



P & G ASSOCIATES, PLLC

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Independent Auditors' Report

To,
The Board of Directors
Mistral Solutions Inc.

Opinion

We have audited the financial statements of Mistral Solutions Inc. (the Company), which comprise the balance sheets as of March 31, 2022 and 2021, and the related statements of operations, 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 Mistral Solutions Inc. as of March 31, 2022 and 2021, 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 of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Company's ability to continue as a going concern for within one year after the date that the financial statements are issued or available to be issued.

Auditor's responsibility 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 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 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 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 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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Sudhir Pai, CPA
P&G ASSOCIATES, PLLC
4512, Legacy Drive, Unit 100
Plano TX 75024, USA

Date: May 10, 2022

Mistral Solutions Inc.
Financial Statements for the year ended
March 31, 2022 and March 31, 2021

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Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

Balance Sheets

All amounts in US\$

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|------|----------------------|----------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 330,067 | 421,308 |
| Accounts receivables | | 1,182,146 | 852,365 |
| Inventory | | 63,466 | 520,992 |
| Other current assets | 4 | 101,736 | 23,850 |
| Total current assets | | 1,677,415 | 1,818,515 |
| Non-current Assets | | | |
| Property and equipment (net) | 5 | 3,488 | 2,719 |
| Security Deposits | | 4,258 | 4,186 |
| Deferred taxes | | 5,737 | 37,431 |
| Total non-current assets | | 13,483 | 44,336 |
| Total of assets | | 1,690,898 | 1,862,851 |
| Liabilities and Stockholders' equity | | | |
| Current liabilities | | | |
| Accounts payable | | 456,303 | 653,569 |
| Other payables and accruals | 6 | 166,392 | 257,007 |
| Total current liabilities | | 622,695 | 910,576 |
| Non-current liabilities | | - | - |
| Total of liabilities | | 622,695 | 910,576 |
| Stockholders' Equity | | | |
| Common stock, no par value | | 643,600 | 643,600 |
| Retained earnings | | 424,603 | 308,675 |
| Total stockholders' equity | | 1,068,203 | 952,275 |
| Total liabilities and stockholders' equity | | 1,690,898 | 1,862,851 |

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President

Date: May 10, 2022



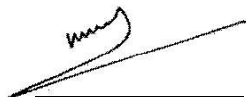
Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

Statement of Operations

| Particulars | Note | <i>All Amounts in US\$</i> | |
|---|------|--------------------------------------|--------------------------------------|
| | | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
| Operating revenues | | 3,158,914 | 3,539,313 |
| Cost of revenues | | 1,569,455 | 1,631,013 |
| Gross Profit | | 1,589,459 | 1,908,300 |
| Expenses | | | |
| Selling, general and administrative expenses | 7 | 1,500,913 | 1,640,604 |
| Total expenses | | 1,500,913 | 1,640,604 |
| Operating profit | | 88,546 | 267,696 |
| Other income (expense) | | 62,376 | 6,132 |
| Income before income tax | | 150,922 | 273,828 |
| Current taxes | | (3,300) | (800) |
| Deferred taxes | | (31,694) | (57,504) |
| Net Income/(loss) | | 115,928 | 215,524 |

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President

Date: May 10, 2022



Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

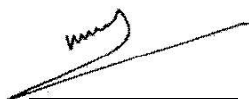
Statement of changes in Stockholders' equity

(Amounts in dollars, except share and per share data)

| Particulars | Common shares | | Value (\$) | Retained earnings | Total equity |
|---|---------------|------------------------|----------------|-------------------|------------------|
| | Authorized | Issued and outstanding | | | |
| Balance as on March 31, 2020 | 1000 | 1000 | 643,600 | 93,151 | 736,751 |
| Issuance of shares(During the current period) | - | - | - | - | - |
| Net Income for the year ended March 31, 2021 | - | - | - | 215,524 | 215,524 |
| Balance as on March 31, 2021 | 1000 | 1000 | 643,600 | 308,675 | 952,275 |
| Issuance of shares(During the current period) | - | - | - | - | - |
| Net Income for the year ended March 31, 2022 | - | - | - | 115,928 | 115,928 |
| Balance as on March 31, 2022 | 1000 | 1000 | 643,600 | 424,603 | 1,068,203 |

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President

Date: May 10, 2022

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Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

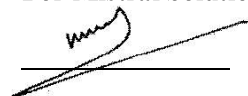
Statement of Cash flows

All Amounts in US\$

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|-----------------------------------|-----------------------------------|
| Cash flow from operating activities | | |
| Net Income/(Loss) | 115,928 | 215,524 |
| Adjustments to reconcile net income/(loss) to net cash generated from operating activities | | |
| - Depreciation and amortization | 1,645 | 1,179 |
| Changes in working capital | | |
| - (Increase)/decrease in account receivables | (329,781) | (94,014) |
| - (Increase)/decrease in inventory | 457,526 | (387,707) |
| - (Increase)/Decrease in other assets | (46,264) | 76,001 |
| - Increase/(Decrease) in accounts payable | (197,266) | 514,229 |
| - (Decrease)/Increase in other liabilities | (90,615) | (360,887) |
| Net Cash (used in)/generated from operating activities | (88,827) | (35,675) |
| Cash flow from investing activities | | |
| Purchase of property and equipment | (2,414) | (1,780) |
| Net Cash (used in) investing activities | (2,414) | (1,780) |
| Cash flow from financing activities | | |
| Proceeds from equity | - | - |
| Net Cash generated from financing activities | - | - |
| Net (decrease)/ increase in cash and cash equivalents | (91,241) | (37,455) |
| Cash and cash equivalents at the beginning of the year | 421,308 | 458,763 |
| Cash and cash equivalents at the end of the year | 330,067 | 421,308 |

The accompanying notes are an integral part of the financial statements

For Mistral Solutions Inc.



President
Date: May 10, 2022



Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

Notes to the financial statements for the year ended March 31, 2022 and March 31, 2021

1. Corporate information

Mistral Solutions, Inc. (the "Company") was formed on June 21, 2001 and is a wholly owned subsidiary of Mistral Solutions Private Limited (the "Parent"), an Indian Company. Common stock of the company totalling 1,000 shares was sold for a total cash contribution of \$643,600 (\$ 147,500 received during the year ended March 31, 2004, \$311,000 received during the year ended March 31, 2003 and \$185,100 received during the year ended March 31, 2002).

The Company is primarily engaged in rendering end-to-end services for product design and development in the embedded space. Mistral offers design and development services covering hardware and software, customizable product designs and IPs, system integration and other solutions that improve quality and accelerate time-to-market for a broad range of embedded systems.

2. Significant Accounting Policies

Significant accounting policies applied in the preparation of the Financial Statements are as follows:

a) Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention and on the accrual basis of accounting which assumes the realization of assets and satisfaction of liabilities in the normal course of business to reflect the financial position, results of operations and cash flows.

b) Use of estimates

In preparing the financial statements in conformity with US GAAP, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The management's estimates for the useful life of property and equipment and allowance for uncollectible accounts, represent certain of these particularly sensitive estimates to the financial statements.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d) Accounts Receivable

Accounts receivable, for which the management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported in the Balance Sheet at outstanding

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Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

amount less any charge-offs and the allowance for doubtful accounts. The Company charges-off uncollectible receivables when the likelihood of collection is remote. Credit is extended based on prior experience with the customer and evaluation of customer's financial condition.

The Company maintains an allowance for doubtful accounts based on management's expectations of future losses, which is determined based on historical experience and current economic environment. Losses have historically been within management's expectations. Accounts receivable are charged to bad debt expense when they are deemed uncollectible based upon management's periodic review of the accounts. During the year ended March 31, 2022 and March 31, 2021, the Company has written off \$ 48,480 and \$ 1,178 respectively as bad debts.

e) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated under the straight-line method over estimated economic useful life of the assets.

Estimated economic useful lives of assets for the purpose of depreciation have been determined by the management as follows:

| Asset | Useful life(In years) |
|--------------------------------|-----------------------|
| Office furniture and equipment | 5 |

f) Revenue recognition

Revenue is recognized when product is delivered and the provision of services mainly time-and-material contracts are performed and there are either no unfulfilled obligations on the Company or any obligations are inconsequential or perfunctory and will not affect the customer's final acceptance of the services, including the satisfaction of the following criteria: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred; (iii) the fee is fixed and determinable; and (iv) collectability is reasonably assured. The Company monitors actual performance against contract standards and provides for credits against billings as reductions to revenues. There are no distinct performance obligations and the contracts from products and time-and-material services are separate. The Company has adopted ASC 606 from April 1, 2021 using modified using the modified retrospective method. The Company has identified and implemented appropriate minor changes to the business policies, processes, and controls to support the adoption, recognition and disclosures under the new standard.

g) Employee Benefits

Defined benefit plan

The company does not have any defined benefit plan for its employees.

h) Income Taxes

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred taxes are accounted with ASC 740 'Income Taxes'.



Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

j) Concentration risk

Financial instruments that potentially subject the Company to significant credit risk consists primarily of cash and cash equivalents and account receivable. The cash and cash equivalent comprise of only balances with the bank account and the Company does not invest with any company/institution. As at March 31, 2022 and 2021 the balances in excess of the Federal Deposit Insurance Corporation (FDIC) limits was NIL respectively for bank balances. The Company provides credit to customers in the normal course of business. Credit risk is affected by conditions or occurrences within the economy and the information technology industry. Collateral is not required for accounts receivable, but ongoing credit evaluations of customers' financial condition are performed. Further there are four customers which covers upto 85% of the total revenue of the Company for YE 2022

k) Contingencies

The Company evaluates contingencies as per its assessments of probable, reasonably possible and remote, as per ASC 450 "Contingencies".

3. Cash and cash equivalent

Cash and cash equivalent comprises of:

| Balances with bank | As at March 31, 2022 (In US\$) | As at March 31, 2021 (In US\$) |
|---------------------------|---|---|
| In current account | 330,067 | 421,308 |

4. Other current Asset

Other current asset comprises of:

| Particulars | As at March 31, 2022 (In US\$) | As at March 31, 2021 (In US\$) |
|--------------------------------|---|---|
| Prepaid expenses | 2,204 | 2,168 |
| Advances-Employees and vendors | 23,736 | 21,682 |
| Unbilled receivables | 75,796 | - |
| Total | 101,736 | 23,850 |

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Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

5. Property and equipment

| Particulars | Office furniture and equipment (In US\$) |
|---|--|
| Gross Block as at March 31, 2021 | 35,898 |
| - Additions during the year | 1,780 |
| Depreciation for the year | 1,179 |
| - Accumulated Depreciation as at March 31, 2021 | 33,180 |
| Net Block as on March 31, 2021 | 2,718 |
| Gross Block as at March 31, 2022 | 35,898 |
| - Additions during the current year | 2,414 |
| - Depreciation for the current year | 1,645 |
| Accumulated Depreciation as at March 31, 2022 | 34,825 |
| Net Block as on March 31, 2022 | 3,488 |

6. Other payables and accruals

| Particulars | As at March 31, 2022 (In US\$) | As at March 31, 2021 (In US\$) |
|-----------------------|-----------------------------------|-----------------------------------|
| Accrued expense | 151,780 | 249,943 |
| Payroll taxes payable | 141 | 191 |
| Advance from customer | 11,971 | 6,192 |
| Others | 2,500 | 681 |
| Total | 166,392 | 257,007 |

7. Selling, general and administrative expenses

| Particulars | As at March 31, 2022 (In US\$) | As at March 31, 2021 (In US\$) |
|-----------------------|-----------------------------------|-----------------------------------|
| Employee Compensation | 1,193,845 | 1,422,571 |
| Support fees | 50,400 | 60,000 |
| Other expenses | 256,668 | 158,033 |
| Total | 1,500,913 | 1,640,604 |

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Mistral Solutions Inc.
Financial statements for March 31, 2022 and March 31, 2021

8. Related party transactions

Name of the related party and their relationships:

| | |
|--------------------------|--------------------------------------|
| Holding Company | Mistral Solutions Private Limited |
| Fellow Subsidiary | Mistral Technologies Private Limited |
| Ultimate holding company | Jupiter Capital Private Limited |

Details of Transactions:

| Name of the party | Nature of Transaction | March 31, 2022 (In US\$) | March 31, 2021 (In US\$) |
|--------------------------------------|-----------------------|-----------------------------|-----------------------------|
| Mistral Solutions Private Limited | Sales | 1,639,725 | 644,680 |
| | Purchases | 55,570 | 178,168 |
| | Support Fees | 50,400 | 60,000 |

Details of Closing Balances:

| Name of the party | Nature of Transaction | March 31, 2022 (In US\$) | March 31, 2021 (In US\$) |
|--------------------------------------|-----------------------|-----------------------------|-----------------------------|
| Mistral Solutions Private Limited | Accounts Receivable | 911,759 | 508,110 |
| | Accounts Payable | 4,774 | 15,269 |

9. Covid-19


On January 30, 2021, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2021, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022. However the assets shown as at March 31, 2022 are fully recoverable.

10. Subsequent events

The Company has evaluated subsequent events through the date of the financial statements till the date financial statements were made available for issuance through May 10, 2022. The Company is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

For Mistral Solutions Inc.



 President
 Date: May 10, 2022

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