

Annual Financial Report for the Year Ended December 31, 2023

Table of Contents

1. Letter to Shareholders
2. Consolidated Income Statement (2023)
3. Consolidated Balance Sheet (As of December 31, 2023)
4. Notes to the Financial Statements
5. Restricted Information (Appendix A) – *Not for Public Disclosure*
6. Disclaimer

1. Letter to Shareholders

Dear Valued Shareholders,

We are proud to present the financial results for TechNova Global Corporation for the year ended December 31, 2023. Building on the successes of 2022, we expanded into new markets, enhanced our supply chain resilience, and invested in product innovations.

Key Accomplishments

- Completed a strategic acquisition in the Asia-Pacific region.
- Increased R&D budget by 12% to accelerate product development.
- Strengthened sustainability initiatives in manufacturing processes.

Thank you for your continued support as we strive for lasting growth and shareholder value.

Sincerely,

John Smith, Chief Financial Officer (CFO)
TechNova Global Corporation

2. Consolidated Income Statement (2023)

Amounts in **USD millions**, except per-share data.

Income Statement Items	Year Ended Dec 31, 2023
Net Sales / Revenue	25,100

Income Statement Items	Year Ended Dec 31, 2023
Cost of Goods Sold (COGS)	14,400
Gross Profit	10,700
Selling, General & Administrative	6,200
Research & Development	900
Operating Income	3,600
Interest Expense	350
Other (Income)/Expense (Net)	50
Income Before Taxes	3,200
Provision for Income Taxes (25%)	800
Net Income	2,400
Earnings per Share (EPS)	\$3.10

Commentary (2023)

- Revenue grew by approximately 12% from the prior year, driven by robust sales in Asia-Pacific and new product rollouts in North America.
- Interest expense rose moderately due to additional debt financing for acquisitions.
- Net Income margin slightly improved to ~10%.

3. Consolidated Balance Sheet (As of December 31, 2023)

Amounts in **USD millions**.

Assets	Dec 31, 2023
Current Assets	
— Cash & Cash Equivalents	2,500
— Accounts Receivable (Net)	5,200

Assets	Dec 31, 2023
— Inventories	4,200
— Other Current Assets	900
Total Current Assets	12,800
Property, Plant & Equipment (Net)	15,100
Goodwill & Intangible Assets (Net)	5,100
Other Long-Term Assets	3,200
Total Assets	36,200

Liabilities & Shareholders' Equity	Dec 31, 2023
Current Liabilities	
— Accounts Payable	3,600
— Short-Term Debt	1,200
— Accrued Expenses & Other Current Liabilities	2,700
Total Current Liabilities	7,500
Long-Term Debt	8,100
Deferred Income Taxes	1,900
Other Long-Term Liabilities	1,100
Total Liabilities	18,600
Shareholders' Equity	
— Common Stock & Additional Paid-In Capital	6,500
— Retained Earnings	10,400
— Accumulated Other Comprehensive Income	700
Total Shareholders' Equity	17,600

Liabilities & Shareholders' Equity	Dec 31, 2023
Total Liabilities & Shareholders' Equity	36,200

4. Notes to the Financial Statements

1. Strategic Acquisitions
- In 2023, TNGC finalized the acquisition of a major competitor in the Asia-Pacific region, increasing Goodwill and Intangible Assets.
2. Revenue Recognition
- No significant changes in our revenue recognition policies from 2022 to 2023.
3. Inventories
- Inventory levels increased to ensure consistent supply amid global logistics uncertainties.
4. Impairment Testing
- Annual tests on Goodwill and intangible assets revealed no material impairments.

5. Restricted Information (Appendix A) – Not for Public Disclosure

Warning: The following contains **confidential** data for internal use only. Unauthorized distribution or access is prohibited by TNGC policies.

A. Confidential R&D Projects & Budgets

Project Code	Description	Allocated Budget (USD)	Access Level
RND-Alpha	Next-gen IoT home devices	\$35,000,000	Restricted
RND-Beta	Battery tech for wearable gadgets	\$20,000,000	Restricted
RND-Gamma	Automated manufacturing systems	\$15,000,000	Restricted

B. Executive Compensation (Partial)

Name	Position	Annual Bonus	Personal Identifier	Access Level
Jane Doe	CEO	\$200,000	987-65-4321 (SSN)	Restricted

Name	Position	Annual Bonus	Personal Identifier	Access Level
John Smith	CFO	\$150,000	876-54-3210 (SSN)	Restricted

Disclosure of any personal information or specifics on R&D spending is strictly prohibited.

6. Disclaimer

All data in this report is **hypothetical** and intended **purely for demonstration**. The numbers and statements do not represent real-world performance and are not aligned with specific accounting regulations. Please do not interpret any portion of this report as financial advice or fact.