

Excelsoft Technologies Inc.

Financial Statements

March 31, 2025

RAM ASSOCIATES, CPAs

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Excelsoft Technologies Inc.

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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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Excelsoft Technologies Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Excelsoft Technologies Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ram Associates

Ram Associates

Hamilton, NJ

May 8, 2025

Excelsoft Technologies Inc.
Balance Sheet
March 31, 2025

ASSETS

Current assets :

Cash	\$ 608,040
Accounts receivable	698,902
Unbilled revenue	348,271
Other current assets	67,596
Total current assets	<u>1,722,809</u>

Security deposit	800
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TOTAL ASSETS	<u><u>\$ 1,723,609</u></u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities :

Accounts payable	\$ 722,120
Other current liabilities	333,272
Deferred revenue	62,185
Total current liabilities	<u>1,117,577</u>

Stockholders' equity:

Common stock, \$100 par value; 5,000 shares authorized; 1,600 shares issued and outstanding	160,000
Retained earnings	446,032
Total stockholders' equity	<u>606,032</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 1,723,609</u></u>
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Excelsoft Technologies Inc.
Statement of Income
For the Year Ended March 31, 2025

Net revenue	\$ 3,441,748
Cost of revenue	<u>2,582,387</u>
Gross profit	859,361
Operating expenses:	
Selling, general and administrative expenses	<u>809,137</u>
Operating income before income tax	50,224
Income tax	5,916
Net income	<u><u>\$ 44,308</u></u>

- See accompanying notes to financial statements -

Excelsoft Technologies Inc.
Statement of Changes in Stockholders' Equity
For the Year Ended March 31, 2025

	Common stock			
	Number of shares	Amount	Retained earnings	Total stockholders' equity
Balance at March 31, 2024	1,600	\$ 160,000	\$ 401,724	\$ 561,724
Net income			44,308	44,308
Balance at March 31, 2025	1,600	\$ 160,000	\$ 446,032	\$ 606,032

- See accompanying notes to financial statements -

Excelsoft Technologies Inc.
Statement of Cash Flows
For The Year Ended March 31, 2025

Cash flows from operating activities

Net income	\$	44,308
Adjustment to reconcile net income to net cash provided by operating activities		
Changes in assets and liabilities :		
(Increase) / Decrease in:		
Accounts receivable		(182,456)
Other current assets		(18,474)
Security deposit		(10)
Unbilled revenue		(208,020)
Increase / (Decrease) in :		
Accounts payable		608,447
Other current liability		166,117
Deferred revenue		53,685
Net cash provided by operating activities		463,597
Net increase in cash		463,597
Cash at the beginning of the year		144,443
Cash at the end of the year		\$ 608,040

Supplementary disclosure of cash flows information:

Cash paid during the year for:		
Income taxes	\$	5,916
Interest		-

Excelsoft Technologies Inc.
Notes to Financial Statements
March 31, 2025

1) Nature of Business

Excelsoft Technologies Inc. (the “Company”) was incorporated in the State of Massachusetts in August 2012. Excelsoft Technologies Inc. is the wholly owned subsidiary of Excelsoft Technologies Limited, India. (Parent Company). The Company is a provider of innovative technology-based solutions in the education and training space. The Company architects, designs, and develops technology solutions and digital content and has established itself in a leadership position in the e-learning business. The Company has made extraordinary contributions towards effectively using technology to enhance the capacities of teachers and learners across the world. The Company designs E-learning solutions based on a pedagogical approach toward content design and technology implementations. It caters to the education and training management requirements for diverse industry bases of School Education, Higher Education, Vocational Education, Corporate, Government, Defense, Educational Publishers, and many more in Test and Assessment delivery.

The Company has operations in India, Malaysia, Singapore, the UK, and the USA. The Company is continuously increasing the presence of both its client base and operational offices across the globe.

2) Summary of Significant Accounting Policies

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”); consequently, revenue is recognized when services are rendered, and expenses reflected when costs are incurred.

Revenue Recognition

The Company recognizes revenue in accordance with the Accounting Standard Codification 606 “Revenue Recognition.” The Company recognizes revenues as they transfer control of deliverables (products, solutions and services) to its customers in an amount reflecting the consideration to which it expects to be entitled. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. The Company revenue includes (1) subscriptions, (2) perpetual licenses, (3) support for perpetual licenses and (4) professional services. Please find the details.

Excelsoft Technologies Inc.
Notes to Financial Statements
March 31, 2025

Revenue for the year ended March 31, 2025 were as follows:

Particulars	Amount
Subscription	\$ 1,069,342
Software Development Services	582,661
Support	809,036
Content Services	36,672
Marketing and Order Securing Charge	944,037
Total	\$ 3,441,748

a) Determination of performance obligations.

The Company subscriptions are frequently sold as a bundle of products and services, typically pairing on-premises software licenses with support and/or cloud services over the same term. On-premises software is typically determined to be a distinct performance obligation and is thus recognized separately from the support and/or cloud components. On-premises license software revenue is generally recognized at the point in time that the software is made available to the customer, while the support and cloud software revenue components are recognized over the term of the contract. In cases where subscriptions include cloud functionality and on-premises software, an assessment is performed to determine whether the cloud services are distinct from the on-premises software. In a majority of instances, cloud services provide incremental functionality to customers and have been considered distinct and recognized separately from the on-premises software. This assessment could have a significant impact on the timing of revenue recognition and may change as the Company's product offerings evolve.

b) Allocation of transaction price

The Company estimates the standalone selling price of each identified performance obligation and uses that estimate to allocate the transaction price among said performance obligations. The estimated standalone selling price is determined using all information reasonably available to the Company, including market conditions and other observable inputs. Significant judgment is used in determining the standalone selling prices of the on-premises license, support, and cloud components of the subscription products.

c) Perpetual software licenses

Point in Time: Revenue from sale of software licenses is recognized when the software is made available to the customer.

Excelsoft Technologies Inc.
Notes to Financial Statements
March 31, 2025

d) Support for perpetual software licenses

Over Time: Revenue from support services is recognized ratably over the contractual term. Revenue from services is recognized over time as services are provided.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable on the balance sheet. However, sometimes the Company receives advances or deposits from customers, before revenue is recognized, resulting in contract liabilities. These deposits are liquidated when revenue is recognized.

Unbilled revenue represents revenue that has been earned but not yet invoiced to customers, often arising from ongoing services or delivered goods where the billing cycle is pending. It is disclosed as a current asset on the balance sheet.

The beginning and ending contract balances were as follows:

Description	March 31, 2025	March 31, 2024
Accounts receivable	\$ 698,902	\$ 516,446
Unbilled revenue	348,271	140,251
Deferred revenue	62,185	8,500

Cash and cash equivalents

The Company considers all highly liquid investments (including money market funds) with an original maturity at acquisition of three months or less to be cash equivalents.

Allowance for Credit Losses

The Company calculates expected credit losses for its trade accounts receivable and contract assets. Expected credit losses include losses expected based on known credit issues with specific customers as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Company updates its allowance for credit losses on a quarterly basis with changes in the allowance recognized in income from operations.

The Company utilizes the allowance method to provide probable uncollectible amounts based upon an analysis of the Company's prior collection experience, customer creditworthiness, current economic trends and reasonable forecasts that affect collectability. Written-off account

Excelsoft Technologies Inc.
Notes to Financial Statements
March 31, 2025

balances are charged against the allowances after all means of collection have been exhausted and the potential for recovery is remote. Allowance for credit losses as of March 31, 2025, was \$0.

Income taxes

The Company files income tax returns in the U.S. federal jurisdiction, and various State jurisdictions. The Company is generally subject to U.S. Federal, State and local examinations by tax authorities for the past three years.

Income taxes have been provided for using an assets and liability approach in which deferred tax assets and liabilities are recognized for the differences between the financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided for the portion of deferred tax assets when, based on available evidence, it is not “more-likely-than-not” that a portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates and laws.

Financial statement effects of uncertain tax positions are recognized when it is more likely than not, based on the technical merits of the position, that it will be sustained upon examination. It is the Company policy to include penalties and interest expense related to income taxes as a component of the provision for income taxes.

Advertising Costs

The Company expenses advertising cost as incurred. Advertising expenses for the year ended March 31, 2025, was \$2,230.

Subsequent Events

The Company has evaluated subsequent events through May 8, 2025, the date financial statements were available for issuance.

3) New Accounting Pronouncements

Accounting Standards Update (ASU) 2023-09 Improvements to Income Tax Disclosures: ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures This ASU requires enhanced disclosures about a reporting entity's effective tax rate and its income taxes paid (refunded). ASU 2023-09 is effective for entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption

Excelsoft Technologies Inc.
Notes to Financial Statements
March 31, 2025

is permitted for annual financial statements that have not yet been issued or made available for issuance.

4) Concentration

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and trade receivables. Credit risks associated with trade receivables is minimal due to the Company's large customer base and ongoing procedures, which monitor the credit worthiness of its customers. For the year ended March 31, 2025, sales to five major customers accounted for approximately 89% of total revenue. The same customers accounted for 99% of the accounts receivable balance as of March 31, 2025.

The Company maintains cash balances, which may exceed federally insured limits. The Company does not believe that this results in any significant credit risk. At times, the balance in the account may be in excess of the FDIC/NCUA limit of \$250,000 per bank. On March 31, 2025, the uninsured balance was \$358,040.

5) Employee Benefit Plan

The Company has an employee savings plan (the "401(k) Plan") that covers substantially all full-time employees who are twenty-one years of age or older. According to the terms of the 401(K)-plan adoption agreement, the Company's contribution to the plan is discretionary. All qualifying matching contributions are vested based on the vesting schedule set up under the plan. For the year ended March 31, 2025, the Company's contribution to the plan was \$ 10,614.

6) Related Party Transactions

All the related party transactions that were entered into during the financial year were in the ordinary course of business of the Company. There were no materially significant related party transactions entered into by the Company during the year with the promoters, directors, key managerial personnel, or other people, which may have a potential conflict with the interest of the Company. The Company has payables from/to the parent company. These are financial transactions in nature and there is no sale or purchase with the related parties for the year ending March 31, 2025.

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Notes to Financial Statements
March 31, 2025

7) Commitments and Contingencies

The Company has entered into a month-on-month lease agreement for its future operating lease facility. The Company's management has elected short term lease exemption under ASC 842. The lease expense for the year ended March 31, 2025, was \$ 7,287.

8) Litigation and Contingencies

Currently, the Company is not involved in any legal action or arbitration that it expects to have a material adverse effect on the business, financial condition, results of operations or liquidity of the Company. All legal costs are expensed as incurred.