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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

Capillary Technologies Inc.

Opinion

We have audited the financial statements of Capillary Technologies 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.

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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 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.

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Kolkata, India
May 6, 2026

CAPILLARY TECHNOLOGIES INC.
BALANCE SHEETS
(All amounts are in USD, unless specified otherwise)

	As at March 31, 2026	As at March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	3,327	2,582
Accounts receivable,net	107,925	376,481
Other receivables from related party	309,120	207,690
Other current assets	8,834	5,860
Total current assets	**429,206**	**592,613**
Total assets	**429,206**	**592,613**
Liabilities and Stockholders' equity		
Current liabilities:		
Accounts payable	4,406	8,002
Payables to related parties	226,241	247,910
Contract liabilities	-	120,344
Other current liabilities	-	37,489
Total current liabilities	**230,647**	**413,745**
Stockholders' equity:		
Stockholders' equity	10,000	10,000
Retained earnings	188,559	168,868
Total stockholders' equity	**198,559**	**178,868**
Total liabilities and stockholders' equity	**429,206**	**592,613**

The accompanying notes are an integral part of these financial statements

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CAPILLARY TECHNOLOGIES INC.
STATEMENTS OF INCOME
(All amounts are in USD, unless specified otherwise)

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from services	760,143	796,529
Total income	**760,143**	**796,529**
Employee benefit expenses	519,009	625,486
Professional and consultancy services	-	51,419
Software and server charges	65,739	64,450
Finance costs	2,855	2,887
Other expenses	152,849	30,834
Total expenses	**740,452**	**775,076**
Income for the year	**19,691**	**21,453**

The accompanying notes are an integral part of these financial statements

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

	Common stock (Number of stock)*	Common stock	Retained earnings	Total stockholders' equity
Balance as at March 31, 2024	**-**	**10,000**	**147,415**	**157,415**
Net Income	-	-	21,453	21,453
Balance as at March 31, 2025	**-**	**10,000**	**168,868**	**178,868**
Net Income	-	-	19,691	19,691
Balance as at March 31, 2026	**-**	**10,000**	**188,559**	**198,559**

*The figures are restricted to absolute numbers; hence, the numbers are not fully reflecting in the common stock (Number of stock).

The accompanying notes are an integral part of these financial statements

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CAPILLARY TECHNOLOGIES INC.
STATEMENTS OF CASH FLOWS
(All amounts are in USD, unless specified otherwise)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities		
Net Income	19,691	21,453
Adjustments to reconcile net income to cash provided by:		
Allowance for expected credit loss	145,649	-
Changes in operating assets and liabilities		
Decrease/(Increase) in accounts receivable and other receivables	21,477	(553,592)
(Increase) in prepaid expenses and other assets	(2,974)	(5,860)
(Decrease) in account payable and other payables	(25,265)	(210,890)
(Decrease)/Increase in contract liabilities and other current liabilities	(157,833)	105,494
Net cash generated from/(used in) operating activities	**745**	**(643,395)**
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net Increase/(decrease) in cash and cash equivalents	**745**	**(643,395)**
Cash and cash equivalents, beginning of year	2,582	645,977
Cash and cash equivalents, end of year	**3,327**	**2,582**

The accompanying notes are an integral part of these financial statements

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1 Nature of business organisation

Capillary Technologies Inc. ('Capillary' or the 'Company'), is a limited liability company registered in the State of Minnesota. 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 calculatestandalone 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.

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c) Revenue recognition (cont'd)

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 fulfill 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.

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 aaset:
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

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d) Accounts receivable

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.

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) 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.

j) 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.

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j) Financial instruments and concentration of credit risk (cont'd)

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 cash and cash equivalents of $3,327 and $2,582. 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 US$) 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.

k) 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.

l) 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.

m) 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.

n) 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:		
In current account	3,327	2,582
	3,327	**2,582**

4. Accounts receivable, net

Accounts receivable comprises of the following:	As at March 31, 2026	As at March 31, 2025
Accounts receivable	246,823	343,355
Unbilled receivables	6,751	33,126
Less: Allowances for uncollectible accounts receivables	(145,649)	-
	107,925	**376,481**

5. Other receivables from related party

Amount due from related parties	309,120	207,690
	309,120	**207,690**

6. 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	49,122	796,529
Professional services	711,022	-
	760,144	**796,529**

b) Revenue based on contract type

Over the period of time	760,144	796,529
	760,144	**796,529**

c) Balances of unbilled receivables and contract liabilities

Unbilled receivables*	6,751	33,126
Contract liabilities	-	120,344

*this amount includes contract assets of NIL as of March 31, 2026 and $33,126 as of March 31, 2025.

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7. 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 Brierley Inc.	Fellow subsidiary
e) Kognitiv Solutions Inc.	Fellow subsidiary

B. Related party transactions

	Year ended March 31, 2026	Year ended March 31, 2025
1) Expenditure incurred by the Company on behalf of Group company		
Capillary Technologies LLC	-	-
Capillary Brierley Inc.	-	-
2) Investment made by Capillary Technologies LLC		
Capillary Technologies LLC	-	-
3) Expenditure incurred by the Group on behalf of Company		
Capillary Brierley Inc.	226,726	201,058
Capillary Technologies LLC	218,544	430,888
Capillary Technologies India Limited, India	153,685	88,977
Capillary Pte. Ltd, Singapore	22,845	22,830

C. Outstanding balances at year end:	As at March 31, 2026	As at March 31, 2025
1) Other receivables from related party		
Capillary Technologies International Pte. Ltd, Singapore	30,579	30,579
Capillary Technologies LLC	140,442	177,111
Capillary Pte. Ltd, Singapore	138,098	-
2) Payables to related parties		
Capillary Brierley Inc.	214,226	158,933
Capillary Technologies India Limited, India	12,014	88,977

8. 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:
The Company did not have capital commitments as at the balance sheet date. Other commitments are cancellable at the option of the company and hence not disclosed.

9. 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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