NEWGEN SOFTWARE TECHNOLOGIES CANADA, LTD.

FINANCIAL STATEMENTS

MARCH 31, 2026

LUO & ASSOCIATES
CPA PROFESSIONAL CORPORATION

NEWGEN SOFTWARE TECHNOLOGIES CANADA, LTD.

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of **Newgen Software Technologies Canada, Ltd.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Newgen Software Technologies Canada, Ltd.** (the Company), which comprise the balance sheet as at March 31, 2026, the statement of income and retained earnings, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Amendment of Financial Statements

We draw attention to Note 7 to the financial statements, which describes that the comparative information presented for the year ended March 31, 2025 has been restated. The Company previously has not recognized stock option benefits for the RSU/ESOP of Newgen Software Technologies Limited, the parent company, granted to the Company's employees. As described in Note 7, the Company has now restated these amounts to recognize share-based compensation expense over the applicable vesting period in accordance with ASPE. Our conclusion is not modified in respect of this matter.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditors' 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Luo & Associate CPA Professional Corporation

Richmond Hill, Canada
April 28, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

NEWGEN SOFTWARE TECHNOLOGIES CANADA, LTD.

BALANCE SHEET

As at March 31	2026	2025 *(Restated)*
ASSETS		
Current		
Cash and cash equivalents	**$ 1,033,799**	$ 787,296
Short-term investments *(Note 2)*	**988,121**	868,497
Accounts receivable *(Note 3)*	**141,780**	131,617
Government remittances recoverable	**5,211**	-
Income tax recoverable	**8,136**	472
Prepaid expenses and sundry	**34,052**	32,130
	2,211,099	1,820,012
Equipment *(Note 4)*	**-**	3,031
	$ 2,211,099	$ 1,823,043
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 414,227**	$ 344,339
Government remittances payable	**-**	11,021
Deferred revenue	**699,074**	510,196
	1,113,301	865,556
SHAREHOLDER'S EQUITY		
Share capital		
1,000,000 Common shares	**100,000**	100,000
Contributed surplus *(Note 7)*	**65,603**	65,603
Retained earnings *(Note 7)*	**932,195**	791,884
	1,097,798	957,487
	$ 2,211,099	$ 1,823,043

The accompanying notes are an integral part of the financial statements

Approved on behalf of the Board

Director _____

Director _____

NEWGEN SOFTWARE TECHNOLOGIES CANADA, LTD.

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended March 31	2026	2025 *(Restated)*
Revenue		
Sales	**$ 2,329,675**	$ 2,361,340
Foreign exchange gain (loss)	**(27,335)**	49,312
	2,302,340	2,410,652
Expenses		
Wages and benefits	**1,570,317**	1,654,688
Sub-contracts *(Note 9)*	**353,733**	189,674
Travel	**90,559**	92,112
Management fees *(Note 9)*	**84,697**	85,138
Occupancy costs	**71,483**	68,573
Office and general	**26,437**	29,601
Professional fees	**26,518**	22,901
Telephone	**16,668**	23,623
Bank charges and interest	**2,188**	2,635
Commissions (reversal) *(Note 5)*	**(107,885)**	51,643
Amortization	**3,031**	4,143
	2,137,746	2,224,731
Income from operations	**164,594**	185,921
Other income		
Interest income	**26,954**	15,173
Income before income taxes	**191,548**	201,094
Provision for income taxes *(Note 6)*	**51,237**	58,823
Net income	**140,311**	142,271
Retained earnings, beginning of year *(Note 7)*	**791,884**	649,613
Retained earnings, end of year *(Note 7)*	**$ 932,195**	$ 791,884

The accompanying notes are an integral part of the financial statements

NEWGEN SOFTWARE TECHNOLOGIES CANADA, LTD.

STATEMENT OF CASH FLOWS

For the year ended March 31

	2026	2025
		(Restated)
CASH PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:		
OPERATING ACTIVITIES		
Net income	**$ 140,311**	$ 142,271
Add: items not involving cash		
Amortization	**3,031**	4,143
Stock-based compensation	**-**	19,289
	143,342	165,703
Changes in non-cash working capital items		
Accounts receivable	**(10,163)**	(16,662)
Prepaid expenses and sundry	**(1,922)**	206,343
Accounts payable and accrued liabilities	**69,888**	154,913
Government remittances payable	**(16,232)**	(3,554)
Income taxes payable	**(7,664)**	(12,961)
Deferred revenue	**188,878**	89,099
	366,127	582,881
INVESTING ACTIVITIES		
Short-term investments	**(119,624)**	(868,497)
	(119,624)	(868,497)
Net increase (decrease) in cash	**246,503**	(285,616)
Cash and cash equivalents, beginning of year	**787,296**	1,072,912
Cash and cash equivalents, end of year	**$ 1,033,799**	$ 787,296
Represented by:		
Cash	**$ 432,226**	$ 637,286
Guaranteed investment certificate - redeemable	**601,573**	150,010
	$ 1,033,799	$ 787,296

The accompanying notes are an integral part of the financial statements

Newgen Software Technologies Canada, Ltd. ("the Company") was incorporated under the laws of the Province of Ontario on April 26, 2012. The Company is a subsidiary of Newgen Software Technologies Limited, which is incorporated and listed in India. The company is located in Ontario and provides software development, engineering and technical support services and solutions license subscription to its customers across Canada.

1. Summary of significant accounting policies

The financial statements of the Company have been prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies followed by the Company are summarized below:

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates including those related to impairment of financial assets, useful life of equipment, accrual of liabilities and deferred revenue.. Management believes that the estimates and assumptions used in preparing its financial statements are reasonable and prudent; however, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with liquidity and original maturities of three months or less.

Short-term investments

Short-term investments, consisting principally of guaranteed investment certificates, are stated at fair value, which is the face value plus accrued interest.

Accounts receivable

Accounts receivable are stated at amounts due, net of provision for amounts estimated to be uncollectible.

Equipment

Equipment is stated at cost less accumulated amortization. Amortization is provided over the estimated useful lives at the following rates and methods:

Computer equipment	-	straight line over 3 years

Deferred revenue

Deferred revenue represents the amount of revenue collected with respect to the license subscription period subsequent to the year-end.

1. Summary of significant accounting policies (*continued*)

Revenue recognition

Revenue for product engineering and support services is accounted for when there is persuasive evidence that an arrangement exists, the services have been rendered to the customers, the price is fixed or determinable, and collection is reasonably assured.

Revenue from solutions license subscription is recognized on a straight-line basis, whereby the total amount of cash to be received under a subscription agreement is recognized into income in equal periodic amounts over the term of the subscription agreement.

The Company records interest income on the accrual basis.

Income taxes

The Company uses the taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense (income) of the period only the cost (benefit) of current income taxes payable determined in accordance with the rules established by taxation authorities.

Translation of foreign currencies

The Company uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate in effect at the date of transaction. Revenues and expenses are translated at the average exchange rates prevailing during the year, except for amortization which are translated at historic rates. Exchange gains or losses are included in the statement of income.

Measurement of financial instruments

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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

Financial assets measured at amortized cost include cash and cash equivalents, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

1. Summary of significant accounting policies (*continued*)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. Short-term investments

	2026	2025
Non-redeemable guaranteed investment certificate in the principal of US$600,000, earning interest at 3.10% per annum and maturing June 2026	**$ 847,134**	**$ -**
Non-redeemable guaranteed investment certificate in the principal of US$100,000, earning interest at 3.10% per annum and maturing July 2026	**140,987**	**-**
Non-redeemable guaranteed investment certificate in the principal of US$300,000, earning interest at 2.6% per annum and maturing May 2025	**-**	**436,462**
Non-redeemable guaranteed investment certificate in the principal of US$300,000, earning interest at 2.95% per annum and maturing July 2025		**432,035**
-		
At market value	**$ 988,121**	**$ 868,497**

3. Accounts receivable

	2026	2025
Trade receivable	**$ 150,628**	$ 140,465
Provision for impairment	**(8,848)**	(8,848)
	$ 141,780	$ 131,617

4. Equipment

	Cost	**Accumulated Amortization**	**2026 Net Book Value**	2025 Net Book Value
Computer equipment	**$ 11,556**	**$ 11,556**	**$ -**	$ 3,031

Amortization expense for the year amounted to $3,031 ($3,851 for 2025).

5. Commissions (reversal)

Sales commission expenses were initially recorded based on the assumption that a vendor would submit claims under a signed service agreement, per which, the commissions were calculated as a percentage of the sales revenue brought in by the vendor since year 2022. However, the vendor has never sent invoices or communicated with the Company up to date on the commissions. Accordingly, the payable is being reversed to commission expense.

As the original commission expenses were set up based on the service agreement, the reversal reflects the fact that the expense is no longer payable in current fiscal year and is determined by the management as a change in estimate rather than a prior-period error. Accordingly, no retroactive restatement of prior year's financial statements is required.

6. Income tax

The Company accounts for income taxes using the taxes payable method. The reconciliation of income tax computed at statutory rates to the provision for income taxes are as follows:

	2026	2025
		(Restated)
Income (loss) before income taxes	**$ 191,548**	$ 201,094
Combined corporate income tax rate (%)	**26.50**	26.50
Computed income tax expense	**50,760**	53,289
Increase (decrease) in taxes resulting from:		
Tax on CCA in excess of amortization	**477**	422
Tax on non-deductible stock-based compensation	**-**	5,112
Income tax expense	**$ 51,237**	$ 58,823

7. Accounting adjustment

During the year, the Company identified that, in prior accounting periods, it had not recognized an expense in respect of share-based payments awards granted by Newgen Software Technologies Limited ("NSTL"), the parent company, to the employees of the Company. Such awards give rise to an expense in the financial statements of the entity that receives the employee's services, with a corresponding credit to equity representing a capital contribution from NSTL.

The cumulative expense relating to services received in periods up to and including the year ended March 31, 2026 amounts to $65,603. This error has been corrected by restating the comparative statements. As a result, the wages and benefits expense as of March 31, 2025 was increased by $19,289, opening and ending retained earnings balance were decreased by $46,313 and $65,603 respectively, and contributed surplus by NSTL was increased by $65,603. There has been no income tax effect on the restatement as the stock option employee benefits are generally not deductible under the *Income Tax Act* of Canada.

8. Financial instruments

The Company is exposed to various risks through its financial instruments, without being exposed to concentration of risk. The following analysis provides a measure of the Company's risk exposure as at March 31, 2026.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company does not have significant liabilities owing to third parties, and therefore, is not exposed to significant liquidity risk.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk relate to its accounts receivable by providing credit to its customers in the normal course of operations. For these and other debts, the Company determines on a continuing basis, the probable losses and sets up provisions for losses based on the estimated realizable value where necessary.

The Company derived net sales from four (2025 - four) major customers amounting to approximately $2,010,000 (2025 - $2,139,000), representing 86% (2025 - 91%) of total revenues. Accounts receivable from the above significant customers at March 31, 2026 amounted to approximately $141,780 (2025 - $131,617).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk as a few of its sales and investment transactions are denominated in U.S. dollars. Unfavourable changes in the foreign exchange rate may impact earnings, accounts receivable and short-term investments.

Foreign exchange loss on monetary assets and liabilities in the amount of $27,335 (2025 - gain of $49,312) are included in the determination of earnings.

At year end, the Company had the following amount denominated in foreign currencies.

Short-term investments	$ 705,801	U.S.
Cash and cash equivalents	$ 156,500	U.S.
Accounts receivable	$ 55,590	U.S.

9. Contractual obligations

The Company is committed under a long-term lease for premises expiring in September 2027. Minimum annual lease payments (exclusive of the requirement to pay taxes, insurance and maintenance costs) over the next two years are approximately as follows:

Year ending March 31,	2027	$ 74,248
	2028	37,888

10. Related party transactions

NSTL and the Company are related parties by virtue of control.

During the year, the Company engaged in transactions in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, as follows:

	2026	2025
Sub-contracts	**$ 309,085**	$ 171,349
Management fees	**84,697**	85,138

As at March 31, 2026, trade account balance owing to the above-noted related party amounted to $370,964 (2025 - $184,340).

11. Stock-based employee compensations

NSTL, the parent company, has established Employees Stock Option Scheme (ESOP) in fiscal year 2014 and 2022, and Restricted Stock Units (RSU) Scheme in fiscal year 2021. Under the ESOP and RSU Schemes, the Company's eligible employees are granted options/awards over the equity shares of the parent. The Company does not have an obligation to settle the awards. Settlement is made by the parent in its own equity instruments.

The Company recognizes an expense for the services received from employees, measured at the grant-date fair value of the equity instruments granted, spread over the vesting period. The corresponding credit is recognized directly in equity as a capital contribution from the parent, reflecting the parent's settlement of the award on the Company's behalf. The compensation recognized in the profit and loss account for the year ended March 31, 2026 is nil (2025 - $19,289).

12. Comparative figures

Certain comparative figures for the year ended March 31, 2025 have been reclassified to be in conformity with the presentation adopted in the current year.