notes	31-Dec-2021	31-Dec-2020
		US \$	US \$
Fixed assets			
Intangible fixed assets	8	119,323	161,687
Property, Plant and Equipment	9	104,876	105,911
		<u>224,199</u>	<u>267,598</u>
Current assets			
Trade and other receivables	10	1,515,111	2,155,349
Cash at bank and in hand		212,470	372,313
		<u>1,727,581</u>	<u>2,527,662</u>
Current Liabilities			
Trade and other payables	11	28,828,809	4,824,316
Deferred income	12	1,023,809	1,214,749
Borrowings	13	-	20,084,547
		<u>29,852,618</u>	<u>26,123,612</u>
Net current liabilities		<u>(28,125,037)</u>	<u>(23,595,950)</u>
Total assets less current liabilities		<u>(27,900,838)</u>	<u>(23,328,352)</u>
Non-current liabilities			
Trade and other payables	11	(37,357)	-
		<u>(37,357)</u>	<u>-</u>
Net liabilities		<u>(27,938,195)</u>	<u>(23,328,352)</u>
Equity			
Share capital	14	181,588	181,588
Capital contribution	15	535,855	535,855
Retained deficit	15	(28,655,638)	(24,045,795)
Equity attributable to owners of the Company		<u>(27,938,195)</u>	<u>(23,328,352)</u>

The financial statements of Inatech Europe Limited (registered number 04487373) were approved by the board of directors on 19 June 2023 and were signed on its behalf by:



Patrick James Cusk
Director

Inatech Europe Limited
Statement of Changes in Equity
For the year ended 31 December 2021

	Share capital	Capital contribution	Retained deficit	Total Equity
	US \$	US \$	US \$	US \$
Balance at 1 January 2020	181,588	535,855	(17,914,677)	(17,197,234)
Foreign currency translation			(674,781)	(674,781)
Balance at 1 January 2020	181,588	535,855	(18,589,458)	(17,872,015)
Loss for the year	-	-	(4,497,360)	(4,497,360)
Total comprehensive loss for the year	-	-	(4,497,360)	(4,497,360)
Balance at 31 December 2020	181,588	535,855	(23,086,818)	(22,369,375)
Impact of Functional Currency Change			(958,977)	(958,977)
Balance at 1 January 2021 - USD	181,588	535,855	(24,045,795)	(23,328,352)
Loss for the year	-	-	(4,609,843)	(4,609,843)
Total comprehensive loss for the year	-	-	(4,609,843)	(4,609,843)
Balance at 31 December 2021	181,588	535,855	(28,655,638)	(26,979,218)

Inatech Europe Limited

Notes to the financial statements for the year ended 31 December 2021

1 General information

Inatech Europe Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is 3 Shortlands, Hammersmith, London, W6 8DA. The nature of the Company's operations and its principal activities are set out in the directors' and strategic report on pages 4 to 9.

Ultimate parent undertaking and controlling party

The Company is a subsidiary of Inatech Holdings PTE Ltd, a company incorporated in Singapore. At the balance sheet date, the ultimate parent was Glencore plc. As of the date of approval of these financial statements, the ultimate parent is Valsoft Corporation Inc., a company incorporated in Canada.

2 Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council and has applied the requirements for the year ending 31 December 2021. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to revenue from contracts with customers, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Glencore plc. The group accounts of Glencore plc are publicly accessible at www.glencore.com.

The financial statements have been prepared on the historical cost basis.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

As the Company continues to incur higher development and operating costs than its income in this expansionary phase, there continues to be a loss for the current year with a resulting net current liability position and an accumulated deficit, as the Company focuses on growing its market share and investing in on-going development of its products. These are expected to continue in 2021 due to the COVID-19 impact. This is consistent with the business plan and development and growth strategy agreed with the Company's ultimate shareholder, Glencore plc and subsequently with Valsoft Corporation Inc. These don't affect the liquidity of the Company as there is on-going financial support from the ultimate shareholder as at the date of approval of these financial statements.

Inatech Europe Limited
Notes (continued)

2 Significant accounting policies (continued)

Going concern (continued)

Valsoft Corporation Inc. has agreed to support the Company and has demonstrated its willingness to support the Company by providing adequate cash funding. The directors consider that Glencore plc, has sufficient capacity to continue to provide this funding. The Directors are not aware of any reason why any further required short term funding would be withheld. As a result the Company has adopted the going concern basis of accounting.

Revenue Recognition

The Company generates revenue from sale of its software products and also from software maintenance contracts.

The Company follows the below revenue recognition policy:

Revenue from sale of Software products

a) Implementation price:

Implementation price of the contract is recognised as revenue based on the percentage of completion method which represents the most appropriate pattern in which economic benefits under the contract flow to the Company. Percentage of completion is computed as the percentage which the cost incurred to date, bears to the total cost of completing the implementation of the project. This is a significant change in revenue recognition process as in the previous standards, revenue was recognised based on achievement of performance milestones provided in the contract.

b) Subscription price:

Subscription price is recognised on a straight-line basis over the subscription period. The subscription period is determined with reference to the terms mentioned in the contract which may be from the go-live date of the project or from the beginning of project discovery.

c) Customisation revenue:

Any significant customisation required by customers after project go-live is negotiated as a separate contract which has a fixed determinable price. The Company recognises customisation revenue on a percentage of completion basis.

Revenue from software maintenance contracts

Revenue from maintenance contracts is recognised on a straight-line basis over the period of the maintenance contract as these contracts do not have any defined performance obligation.

Recognition of Incremental costs related to sale contracts

Sales commission paid to sales-persons qualify as other incremental costs related to the contract. Hence sales commission paid are amortised over the subscription period of the contract.

Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payments made.

Inatech Europe Limited
Notes (continued)

2 Significant accounting policies (continued)

Leases (continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date for all leases except short term leases that have a lease term of 12 months or less and leases of low-value assets.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest charge on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in loans and borrowings, allocated between current and non-current as appropriate. The interest element of the finance cost is charged to the statement of profit and loss over the lease period. Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term.

Rentals payable under operating leases are charged to income statement on straight line basis which is computed based on the rent escalation rates applicable for the lease term which is provided in the lease agreement.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) over their useful lives, using the straight-line method. The Company does not recognise any residual value for depreciation purposes.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Useful Economic life (UEL) is the expected period of time during which an asset remains useful to the average owner.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income statement.

Class of Assets	UEL's
Office Equipment	4 years

Intangible assets

Intangible assets of the Company comprise of Trademarks and purchased software licenses. Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Software licenses procured in the name of the Company which are used as an integrated solution in the software products sold by the Company are capitalized as an asset at the cost price.

Software licenses are amortized on straight line basis over a period of 5 years. Software license additions (i.e. additional user licenses) which are purchased as additions to the original license are amortized till the end of the useful life of the original license.

Inatech Europe Limited
Notes (continued)

2 Significant accounting policies (continued)

Intangible assets (continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Class of Assets	UEL's
Software License	5 years
Trade Mark Registration	20 years

Foreign currencies

The financial statements are presented in US Dollars (US \$), which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise and are disclosed separately in the income statement.

Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries, associates and joint arrangements to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred Tax assets are recognised on the carried forward tax losses from the year in which the Company generates taxable positive earnings which can be set-off against the accumulated losses.

2 Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in these financial statements.

Capitalisation of development costs

An internally-generated intangible asset arising from the Company's software development, is recognised if, and only if, all of the conditions in IAS 38 "Intangible Assets" have been demonstrated. This involves judgement to determine the point at which the Company has ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits, and when the Company has the ability to measure reliably the expenditure attributable to the intangible asset during its development. Judgement is required to time apportion costs incurred between projects under development.

Management consider that only until registration is complete, are the software products developed considered saleable, and accordingly no development costs are capitalised until that point. Refer to note 8 for capitalised patent and registration costs. All other development costs have been expensed in the year incurred.

Inatech Europe Limited
Notes (continued)

3 Revenue

	31-Dec-2021	31-Dec-2020
	US \$	US \$
<i>Continuing Operations</i>		
Software consultancy and supply	4,052,670	3,236,422

An analysis of revenue by geographical market is set out below.

	31-Dec-2021	31-Dec-2020
	US \$	US \$
Europe	572,006	942,082
Denmark	1,106,581	898,286
France	778,059	447,768
Germany	285,500	276,989
USA	1,224,845	558,491
Rest of world	85,679	112,806
	4,052,670	3,236,422

The Company earns revenue only from one class of business namely sale of software products.

4 Auditor's remuneration

Fees payable to KPMG and their associates for the audit of these financial statements were US\$43,000 (2020: US\$38,499). No payments were made for non-audit services during the year.

5 Staff costs

	31-Dec-2021	31-Dec-20
Average monthly number of employees (including executive directors) was:		
Administration	6	9

Their aggregate remuneration comprised:

	US\$	US\$
Wages and salaries	1,417,563	1,320,898
Social security costs	163,992	164,411
Other pension costs	87,696	80,048
	1,669,251	1,565,357

Disclosure of directors' remuneration is included in Note 19.

Inatech Europe Limited
Notes (Continued)

6 Taxation

Corporation tax is calculated at 19% (2020: 19 %) of the estimated taxable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Company's tax liability for CY and PY is NIL. The Company has not recognized any deferred tax in the books.

The charge for the year can be reconciled to the loss in the income statement as follows:

	31-Dec-2021	31-Dec-2020
	US \$	US \$
Loss before tax	(4,609,843)	(4,497,360)
Standard rate of corporation tax in the UK	19.00%	19.00%
Tax at the UK corporation tax rate of 19% (2020: 19%)	(875,870)	(854,498)
Effects of:		
Fixed asset differences	(63)	-
Expenses not deductible for tax purposes	2,864	2,858
Remeasurement of deferred tax for changes in tax rates	(1,331,378)	-
Deferred tax not recognised	2,266,493	851,640
Foreign exchange difference	(62,046)	-
Tax expense for the year	-	-

Factors that may affect future tax charges

The company has estimated losses of US \$nil (2020: US \$ nil) available for carry forward against future trading profits. Out of the total losses carried forward as of 31 December 2021, the Company had surrendered losses amounting to US \$6,049,859 towards group relief in 2021.

In Finance Act 2021, the UK corporation tax rate was increased from 19% to 25% effective from 1 April 2023. This has a consequential effect on the future tax charge.

Inatech Europe Limited
Notes (continued)
for the year ended 31 December 2021

7 Loss for the year	31-Dec-2021	31-Dec-2020
	US \$	US \$
Loss for the year has been arrived at after charging/(crediting)		
Net foreign exchange losses/(gains)	341,551	(575,401)
Depreciation of property, plant and equipment	47,233	57,445
Amortisation of intangible assets	1,635	2,433
Operating lease rentals - land buildings	121,564	14,856
Staff costs	1,669,251	1,565,357

8 Intangible fixed assets

	Patents and Trademarks	Software licenses	Total
	US \$	US \$	US \$
Cost			
At 1 January 2021	131,706	194,598	326,304
Additions	-	-	-
At 31 December 2021	<u>131,706</u>	<u>194,598</u>	<u>326,304</u>
Amortisation			
At 1 January 2021	41,503	123,114	164,617
Charge for the year	6,626	35,738	42,364
At 31 December 2021	<u>48,129</u>	<u>158,852</u>	<u>206,981</u>
Net book value			
At 31 December 2021	83,577	35,746	119,323
At 31 December 2020	<u>90,203</u>	<u>71,484</u>	<u>161,687</u>

Patents and trademarks are amortised over their estimated useful lives, which is on average 20 years. Software licenses capitalised are amortised over a period of 5 years.

9 Property, Plant and Equipment

	Right Of Use asset (Leasehold buildings)	Office Equipment	Total
	US \$	US \$	US \$
Cost			
At 1 January 2021	414,204	48,851	463,055
Additions	125,728	1,305	127,033
Disposals	-	-	-
At 31 December 2021	<u>539,932</u>	<u>50,156</u>	<u>590,088</u>
Accumulated Depreciation and Impairment			
At 1 January 2021	319,803	37,341	357,144
Charge for the year	121,564	6,504	128,068
Disposals	-	-	-
At 31 December 2021	<u>441,367</u>	<u>43,845</u>	<u>485,212</u>
Net book value			
At 31 December 2021	98,565	6,311	104,876
At 31 December 2020	<u>94,401</u>	<u>11,510</u>	<u>105,911</u>

Inatech Europe Limited
Notes (continued)

10 Trade and other receivables	31-Dec-2021	31-Dec-2020
	US \$	US \$
Amounts falling due within one year:		
Trade receivables	727,112	643,837
Amounts owed by group undertakings	-	639,302
Prepayments	29,295	121,256
Accrued income	628,737	463,898
Deferred Commission	43,538	162,009
Other receivables	86,429	125,047
	<u>1,515,111</u>	<u>2,155,349</u>

All amounts due from group undertakings are interest free and are repayable on demand.

In accordance with IFRS15, the Company recognises accrued income, i.e. amounts recognised as revenue but not billed to customers, as Contract assets. These contract assets arise as a result of the Company recognising revenue on a 'cost to complete basis' compared to payments being released by customers based on project milestones specified in the Contract. The Contract assets recognised above have been subsequently billed to the Customers.

	31-Dec-2021	31-Dec-2020
	US \$	US \$
Current	628,737	339,305
Non-Current	-	-
Total	<u>628,737</u>	<u>339,305</u>

11 Trade and other payables	31-Dec-2021	31-Dec-2020
	US \$	US \$
Amounts falling due within one year:		
Trade payables	100,777	124,109
Accruals	339,135	385,176
Amounts owed to group undertakings	28,170,555	3,980,921
Other payables and social security	156,817	232,558
Finance lease liability	61,525	101,552
	<u>28,828,809</u>	<u>4,824,316</u>
Amounts due after more than one year		
Finance lease liability	37,357	-
	<u>37,357</u>	<u>-</u>

All amounts due to group undertakings are interest free and are repayable on demand.

Inatech Europe Limited
Notes (continued)

12 Deferred income	31-Dec-2021	31-Dec-2020
	US \$	US \$
Arising from services rendered	1,023,809	1,214,749
	<hr/>	<hr/>
Current	1,023,809	1,214,749
Non-current	-	-
	<hr/>	<hr/>
	1,023,809	1,214,749

The deferred income disclosed above represents contract liabilities as per the definition of IFRS 15. All of them arise from amounts which have been billed in advance to the customer before the related services have been delivered. There was no revenue recognized in the current period related to performance obligations satisfied in a prior period.

13 Borrowings	31-Dec-2021	31-Dec-2020
	US \$	US \$
Unsecured Borrowings		
Amounts owed to Group undertakings	-	20,084,547
	<hr/>	<hr/>

The Company has availed of interest free loans from the Glencore plc group, namely Chemoil International Pte Limited and Glencore AG. The loans are unsecured and are in the nature of working capital loans to fund the operations of the Company and the same is in the nature of rolling credit without a definite re-payment period. At 31 December 2021, these have been presented as Amounts owed to group undertakings – see note 11.

14 Share capital	31-Dec-2021	31-Dec-2020
	US \$	US \$
Authorised:		
113,000 ordinary shares of £1 each	181,588	181,588
	<hr/>	<hr/>
Alloted, Called up and fully paid shares		
113,000 ordinary shares of £1 each	181,588	181,588
	<hr/>	<hr/>

The Company has one class of ordinary shares which carry no right to fixed income.

Inatech Europe Limited
Notes (continued)

15 Other reserves	31-Dec-2021	31-Dec-2020
	US \$	US \$
Capital contribution from Parent Company		
Balance at the beginning of the year	535,855	535,855
Movement during the year	-	-
Balance at end of the year	<u>535,855</u>	<u>535,855</u>
Retained deficit		
Balance at the beginning of the year	(23,086,818)	(17,914,677)
Net loss for the period	(4,609,843)	(4,497,360)
Foreign currency Translation	-	(674,781)
Impact of Functional currency change	(958,977)	-
Balance at end of the year	<u>(28,655,638)</u>	<u>(23,086,818)</u>

Inatech Europe Limited
Notes (continued)

16 Obligations under finance lease:	31-Dec-2021	31-Dec-2020
	£	£
Lease payments under operating leases recognised as an expense in the year	<u>128,608</u>	<u>159,129</u>

At the reporting date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of land, building and office equipment, which fall due as follows :

	Land and buildings	Land and buildings
	31-Dec-2021	31-Dec-2020
	US\$	US\$
Within one year	61,525	101,552
Within two to five years	37,357	-
After five years	-	-
	<u>98,882</u>	<u>101,552</u>

Operating lease payments represent rentals payable by the Company for its office properties. Leases are negotiated for an average term of 2 years and rentals are fixed for an average of 2 years with an option to extend the lease for a further period of two years at an increased rent which is determined either based on a fixed percentage or based on the prevailing market rates.

17 Related party transactions

The company has claimed exemption from the requirement of FRS 101.8(k) to disclose related party transactions with wholly owned group companies. Amounts owned to related parties and amounts owned by related parties are disclosed in aggregate in Notes 10, 11 and 13.

18 Ultimate Parent company and Parent company of larger group

As at 31 December 2021, the Company was a subsidiary undertaking of Glencore PLC which was the ultimate parent company, registered in Jersey. The Company's results have been consolidated into the accounts of Glencore Plc., a company listed on the London Stock Exchange and the results are publicly available.

As at the date of approval of these financial statements, the ultimate parent company is Valsoft Corporation Inc. (see note 20).

Inatech Europe Limited

19 Directors' remuneration

	31-Dec-2021 US\$	31-Dec-2020 US\$
Salary	300,040	279,888
Employer NIC	52,286	37,076
Pension	13,523	12,615
Bonus	90,993	-
Total Emoluments	<u>456,842</u>	<u>329,579</u>
Remuneration of the highest paid director:		
Emoluments	456,842	329,579

20 Subsequent events

As the Covid-19 pandemic continues to unfold, we are satisfied that these events do not constitute an adjusting event for the results for the year ending 31 December 2021. Please refer to the Strategic Report for further consideration of the impact of Covid-19 on the business.

On 2 June 2022, the Company was acquired by Valsoft Corporation Inc., a Canadian-based company specialising in the acquisition and development of vertical market software businesses.

There have been no other events since the balance sheet date that require adjustment to or disclosure in the financial statements.

Inatech Europe Limited

**Detailed profit and loss account - UNAUDITED
For the year ended 31 December 2021**

	31-Dec-2021	31-Dec-2020
	US \$	US \$
Sales		
Sales	4,052,670	3,236,422
	<u>4,052,670</u>	<u>3,236,422</u>
Other Income		
Interest income	1,279	1,390
Cost of sales		
Purchase of services	5,934,700	5,350,838
Commissions payable	291,114	191,150
	<u>6,225,814</u>	<u>5,541,988</u>
Administrative expenses		
Employee costs:		
Wages and salaries	1,417,563	1,320,898
Pensions	87,696	80,048
Employer's NI	163,992	164,411
Staff training and recruitment	62,085	76,360
Travel and subsistence	61,446	153,487
	<u>1,792,782</u>	<u>1,795,204</u>
Premises costs:		
Rent	-	14,856
	<u>-</u>	<u>14,856</u>
General administrative expenses:		
Telephone and fax	15,486	20,009
Printing, postage and stationery	637	1,352
Subscriptions	61,999	55,201
Bank charges	8,360	7,651
Insurance	62,966	85,833
Computer running costs	19,568	447,640
Depreciation on fixtures, fittings and equipment	47,233	57,445
Depreciation on intangible assets	1,635	2,433
Depreciation on lease assets	121,564	151,899
Sundry expenses	(629)	11,364
	<u>338,819</u>	<u>840,827</u>
Legal and professional costs:		
Audit fees	90,796	72,880
Advertising and marketing	68,811	66,193
Legal and professional fees	128,414	130,748
	<u>288,021</u>	<u>269,821</u>
Total administrative expenses	<u>2,419,622</u>	<u>2,920,708</u>
Foreign currency difference	13,715	(738,412)
	<u>13,715</u>	<u>(738,412)</u>
Finance cost		
Finance cost on lease	3,362	9,498
	<u>3,362</u>	<u>9,498</u>