**Grant Thornton Bharat LLP**

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Board of Directors**

**Capillary Brierley Inc.**

**Opinion**

We have audited the financial statements of Capillary Brierley Inc. (the "Company"), which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

**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 US GAAS 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 US GAAS, 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 the Company'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 the Company'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.

Grant Thornton Bharat LLP

GRANT THORNTON BHARAT LLP

Kolkata, India
May 6, 2026

**CAPILLARY BRIERLEY INC.**
**BALANCE SHEETS**
*(All amounts in USD, unless specified otherwise)*

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Assets** | | |
| **Current assets:** | | |
| Cash and cash equivalents | 166,489 | 92,457 |
| Accounts receivable, net | 2,367,269 | 5,494,501 |
| Other receivables from related party | 393,792 | 203,048 |
| Investments | 4,121,741 | - |
| Other current assets | 110,236 | 368,956 |
| **Total current assets** | **7,159,527** | **6,158,962** |
| **Non-current assets:** | | |
| Property and equipment, net | 109,021 | 15,499 |
| Operating lease right-of-use assets | 373,422 | - |
| Other non-current assets | 76,894 | 39,745 |
| **Total non-current assets** | **559,337** | **55,244** |
| **Total assets** | **7,718,864** | **6,214,206** |
| **Liabilities and Stockholders' equity** | | |
| **Current liabilities:** | | |
| Accounts payable | 213,712 | 614,348 |
| Payables to related parties | 1,423,912 | 1,112,273 |
| Accrued employee costs | 304,314 | 421,058 |
| Contract liabilities | 985,842 | 989,055 |
| Operating lease liabilities | 146,676 | - |
| Other current liabilities | 454,314 | 444,415 |
| **Total current liabilities** | **3,528,770** | **3,581,149** |
| **Non-current liabilities:** | | |
| Operating lease liabilities | 247,749 | - |
| **Total non-current liabilities** | **247,749** | **-** |
| **Stockholders' equity:** | | |
| Stockholders' equity | 1 | 1 |
| Additional paid in capital | 5,748,075 | 5,630,163 |
| Accumulated deficit | (1,805,731) | (2,997,107) |
| **Total stockholders' equity** | **3,942,345** | **2,633,057** |
| **Total liabilities and stockholders' equity** | **7,718,864** | **6,214,206** |

*The accompanying notes are an integral part of these financial statements*

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**CAPILLARY BRIERLEY INC.**
**STATEMENTS OF INCOME/ (LOSS)**
*(All amounts in USD, unless specified otherwise)*

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| Revenue from services | 18,241,331 | 16,273,132 |
| Other income | 192,357 | 13,312 |
| **Total income** | **18,433,688** | **16,286,444** |
| | | |
| Employee benefit expenses | 8,434,749 | 9,906,628 |
| Professional and consultancy services | 6,231,244 | 3,866,833 |
| Software and server charges | 1,861,723 | 3,242,755 |
| Depreciation and amortisation expenses | 164,215 | 26,569 |
| Finance costs | 52,247 | 34,352 |
| Other expenses | 498,134 | 1,177,467 |
| **Total expenses** | **17,242,312** | **18,254,604** |
| | | |
| **Net Income/(loss)** | **1,191,376** | **(1,968,160)** |

*The accompanying notes are an integral part of these financial statements*

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**CAPILLARY BRIERLEY INC.**
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
*(All amounts in USD, unless specified otherwise)*

| | Common stock (Number of stock) | Common stock | Accumulated deficit | Additional paid in capital | Total stockholders' equity |
|---|---|---|---|---|---|
| **Balance as at April 01, 2025** | **100** | **1** | **(1,028,947)** | **5,538,327** | **4,509,381** |
| Net loss | - | - | (1,968,160) | - | (1,968,160) |
| Capital contribution received from Intermediate Holding Company | - | - | - | - | - |
| Share based payment expenses | - | - | - | 91,836 | 91,836 |
| **Balance as at March 31, 2025** | **100** | **1** | **(2,997,107)** | **5,630,163** | **2,633,057** |
| Net income | - | - | 1,191,376 | - | 1,191,376 |
| Capital contribution received from Intermediate Holding Company | - | - | - | - | - |
| Share based payment expenses | - | - | - | 117,912 | 117,912 |
| **Balance as at March 31, 2026** | **100** | **1** | **(1,805,731)** | **5,748,075** | **3,942,345** |

*The accompanying notes are an integral part of these financial statements*

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**CAPILLARY BRIERLEY INC.**
**STATEMENT OF CASH FLOWS**
*(All amounts in USD, unless specified otherwise)*

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net Income/(loss) | 1,191,376 | (1,968,160) |
| **Adjustments to reconcile net loss to cash provided by:** | | |
| Depreciation and amortisation expenses | 30,850 | 26,569 |
| Share based payments | 117,910 | 91,836 |
| Interest on Investments | (41,741) | - |
| Amortisation of operating ROU assets | 164,748 | - |
| Liabilities no longer required, written back | (137,396) | - |
| Provision for expected credit loss | (1,026,728) | 491,354 |
| **Operating cash flows before movements in working capital** | | |
| **Changes in operating assets and liabilities** | | |
| Decrease in accounts receivable and other receivables | 3,963,216 | 918,517 |
| Decrease in other assets | 263,312 | 288,593 |
| (Decrease) in account payable and other payables | (88,997) | (524,979) |
| Increase in lease liabilities | 394,425 | - |
| Decrease in contract liabilities and other current liabilities | (505,484) | (21,747) |
| **Net cash generated from / (used in) operating activities** | **4,325,491** | **(698,017)** |
| **Cash flows from investing activities** | | |
| Purchase of property and equipment and intangible assets | (129,718) | - |
| Purchase of Investments | (11,041,741) | - |
| Redemption of Investments | 6,920,000 | - |
| **Net cash (used in) investing activities** | **(4,251,459)** | **-** |
| **Net cash (used in) financing activities** | **-** | **-** |
| **Net change in cash and cash equivalents** | **74,032** | **(698,017)** |
| Cash and cash equivalents, beginning of year | 92,457 | 790,474 |
| **Cash and cash equivalents, end of year** | **166,489** | **92,457** |

*The accompanying notes are an integral part of these financial statements*

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**1 Nature of business organisation**

Capillary Brierley INC. ('Capillary' or the 'Company'), is an Incorporation registered in the State of Delaware. The Company is engaged in software development services and provides digital, loyalty and analytical services. The Company primarily operates in the United States of America and derives its revenues from customers in a variety of industries. Capillary Technologies LLC, United States of America ('Intermediate Holding Company') is the single member owner of the Company.

**2 Summary of significant accounting policies**

**a) Basis of presentation of financial statements**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

**b) Use of estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The significant estimates and assumptions that affect the financial statements include, but are not limited to assumptions used to calculate stock-based compensation expense, useful lives of assets, recoverability of long-lived assets, intangibles and standalone selling price for each distinct performance obligation included in customer contracts with multiple performance obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

**c) Revenue recognition**

Revenue is primarily derived from retainership service and professional services. Revenues are recognized when delivery of these services are completed, in an amount that reflects the consideration that the Company expects to be entitled to in exchange of those services.

The Company determines revenue recognition through the following steps:

- ▶ Identifying the contract with a customer
- ▶ Identifying the underlying performance obligations
- ▶ Determining the transaction price
- ▶ Allocation of the transaction price to these performance obligations; and
- ▶ Recognition of revenue when, or as, performance obligation is satisfied.

The Company accounts for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party's rights can be identified, payment terms can be identified, the contract has commercial substance and it is probable the Company will collect substantially all of the consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised service to a customer. The contracts are generally non-cancellable except in the event of a material breach of the contract terms or on mutual agreement.

**Nature of services and type of contracts:**

The Company categorises its business into retainership services i.e. Loyalty platform related (Software-as-a-Service) SaaS revenues and professional services.

**Retainership services**

Under Loyalty platform related SaaS revenues, the Company's SaaS arrangements which generally do not provide customers with the right to take possession of the software and are considered as subscription revenues. Access to this platform represents a series of distinct services as the Company continually provides access to, and fulfil the obligation over the subscription term.

Revenue is recognized over the period as and when services are rendered in accordance with the arrangement with the customers.

**Professional services**

Under Professional services, the Company derives revenue primarily from implementation services, data migration services and training, installation service. Professional services do not significantly modify or alter the nature of software or solution. These are majorly configuration, integration and data migration services which help customers use the product effectively and in an integrated manner with their other systems. Majority of the professional services revenues are from fixed fee arrangements. The obligation to provide professional services is generally satisfied over time, with the customer simultaneously receiving and consuming benefits as the Company satisfies its performance obligations. For Professional services, revenue is recognised by measuring progress towards the complete satisfaction of the Company's obligation. Progress for services that are contracted for a fixed price is generally measured based on hours incurred as a portion of the total estimated hours. Where the arrangement is on a time and material basis, revenues are recognised based on the contractually agreed upon rates and the time spent. Invoicing for professional services is generally based on achievement of milestones.

Revenue from arrangements involving subcontracting, either in part or whole of the assigned work are recognized after the Company's assessment of 'Principal vs. agent considerations'. The Company evaluates whether it is in control of the services before the same is being transferred to the customer to assess whether it is principal or agent in the arrangement.

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**c) Revenue recognition (cont'd)**

**Contracts with multiple performance obligations:**
Some of the Company's contracts with customers contain multiple performance obligations. A performance obligation is considered distinct if it is (i) separately identifiable from each of the other promises; (ii) capable of being distinct and having a standalone value. A description of each of the performance obligations and identification criteria is explained in the nature of products and services section above.

When two or more contracts are entered into at or near the same time with the same customer, the Company evaluates the facts and circumstances associated with the negotiation of those contracts. Where the contracts are negotiated as a package, the Company will account for them as a single arrangement and allocates the consideration for the combined contracts among the performance obligations accordingly.

**Unbilled receivables:**
Unbilled receivables are related to provision of services for which the related billings will occur in a future period.

**Contract Assets**
A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price contracts. Contract assets are recorded when services have been provided but the Company does not have an unconditional right to receive consideration. The Company evaluates, at each reporting date, whether there are any events or circumstances indicating impairment of contract assets and recognises impairment losses, where required.

**Contract acquisition cost:**
Contract acquisition costs are amortized over the period of contract however the contract acquisition costs are charged to statement of comprehensive income when the life of contract is less than one year.

**Contract liability:**
Contract liability is primarily related to billings or payments received in advance for services to be provided and the Company has a future performance obligation against such consideration. Contract liability is recognized as the performance obligations are satisfied.

**d) Accounts receivable and allowance for expected credit losses**
Accounts receivable are stated net of allowances for doubtful accounts. Allowances for doubtful accounts are established through the evaluation of the accounts receivable ageing and prior collection experience, current market conditions, client's financial condition and the amount of receivables in dispute to ascertain the ultimate collectability of these receivables.

**e) Foreign currency transactions and translations**
Functional currency for the Company is U.S Dollars. Transactions in foreign currencies are initially recorded in functional currency at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-measured into functional currency at the rates of exchange prevailing at the balance sheet date. All transactional foreign exchange gains and losses are recorded in the accompanying Statement of Income/(loss).

**f) Cash and cash equivalents**
For purposes of the statement of cash flows, cash and cash equivalents consist of highly liquid instruments, such as certificates of deposit, time deposits, and other money market instruments, which have original maturities of less than three months.

**g) Property and equipment**
Property and equipment are stated at historical cost less accumulated depreciation and amortization.

Depreciation and amortization is provided under the straight line method based upon the estimated useful lives. Assets under capital lease and leasehold improvements are amortized lower of their estimated useful lives and the terms of the lease.

Expenditure for maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed off, the cost of the asset and related accumulated depreciation and amortization are eliminated from the financial records. Any gains or loss on disposal is credited or charged to the Statement of Income/(loss).

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**h) Leases**

The Company's lease asset primarily consist of lease on office premises. The Company assesses whether a contract contains a lease, at inception of a contract. The assessment is based on whether:

(i) the contract involves the use of a distinct identified asset,
(ii) obtains the right to substantially all the economic benefits from the use of the asset throughout the term of the contract, and
(iii) has the right to direct the use of the asset.

The Company records right-of-use ("ROU") assets and lease liabilities for its operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. As the rate implicit in the Company's leases is not easily determinable, the Company's applicable incremental borrowing rate is used in calculating the present value of the sum of the lease payments.

Lease term includes assessment for the effects of options to extend or terminate the lease. The Group considers the extension option as part of its lease term for those lease arrangements where it is reasonably certain that it will exercise that option.

Upon termination of a lease, the company decrease the carrying amount of the Right of Use assets on a basis proportionate to the full or partial termination.Any difference between the reduction in lease liabilities and proportionate reduction in Right of Use asset is recognised as a gain or loss at the modification's effective date.

**i) Income taxes**
The Company is a limited liability company treated as a partnership for federal and state income tax purposes with all income tax liabilities and/or benefits of the Company being passed through to the member. As such, no recognition of federal or state income taxes for the Company has been provided for in the accompanying financial statements. Any uncertain tax position taken by the member is not an uncertain position of the Company.

FASB ASC Topic 740, "Accounting for Income Taxes", on the accounting for uncertainty in income taxes recognized in an enterprise's financial statements, prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Recognized income tax positions are measured at the largest amount that has a greater than 50 percent likely hood of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company has determined that it has no uncertain tax positions that require recognition in the financial statements.

**j) Impairment of Long Lived Assets**
The Company reviews long-lived assets, including the property and equipment and intangibles assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the asset may not be fully recoverable. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from use of the asset and its eventual disposition are less than the carrying amount. Impairment, if any, is assessed using discounted cash flows. Management has completed its impairment review for the year ended March 31, 2026 and believes that Company's long lived assets are not impaired.

**k) Retirement plans**
Defined contribution plans
Contributions to defined contribution plans are charged to Statements of Income in the year in which they accrue.

Eligible employees of the Company in the United States participate in a savings plan (the "Plan") under Section 401(k) of the United States Internal Revenue Code (the "Code"). The Plan allows employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Company can make optional contributions up to the maximum allowable limit under the Code. The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees in the United States. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board and expense is recorded in the year to which such contributions pertain.

The Company has no further obligation under defined contribution plans beyond its monthly contribution. During the year ended March 31, 2026 and 2025 the Group has contributed USD 514,037 and USD 618,317 to defined contribution plans.

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**l) Financial instruments and concentration of credit risk**

Fair value of financial instruments

ASC 825-10 requires certain disclosures regarding the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities
Level 2 – Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use unobservable inputs.

The Company considers the recorded value of its financial assets and liabilities, which consist primarily of cash and cash equivalents, receivables, accounts payable, accrued expenses, borrowings and contract liability to approximate the fair value of the respective assets and liabilities as at March 31, 2026 and upon the short-term nature of the assets and liabilities.

**Concentration of credit risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, time deposits and accounts receivable. Accounts at each US based institution are
insured by the Federal Deposit Insurance Corporation ("FDIC") up to $ 250,000. As of March 31, 2026 and
2025 the Company had $166,489 and $92,457 in excess of the FDIC insured limit. By their nature, all such financial instruments involve risks including the credit risks of non-performance by counterparties. Pursuant to the Company's investment policy, its surplus funds are maintained as cash or cash equivalents and are placed with highly rated financial institutions to reduce its exposure to market risk with regard to these funds. Credit risk is affected by conditions or occurrences within the economy. To mitigate this risk, the Company evaluates the creditworthiness of its clients in conjunction with its revenue recognition processes as well as through its ongoing collectability assessment processes for accounts receivable. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Company's cash equivalents are invested with banks with high investment grade credit ratings.

Trade receivables (primarily denominated in USD) are typically unsecured and are derived from revenues earned from large multinational customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business.

For the year ended 31 March 2026, the Company has 56% of revenue from 3 customers who accounted for more than 10% of total revenue individually. And receivable balances for the aforementioned customers accounted for 75% of the total receivables as at 31 March 2026.

**n) Investment**

The Company's investment in mutual funds are invested in United States of America. These investments are accounted for in accordance with the fair value option under ASC Topic 825, Financial Instruments. The fair value is represented by original cost on the acquisition date and the net asset value ("NAV") as quoted, at each reporting period and any changes in fair value are included in other income/(expense), net. Gain or loss on the disposal of these investments is calculated using the FIFO method and is included in other income/(expense), net.

**o) Commitments and contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with such liabilities are expensed as incurred.

**p) Subsequent events**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to issuance of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements.

**q) Reclassification**

Certain prior year amounts have been reclassified to conform with current year presentation. These changes did not have any effect on net loss, member's equity, the Statement of Comprehensive income or the net change in cash and cash equivalents in the Statement of Cashflows.

**r) Stock based compensation**

Certain employees of the Company are granted options to purchase equity shares of the Holding Company. The expense related to these awards to Company employees has been pushed down from the Holding Company and reflected in these financial statements, with a corresponding contribution from Holding Company. Compensation expense related to these awards is measured based on the fair value of the award at the date of grant. The Company recognizes stock-based compensation over the award's requisite service period, which is generally the vesting period of the award, less actual forfeitures. No compensation expense is recognized for awards for which participants do not render the requisite services.

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**s) Recent Accounting pronouncements**

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The standard will be effective for non-public companies for fiscal years beginning after December 15, 2025. The Company is currently evaluating the potential impact of adoption of this ASU on its financial statements.

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments—Credit Losses ("ASC Topic 326"): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This ASU provides a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC Topic 606. The ASU will be effective for annual reporting periods beginning after December 15, 2025, including interim periods within those years, with early adoption permitted. The Company is currently evaluating the impact of this ASU and does not expect it to have a material effect on the financial statements.

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### 3. Cash and cash equivalents

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Cash and cash equivalents as at: | | |
| Cash at bank | 166,489 | 92,457 |
| | **166,489** | **92,457** |

### 4. Accounts receivable

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Accounts receivable comprises of the following: | | |
| Accounts receivable | 2,246,594 | 5,489,528 |
| Unbilled receivables | 122,007 | 1,033,033 |
| | 2,368,601 | 6,522,561 |
| Less: Allowances for uncollectible amounts | (1,332) | (1,028,060) |
| | **2,367,269** | **5,494,501** |

### 5. Other receivables from related party

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Amount due from related parties | 393,792 | 203,048 |
| | **393,792** | **203,048** |

### 6. Other assets

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Current** | | |
| Prepaid expenses | 64,899 | 265,872 |
| Advance to Vendors | 1,299 | 16,937 |
| Deposits | 18,550 | 14,500 |
| Deferred Contract cost | 25,487 | 71,647 |
| | **110,235** | **368,956** |
| **Non-Current** | | |
| Prepaid expenses | 19,872 | 39,745 |
| Deferred Contract cost | 57,022 | - |
| | **76,894** | **39,745** |

### 6. Property and equipment, net

| | Estimated useful life | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Computers | 3 years | 16,038,960 | 16,001,052 |
| | | **16,038,960** | **16,001,052** |
| Less: Accumulated depreciation | | 16,001,908 | 15,985,553 |
| | | **37,052** | **15,499** |

| | Estimated useful life | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| Leasehold Improvements | 3 years | 86,463 | - |
| | | **86,463** | **-** |
| Less: Accumulated depreciation | | 14,495 | - |
| | | **71,968** | **-** |

Depreciation expense is USD 30,850 for the year ended March 31, 2026 ( March 31, 2025: USD 26,659).

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**7. Leases**

The Company elected the following practical expedients permitted under the New Lease Standard:

- The Company used a single discount rate to discount remaining lease payments using applicable borrowing rate for measuring the lease liability at commencement date.
- The Company did not reassess prior conclusions about lease identification, lease classification or initial direct costs, and did not use hindsight for leases existing at adoption date. Consequently, the adoption did not result in prior period adjustments, nor did it have an impact on the statements of income and cash flows.
- The Company recorded leases with an initial term of 12 months or less as expenditure and did not record on the balance sheets.

The Company records leases on the balance sheets as operating lease ROU assets, records the current portion of operating lease liabilities within other current liabilities and separately records long-term operating lease liabilities within other liabilities.

The Company have entered into operating lease agreements for facilities for a period of 38 months effective June 01, 2025. As at March 31, 2026, total operating lease ROU assets and liabilities are as follows:

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Right-of-use assets:** | | |
| Operating lease right-of-use assets | 373,422 | - |
| **Lease liabilities:** | | |
| Operating lease liabilities, current | 146,676 | - |
| Operating lease liabilities, non current | 247,749 | - |

**Cash flow and other information related to leases are as follows:**

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Cash outflows for operating leases | 138,848 | - |

**8. Revenue**

**A. Disaggregation of revenue**

The Company disaggregates revenue from contracts with customers based on the business segment and contract type, as the management believes that it best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by the nature of service provided.

**a) Revenue based on services**

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| Loyalty platform related SaaS revenues | 15,738,395 | 13,924,409 |
| Professional services | 2,502,936 | 2,348,723 |
| | **18,241,331** | **16,273,132** |

**b) Revenue based on contract type**

| | | |
|---|---|---|
| Over the period of time | 18,241,331 | 16,273,132 |
| | **18,241,331** | **16,273,132** |

**c) Balances of unbilled receivables and contract liabilities**

| | | |
|---|---|---|
| Unbilled receivables* | 122,007 | 1,033,033 |
| Contract liabilities | 985,842 | 989,055 |

*this amount includes contract assets of NIL as of March 31, 2026 and $635,000 as of March 31, 2025.

| | | |
|---|---|---|
| (i): Movement in Contract liabilities | | |
| Opening balance | 989,055 | 854,947 |
| Add: Revenue to be recognised from performance obligations to be satisfied in succeeding yea | 985,842 | 989,055 |
| Less: Revenue recognised that was included in contract liability at the beginning of the year | (989,055) | (854,947) |
| **Closing balance** | **985,842** | **989,055** |

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## 9. Stock based compensation

### A. Capillary Employees Stock Option Scheme' - 2021 ('CESP')

The shareholders of Holding Company on October 29, 2021 had approved the 'Capillary Employees Stock Option Scheme' - 2021 (CESP). The plan provides for the issue of 7,175,000 options to eligible employees and eligible directors of the Capillary Group. Capillary Group shall mean the Holding Company, its wholly owned subsidiary and step-subsidiaries, either existing or as may be incorporated from time to time and its Ultimate Holding Company.

The plan is administered by a Board of Directors of the Holding Company / nomination and remuneration committee constituted by the Board (as the case may be) (Administrator). Under CESP, all employees of the Group are entitled to a grant of options once they have been in service and eligible based on conditions determined by the Administrator. The exercise price shall be as may be determined by the Administrator at the time of grant of options provided that the exercise price shall not be more than the fair market value of the shares as on the date of grant of options.

There shall be a minimum period of one (1) year between the grant of options and vesting of options, with a maximum period of seven (7) to ten (10) years from the date of grant of such options. Vesting of options would be subject to continued employment with the Group and the options would vest on a yearly basis. The option grantee may exercise the vested options as per the scheme.

The following table summarizes the activity for stock options:

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Dividend yield (%) | - | - |
| Expected volatility (%) | 31.21%- 31.82% | 61.90% |
| Risk-free interest rate (% p.a.) | 6.28%-6.48% | 6.60% |
| Expected life of option (years) | 6.75- 9.00 | 5.5 |

The following table summarizes the activity for stock options:

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number of options | WAEP | Number of options | WAEP |
| Options outstanding at the beginning | 77,995 | 0.02 | 58,847 | 0.02 |
| Granted during the period | 23,609 | 0.02 | 36,842 | 0.02 |
| Forfeited / lapsed during the period | (6,912) | 0.02 | (10,992) | 0.02 |
| Exercised during the year | (4,168) | 0.02 | - | - |
| Re-purchase during the period | - | - | (6,702) | 0.02 |
| **Options outstanding at the end** | **90,524** | **0.02** | **77,995** | **0.02** |

The weighted average remaining contractual life of vested option as at March 31, 2026 is 7.66 years (March 31, 2025 - 8.25 years) and 9.18 years (March 31, 2025 - 9.20 years) for unvested options. The unrecognised compensation cost related to these unvested options amounted to $23,954 as of March 31, 2026 and $101,066 as of March 31, 2025 - $13,823.

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**B**.Effective July 1, 2025, the Company has amended its existing CESP plan, whereby the options granted to employees shall vest only upon the achievement of market linked condition of share price and continued employment with the Group at any time during the vesting period with a maximum period of ten (10) years. The options are granted at an exercise price of 20% discount on the fair market value of share price at the grant date of options other than USA employees wherein those are granted at an exercise price of fair market value of share price. The option grantee may exercise the vested options as per the scheme.

**Measurement of fair values**
The Fair Value of the Options has been calculated using the 'Black-Scholes Option Pricing' methodology and combination of 'Binomial model' & 'Monte Carlo Simulation' methodology.

The following table lists the inputs to the models used for the year ended March 31, 2026:

| | For the year ended 31 March 2026 |
|---|---|
| Dividend yield (%) | 0% |
| Expected volatility (%) | 31.17%- 31.41% |
| Risk-free interest rate (% p.a.) | 6.46%-6.74% |
| Expected life of option (years) | 8.70- 9.00 years |
| Weighted average share price | 5.30 |

The expected life of the share options is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**Movements during the year**
The following table illustrates the number and Weighted Average Exercise Price (WAEP) of, and movements in, CESP plan during the year:

| **Particulars** | **As at March 31, 2026** | |
|---|---|---|
| | **Number of options** | **WAEP** |
| Options outstanding at the beginning | - | - |
| Granted during the period | 45,430 | 5.30 |
| Forfeited / lapsed during the period | (14,840) | 5.30 |
| Re-purchase during the period | - | |
| **Options outstanding at the end** | **30,590** | **5.30** |

As of March 31, 2026, the weighted average remaining contractual life of unvested stock options was 9.42 years. The unrecognised compensation cost related to these unvested options amounted to $45,778 as of that date

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## 10. Related party transactions

### 1) List of related parties and relationships

| A. Name of related party | Nature of relationship |
|---|---|
| a) Capillary Technologies International Pte. Ltd, Singapore | Ultimate Holding Company |
| b) Capillary Technologies India Limited, India | Holding Company |
| c) Capillary Pte. Ltd, Singapore | Intermediate Holding Company |
| d) Capillary Technologies LLC | Immediate Holding Company |
| e) Capillary Technologies, DMCC | Fellow subsidiary |
| f) Capillary Technologies Europe Limited | Fellow subsidiary |
| g) Capillary Technologies Inc. | Fellow subsidiary |

### B. Related party transactions

| | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|
| **1) Expenditure incurred by related parties on behalf of the Company** | | |
| Capillary Pte Ltd., Singapore | 1,017,197 | 1,078,937 |
| Capillary Technologies India Limited | 196,074 | 90,494 |
| Capillary Technologies LLC | 202,315 | 214,574 |
| Capillary Technologies, DMCC | | 35,364 |
| Capillary Technologies Europe Limited | 73,594 | - |
| | | - |
| **2) Expenditure incurred by the Company on behalf of related parties** | | |
| Capillary Technologies Europe Limited | 140,012 | 464,325 |
| Capillary Technologies LLC | 1,139,783 | 411,044 |
| Capillary Technologies Inc. | 226,726 | 201,058 |
| Capillary Technologies India Limited | 162,499 | 106,245 |
| **3) Capital contribution from related parties** | | |
| Capillary Technologies India Limited | 117,912 | 91,836 |
| **4) Professional and consultancy services** | | |
| Capillary Technologies LLC | 4,545,578 | 732,456 |

### C. Outstanding balances at year end:

| | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **1) Other receivables from related party** | | |
| Capillary Technologies Europe Limited | 63,186 | 4,423 |
| Capillary Technologies Inc. | 214,226 | 158,933 |
| Capillary Technologies India Limited | 116,380 | 39,692 |
| **2) Payables to related parties** | | |
| Capillary Pte Ltd., Singapore | 74,782 | 102,598 |
| Capillary Technologies LLC | 1,349,129 | 1,009,674 |

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## 11. Contingencies and commitments

***Contingencies:***
The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies". It is subject to legal claims in the normal course of business. However, based on its evaluation, management believes that there are no claims or contingencies, potential outcomes of which could be material to the financial condition or results of operations of the Company.

***Commitments:***
As at March 31, 2026, future minimum payments under non-cancellable leases are as follows for the year ending:

| **Year** | **Future Minimum Lease Payments** |
|---|---|
| March 31,2027 | 173,817 |
| March 31,2028 | 195,415 |
| March 31,2029 | 65,824 |

## 12. Subsequent events

In accordance with ASC 855 - Subsequent Events, the Company evaluated subsequent events through May 06, 2026, the date these financial statements were made available for issuance. The Company is not aware of any subsequent events that would require recognition or additional disclosure in these financial statements.

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