

VERTEX TECHNOLOGIES INC.

ANNUAL FINANCIAL STATEMENT FOR FISCAL YEAR 2023

PREPARED IN ACCORDANCE WITH GAAP

Confidential - For C-Level Executives Only

1. BALANCE SHEET (AS OF DECEMBER 31, 2023)

Assets	USD (in Thousands)	Liabilities & Equity	USD (in Thousands)
Current Assets		Current Liabilities	
Cash and Cash Equivalents	45,200	Accounts Payable	12,800
Accounts Receivable	30,150	Accrued Expenses	8,900
Prepaid Expenses	2,450	Short-term Debt	5,000
Total Current Assets	77,800	Total Current Liabilities	26,700
Non-Current Assets		Long-term Liabilities	
Property, Plant, and Equipment (net)	23,000	Long-term Debt	35,000
Intangible Assets	15,600	Other Long-term Liabilities	4,300
Goodwill	18,400	Total Long-term Liabilities	39,300
Total Non-Current Assets	57,000	Shareholders' Equity	
		Common Stock	10,000
		Retained Earnings	59,100
Total Assets	134,800	Total Equity	69,100

Assets	USD (in Thousands)	Liabilities & Equity	USD (in Thousands)
		Total Liabilities and Equity	134,800

2. INCOME STATEMENT (FOR THE YEAR ENDED DECEMBER 31, 2023)

Revenue	142,500
Cost of Goods Sold (COGS)	(55,700)
Gross Profit	86,800
Operating Expenses	
Research & Development	(22,300)
Sales & Marketing	(18,700)
General & Administrative	(14,500)
Total Operating Expenses	(55,500)
Operating Income	31,300
Interest Expense	(2,100)
Other Income (Expense)	500
Income Before Taxes	29,700
Provision for Income Taxes	(7,400)
Net Income	22,300

3. CASH FLOW STATEMENT (FOR THE YEAR ENDED DECEMBER 31, 2023)

- Cash Flows from Operating Activities: \$28,400K
- Cash Flows from Investing Activities: \$(10,200K)
- Cash Flows from Financing Activities: \$(8,700K)

- Net Increase in Cash and Cash Equivalents: \$9,500K
 - Cash and Cash Equivalents at Beginning of Year: \$35,700K
 - Cash and Cash Equivalents at End of Year: \$45,200K
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4. NOTES TO FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. Significant accounting policies include revenue recognition on a subscription basis, capitalization and amortization of software development costs, and valuation of intangible assets and goodwill.

AUDIT INFORMATION

The annual financial statements of Vertex Technologies Inc. have been audited by Deloitte LLP. The audit was completed on February 15, 2024, and the auditor issued an unqualified opinion, indicating that the financial statements present fairly, in all material respects, the financial position and results of operations of Vertex Technologies Inc. in accordance with GAAP.

CONFIDENTIALITY AND DISTRIBUTION

This report is designated as **CONFIDENTIAL** and is encrypted for secure access. Distribution is limited to the CEO, CFO, and Board members via a secure portal.

For detailed schedules and further information, please contact the Finance Department.