INTELLECT DESIGN ARENA INC.

FINANCIAL STATEMENTS
MARCH 31, 2026

INTELLECT DESIGN ARENA INC.

MARCH 31, 2026

Contents

BIMAL SHAH PROFESSIONAL CORPORATION
Chartered Professional Accountant
Licensed Public Accountant
SIMPLE SOLUTIONS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders Intellect Design Arena Inc.

Opinion
We have audited the financial statements of Intellect Design Arena Inc. (the Company), which comprise the balance sheet as at March 31, 2026, and the statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises (ASPE).

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, 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.

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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

5484 Tomken Road, Suite 14, Mississauga, Ontario L4W 2Z6 t 905 629 2653 f 905 629 8701 e info@shah-cga.com
www.shah-cga.com

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Bimal Shah P.C.

Bimal Shah, CPA, LPA
Bimal Shah Professional Corporation
Chartered Professional Accountants
Licensed Public Accountant

Mississauga, Ontario
May 6, 2026

Authorised to practice public accounting by the Chartered Professional Accountants of Ontario

INTELLECT DESIGN ARENA INC.

BALANCE SHEET
AS AT MARCH 31, 2026

	2026	2025
ASSETS		
Current Assets		
Cash and bank	1,166,951	1,876,671
Accounts receivable	12,523,448	709,522
Accrued receivable - note 3	6,353,955	7,540,103
Income tax recoverable		53,714
Advance to non-resident related company - note 4	387,825	2,552,872
Loan to non-resident related company - note 5	1,066,334	1,832,420
Deposits and prepaid expenses	185,783	135,514
	21,684,296	14,700,816
Property and equipment - note 2 and 6	556,348	127,982
Goodwill - gain on bargain business purchase - note 15	199,000	199,000
Investment in related company - note 7	1,218	1,218
	$22,440,862	$15,029,016
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	4,492,401	2,265,909
Accounts payable to related company		54,862
Deferred Revenue - note 9	1,946,845	2,916,736
Payroll liabilities	5,454,285	2,447,868
Sales tax payable	213,331	11,541
Income tax payable	619,367	
	12,726,229	7,696,916
Deferred Revenue - note 9	191,470	1,358,522
	12,917,699	9,055,438
Shareholders' Equity		
Share capital - note 10	1,150,000	1,150,000
Retained earnings	8,373,163	4,823,578
	9,523,163	5,973,578
Approved on behalf of the Board	$22,440,862	$15,029,016

Director

The accompanying notes are an integral part of this financial statement

INTELLECT DESIGN ARENA INC.

STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	**2025**
Retained earnings, beginning of year	4,823,578	2,857,691
Net income	3,549,585	1,965,887
Retained earnings, end of year	$8,373,163	$4,823,578

The accompanying notes are an integral part of this financial statement

INTELLECT DESIGN ARENA INC.

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Revenue		
Revenue (net of discounts) - note 2 and 13	68,049,595	29,264,562
Expenses		
Advertisement and promotion	227,101	287,821
Amortization	60,051	17,648
Bank charges	2,883	2,539
Consulting	1,151,593	643,980
Insurance	19,020	18,013
Occupancy cost	595,697	422,339
Office and general	106,693	19,642
Professional fees	137,170	481,817
Project expenses - note 8, 11 and 13	14,292,135	11,721,606
Repairs and maintenance	11,022	1,912
Salaries and wages	33,881,795	11,921,937
Software license	12,231,088	978,322
Telecommunication	80,092	75,577
Travel	737,684	484,874
	63,534,024	27,078,027
Income from operations	4,515,571	2,186,535
Other income		
Interest income	180,681	57,401
Foreign exchange (loss) gain	94,468	144,719
Gain on bargain business purchase		199,000
Income before income tax	4,790,720	2,587,655
Income tax - note 2 and 12	1,241,135	621,768
Net income	$3,549,585	$1,965,887

The accompanying notes are an integral part of this financial statement

INTELLECT DESIGN ARENA INC.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Operating:		
Net income	3,549,585	1,965,887
Items not requiring an inflow or outlay of funds		
Amortization	60,051	17,648
Gain on business purchase		(199,000)
	3,609,636	1,784,535
Changes in non-cash working capital		
Accounts receivable	(11,813,926)	591,848
Accrued accounts receivable	1,186,148	(4,369,000)
Deposit and prepaid expenses	(50,269)	(61,757)
Accounts payable and accrued liabilities	2,226,492	2,045,820
Accounts payable to related company	(54,862)	54,862
Deferred revenue	(2,136,943)	(30,857)
Payroll liabilities including deductions	3,006,417	461,630
Sales tax payable	201,790	(68,655)
Income tax payable	673,081	(286,438)
	(3,152,436)	121,988
Investing:		
Acquisition of property and equipment	(488,417)	(108,669)
	(488,417)	(108,669)
Financing:		
Advance to non-resident related company	2,165,047	2,273,525
Loan (to) from non-resident related companies	766,086	(769,852)
	2,931,133	1,503,673
Increase (decrease) in cash	(709,720)	1,516,992
Cash, beginning of year	1,876,671	359,679
Cash, end of year	$1,166,951	$1,876,671

The accompanying notes are an integral part of this financial statement

Note 1 – DESCRIPTION OF BUSINESS

The Company was incorporated under the Canada Business Corporations Act on March 2, 2015. The company's main business activity is developing, testing and selling specialized software to various industries.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE) and include the following significant accounting policies:

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates are included in the following accounts:

- Reported amounts of revenue and expenses during the current year;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the date of the financial statements.

Foreign currency transactions

The Company uses the temporal method to translate foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Sales and expenses denominated in foreign currencies appearing in the current year's income statement are translated at the rate prevailing on the date of transaction. Exchange gains and losses are included in the income statement.

Revenue recognition

The Company earns substantially all of its revenue from the software development, maintenance, testing and support services to its customers. Revenue is recognized when earned, specifically when all of the following conditions are met:

- Services are provided to its customers.
- There is clear evidence that an arrangement exists.
- Amounts are fixed or can be determined.
- Company's ability to collect is reasonably assured.
- No significant obligation for future performance remains.

The Company records payment received in advance including upfront non-refundable payments as deferred revenues until the services to customers are provided or delivered.

License revenue is recognized upfront at full amount, based on the customer contract and proof of delivery of license to the customer.

Property and equipment

Property and equipment are recorded at cost. Amortization is provided annually at rates calculated to write off the assets over their useful lives as follows, except in the year of acquisition when amortization is prorated from the date of purchase of the asset.

	Rate	Method
Computer equipment	6 years	straight-line
Computer accessories	6 years	straight-line
Office equipment	6 years	straight-line
Furniture and fixtures	10 years	straight-line
Leasehold improvements	6 years	straight-line

Impairment of long-lived assets

Long lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the discounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long lived asset exceeds its fair value.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the identifiable net assets acquired at the date of acquisition.

Goodwill is not amortized and is tested for impairment when events or changes in circumstances indicate that the carrying amount may exceed its fair value. Determination of fair value involves the use of estimates and assumptions, including future cash flows, growth rates, and discount rates. These estimates are subject to uncertainty and may change in future periods.

For the purpose of impairment testing, goodwill is allocated to reporting units that are expected to benefit from the synergies of the business combination.

When impairment indicators are present, the Company compares the carrying amount of the reporting unit to its fair value. If the carrying amount exceeds the fair value, an impairment loss is recognized to the extent that the carrying amount of goodwill exceeds its implied fair value.

Impairment losses are recognized in net income and are not subsequently reversed

Income taxes

The Company uses the income tax payable method of accounting for income taxes. As per this method, actual income tax payable for the year is recorded.

Allocated expenses

The Company is party to arrangements with a non-resident related company whereby certain operating expenses, including administrative, information technology, finance, and other shared services, are incurred by the non-resident related company and allocated to the Company.

Allocated costs are recorded in the financial statements based on the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Management determines the basis of allocation using reasonable methods, which may include a combination of headcount, revenue, usage, or other relevant drivers, depending on the nature of the expense.

Management assesses the reasonableness of the allocation methods and amounts and believes that the amounts allocated approximate the costs that would have been incurred if the Company had operated on a stand-alone basis.

Financial instruments

The enterprise initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The enterprise subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, prepaid expenses, deposit and advance to related companies.

Financial liabilities measured at cost include accounts payable and accrued liabilities, payroll liabilities, due to government agencies and amounts due to related parties.

The Company has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The principal risks assumed by the Company are credit risk and currency risk.

Credit risk
The Company is exposed to credit risk through its account receivable. There is no concentration of risk with respect to any of our customers. The Company maintains a

policy of credit review for all of its customers and establishes an allowance for doubtful debts when amounts are not collectible.

Currency risk
The Company is exposed to currency risk due to a portion of its sales and expenses is incurred in U.S. dollars and Indian rupees, resulting in accounts receivable and payable in foreign currencies subject to gains or losses due to exchange rate fluctuations.

Comparative figures

Certain figures for previous year may have been re-classified to make their presentation identical to that adopted in current year.

Note 3 – ACCRUED RECEIVABLE

Accrued receivable comprises of (1) fixed bid projects and (2) time and material projects.

Revenue accrual for fixed bid projects is carried out based on percentage of completion (POC) approved by the quality team. The quality team tracks and considers various elements such as number of associates, efforts, number of days, etc. They also prepare multiple internal milestones and plot the POC for each milestone, thereby ascertaining the averages to arrive at the final POC, based on which the finance team will provide for revenue accrual.

Revenue accrual for time and material projects are recognized based on the (1) time spent by the resources and (2) the rates as agreed with the customer based on the signed contract and the statement of work. Time spent by the resources is measured by the internal metrics maintained by the delivery and quality department. Time and material revenue accrued at the end of the month is invoiced at the beginning of the next month.

Note 4 – ADVANCE TO NON-RESIDENT RELATED COMPANY

Payments are made to non-resident related company for technical and software development services on a monthly basis. Excess payment in the last quarter has resulted into temporary advance which is expected to be offset in the first quarter of the following year. The advance is interest free.

Note 5 – LOAN TO NON-RESIDENT RELATED COMPANY

Short term unsecured loan has been given to non-resident related companies as per below:

Name	Repayment Date	Rate of interest	Loan Amount (CAD	Accrued Interest (CAD)	Total Amount (CAD)
Intellect Design Arena Inc., USA				2,745	2,745
Intellect Design Arena Inc., USA				1,647	1,647
Intellect Design Arena Inc., USA				2,196	2,196
Intellect Design Arena Inc., USA				824	824
Intellect Design Arena Inc., USA				1,098	1,098
Intellect Design Arena Inc., USA	Apr. 24, 206	3.25%	200,000	3,493	203,493
Intellect Design Arena Inc., USA	Jan. 23, 2027	6.00%	350,000	1,.783	351,783
Intellect Design Arena Inc., USA	Feb. 13, 2027	6.00%	500,000	2,548	502,548
Total			**$ 1,050,000**	**$ 16,334**	**$ 1,066,334**

Previous year outstanding loan amount was $1,732,085 and accrued interest was $100,334, totaling to $1,832,420.

Note 6 – PROPERTY AND EQUIPMENT

	Cost	Accum. Amorti-zation	**2026** Net Book Value	**2025** Net Book Value
Computer equipment	421,647	159,984	261,663	112,457
Computer accessories	46,907	32,894	14,013	3,221

Office equipment	39,461	35,229	4,232	7,031
Furniture and fixtures	130,271	44,461	85,810	5,273
Leasehold improvements	208,158	17,528	190,630	- -
Total	846,444	290,096	556,348	127,982

Note 7 – INVESTMENT IN RELATED COMPANY

Investment in Intellect Design Arena Chile Limitada, is recorded at cost. The investment represents 11% in the limited liability partnership.

Note 8 – RELATED PARTY TRANSACTIONS AND BALANCES

Related parties consist of affiliated companies controlled by the same management. During the year, the balances and transactions with the related parties are as follows:

	2026	2025
Consulting, Outsourcing and Software development expenses:		
Intellect Design Arena Limited, India	$ 14,292,135	$ 11,721,606
Employee Stock Option Plan (ESOP) Cost Charge:		
Intellect Design Arena Limited, India	$ 513,174	
Interest received on loan:		
Intellect Design Arena Inc., USA	$ 97,761	$ 50,370
Intellect Design Chile Limitada	$ 2,635	
	$ 100,396	
Back-to-back income received:		

Intellect Design Arena S.A., Switzerland	$ 1,301	
Investment in related company:		
Intellect Design Chile Limitada	$ 1,218	$ 1,218
Loan given to related company:		
Intellect Design Arena Inc., USA	$ 1,066,334	$ 1,399,911
Intellect Design Chile Limitada		$ 432,508
Current account balance receivable:		
Intellect Design Arena Limited, India	$ 1,178,834	$ 1,736,919
Trade payables to:		
Intellect Design Arena Limited, USA		$ 54,862
Trade receivable (payable) from:		
Intellect Design Arena Limited, India (net)	($ 791,009)	$ 815,954
Intellect Design Arena S.A., Switzerland	$ 1,301	

All of the above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Note 9 – DEFERRED REVENUE

Deferred revenue or billing in excess of revenue represents the difference between revenue invoiced to customers based on milestones and revenue recognized based on the percentage of completion.

Hosting service is provided whereby the license is installed on our server and not on the customer's server. License revenue on hosting services will be pro-ratably recognized over the period of contract as below:

	2026	2025
Revenue recognition in next 12 months	1,946,845	2,916,736
Revenue recognition between 13 to 60 months	191,470	1,358,522
Total	$ 2,138,315	$ 4,275,258

Note 10 – SHARE CAPITAL

Authorized:

Unlimited number of Class A voting shares without par value
Unlimited number of Class B non-voting shares without par value

Issued:

	2026	2025
1,150,000 Class A shares	1,150,000	1,150,000

Note 11 – PROJECT EXPENSES

Project expenses include back-to-back outsourcing charges. In consequent to the transfer pricing study done five years ago by Ernest and Young, India, the management has decided to keep operating profit before other income and tax at 6.64% (previous year 7.47%) this fiscal year.

Note 12 – INCOME TAX PAYABLE

Reconciliation of the income tax expense related to income for the year and the dollar amount of income tax using the statutory rate:

	2026	2025
Income before income taxes	$ 4,790,720	$ 2,587,655
Applicable federal tax rate	15.00%	15.00%
Expected income tax expense	718,608	388,148
Effect on income tax expense of:		
Gain on bargain purchase not taxable		(29,850)
Amortization difference between accounting and tax purpose	(20,975)	(6,822)
Federal income tax expense	697,633	351,476
Provincial income tax	543,502	270,292
Total tax	$ 1,241,135	$ 621,768

The company also has $47,746 (previous year $47,746) of accumulated capital loss.

Note 13 – ECONOMIC DEPENDENCE

The Company is dependent on parent company for support relating to software development, license and support services.

The company has earned 73.56 (previous year 90.67%) of its revenue from thirteen (previous year – six) customers only.

Note 14 – CONTRACTUAL OBLIGATIONS

The company has signed a lease for its office premises in Toronto, which expires on March 31, 2027. The commitment for the remaining twelve months of the lease is $396,300, which does not include applicable sales tax.

The company has also signed a lease for its office premises in Vancouver, which expires on May 31, 2031. The commitment for the next five years is as follows and does not include applicable sales tax.

2027	199,272
2028	201,301
2029	203,735
2030	206,170
2031	208,604
Subsequently and thereafter	34,835
	1,053,917

Note 15 – BUSINESS COMBINATION

In the prior year on January 22, 2025, the company entered an asset transfer agreement to acquire assigned customer and other contracts in exchange for cash consideration of $0 for technology platform from Central 1 Credit Union. The transaction has been accounted for as a business combination under the requirements of ASPE 1582 *Business Combinations.*

The identifiable assets acquired and liabilities recognized at the date of acquisition included:

Non-current assets	
Assigned Customer and other contracts	$ 199,000

The consideration transferred for the business acquired was less than the fair value of identifiable net assets acquired. Following a reassessment of the identification and measurement of the assets and liabilities assumed, a gain on bargain purchase was recognized in net income in the prior year.

Note 16 – CHANGE IN ACCOUNTING POLICY

Effective April 1, 2025, the Company adopted a new accounting policy for stock-based compensation arrangements (employee stock option plan).

Under the new policy, stock-based compensation is measured at the fair value of the equity instruments granted at the grant date and is recognized as an expense over the vesting period.

Previously, the cost was recorded at the non-resident related party level and therefore did not recognize any related expense. If it was recorded in the previous year, there would have been a change to the net income and retained earnings, amount of which is not determinable.

This change has been applied prospectively in accordance with Section 1506 of Accounting Standards for Private Enterprises, as it relates to a new accounting policy.

As a result of this change, the Company has recognized stock-based compensation expense of $513,174 in the current year, resulting in an increase in expenses and a corresponding impact on net income and retained earnings