

AUDITED FINANCIAL STATEMENTS FOR CONTROLSYNC SOLUTIONS

FISCAL YEAR ENDING DECEMBER 31, 2022

1.0 Independent Auditor's Report

We have audited the accompanying financial statements of ControlSync Solutions, a software company headquartered in Austin, Texas, which comprise the balance sheet as of December 31, 2022, and the related statements of income, shareholders' equity, and cash flows for the year then ended.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion

In our professional opinion, the financial statements present fairly, in all material respects, the financial position of ControlSync Solutions as of December 31, 2022, and the results of its operations and cash flows for the year then ended, in conformity with United States Generally Accepted Accounting Principles (US GAAP).

Basis of Audit

Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We assessed the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Certified by: Thompson & Associates Independent Auditing Firm January 15, 2023

2.0 Financial Statement Overview

ControlSync Solutions is an industrial automation software company specializing in enterprise SaaS platforms for operational intelligence and predictive maintenance. Founded in 2016, the company has demonstrated significant growth in the industrial technology sector.

Financial Highlights

- Total Annual Revenue: \$15,200,000
- Year-over-Year Growth: 42%
- Total Customer Count: 127
- Annual Recurring Revenue: \$12,500,000
- Gross Retention Rate: 92%

The company's financial performance reflects strong market positioning in industrial automation software, with consistent revenue growth and a robust subscription-based business model.

3.0 Balance Sheet

Assets

- Current Assets: \$4,750,000
- Cash and Cash Equivalents: \$2,300,000
- Accounts Receivable: \$1,850,000
- Prepaid Expenses: \$600,000
- Long-Term Assets: \$3,200,000
- Property and Equipment: \$1,200,000
- Intangible Assets: \$2,000,000

Liabilities

- Current Liabilities: \$2,500,000
- Accounts Payable: \$1,200,000
- Accrued Expenses: \$800,000
- Current Portion of Long-Term Debt: \$500,000
- Long-Term Liabilities: \$1,800,000
- Long-Term Debt: \$1,800,000

Shareholders' Equity

- Paid-in Capital: \$3,650,000
- Retained Earnings: \$0
- Total Shareholders' Equity: \$3,650,000

4.0 Income Statement

Revenue

- Total Revenue: \$15,200,000
- Subscription Revenue: \$12,500,000
- Professional Services Revenue: \$2,700,000

Expenses

- Cost of Goods Sold: \$4,560,000
- Operating Expenses: \$9,120,000
- Research and Development: \$3,800,000
- Sales and Marketing: \$3,200,000
- General and Administrative: \$2,120,000

Net Income

- Operating Income: \$1,520,000
- Net Income: \$1,220,000

5.0 Cash Flow Statement

Operating Activities

- Net Income: \$1,220,000
- Depreciation and Amortization: \$450,000
- Changes in Working Capital: (\$350,000)
- Net Cash from Operating Activities: \$1,320,000

Investing Activities

- Purchase of Equipment: (\$600,000)
- Software Development Investments: (\$800,000)
- Net Cash Used in Investing Activities: (\$1,400,000)

Financing Activities

- Debt Financing: \$500,000
- Equity Financing: \$1,800,000
- Net Cash from Financing Activities: \$2,300,000

6.0 Notes to Financial Statements