

# AUDITED FINANCIAL STATEMENTS

This document is part of the acquisition transaction between GlobalTech Corporation ("Buyer") and InnovateTech Solutions, Inc. ("Seller") dated as of February 15, 2025. This document should be read in conjunction with Document: SELLER DISCLOSURE SCHEDULES, Document: INDEPENDENT AUDITOR'S REPORT, and all other transaction documents.

## BALANCE SHEET

As of December 31, 2024:

Total Assets: \$47,250,000 (Current: \$18,500,000; Non-current: \$28,750,000)

Total Liabilities: \$12,300,000 (Current: \$8,200,000; Long-term: \$4,100,000)

Stockholders' Equity: \$34,950,000

Working Capital: \$10,300,000 (above target of \$8,500,000 per Document: Master Acquisition Agreement)

## INCOME STATEMENT

For fiscal year ended December 31, 2024:

Total Revenue: \$52,400,000 (SaaS: \$41,920,000; Professional Services: \$10,480,000)

Cost of Revenue: \$15,720,000 (Gross Margin: 70%)

Operating Expenses: \$28,600,000 (R&D: \$12,100,000; S&M: \$11,500,000; G&A: \$5,000,000)

Operating Income: \$8,080,000 (EBITDA: \$11,200,000)

Net Income: \$6,464,000

## REVENUE BREAKDOWN BY CUSTOMER

Top 5 customers represent 62% of revenue (see Document: Major Customer Contract Summaries):

1. MegaCorp Industries: \$12,576,000 (24%) - Contract through 2027
2. GlobalBank Holdings: \$8,384,000 (16%) - Renewal pending
3. HealthFirst Systems: \$5,240,000 (10%) - Multi-year agreement
4. RetailMax Inc.: \$3,668,000 (7%) - Expansion discussion ongoing
5. TechPrime Solutions: \$2,620,000 (5%) - New customer 2024

## **NOTES TO FINANCIAL STATEMENTS**

Note 1: Significant Accounting Policies - Revenue recognized per ASC 606.

Note 2: Deferred Revenue of \$4,200,000 represents prepaid annual subscriptions.

Note 3: Contingent liabilities detailed in Document: Schedule 3.9 - Litigation and Claims.

Note 4: Related party transactions with founder disclosed in Document: Consulting Agreement - Founder.

## **SECTION 5**

Additional provisions related to AUDITED FINANCIAL STATEMENTS.

All terms defined in Document: Master Acquisition Agreement apply herein.

Cross-reference: See SELLER DISCLOSURE SCHEDULES for related provisions.

The parties acknowledge receipt of all schedules and exhibits referenced herein.

This section shall survive the Closing Date as specified in Article VIII of the Master Agreement.

## **SECTION 6**

Additional provisions related to AUDITED FINANCIAL STATEMENTS.

All terms defined in Document: Master Acquisition Agreement apply herein.

Cross-reference: See INDEPENDENT AUDITOR'S REPORT for related provisions.

The parties acknowledge receipt of all schedules and exhibits referenced herein.

This section shall survive the Closing Date as specified in Article VIII of the Master Agreement.

## **SECTION 7**

Additional provisions related to AUDITED FINANCIAL STATEMENTS.

All terms defined in Document: Master Acquisition Agreement apply herein.

Cross-reference: See SELLER DISCLOSURE SCHEDULES for related provisions.

The parties acknowledge receipt of all schedules and exhibits referenced herein.

This section shall survive the Closing Date as specified in Article VIII of the Master Agreement.

## **SECTION 8**

Additional provisions related to AUDITED FINANCIAL STATEMENTS.

All terms defined in Document: Master Acquisition Agreement apply herein.

Cross-reference: See INDEPENDENT AUDITOR'S REPORT for related provisions.

The parties acknowledge receipt of all schedules and exhibits referenced herein.

This section shall survive the Closing Date as specified in Article VIII of the Master Agreement.