

SUMMIT DIGITAL SOLUTIONS, INC.

Consolidated Balance Sheet

As of December 31, 2023

(Amounts in thousands of USD, except share data)

ASSETS

Current Assets:

- Cash and cash equivalents.....\$24,750
- Short-term investments.....15,325
- Accounts receivable, net of allowance for doubtful accounts of \$875....18,450
- Unbilled revenue.....7,250
- Prepaid expenses.....2,875
- Other current assets.....1,350

Total Current Assets.....\$70,000

Non-Current Assets:

- Property and equipment, net.....\$8,250
- Operating lease right-of-use assets.....12,750
- Goodwill.....25,500
- Intangible assets, net.....18,750
- Deferred tax assets.....3,250
- Other long-term assets.....2,500

Total Non-Current Assets.....\$71,000

TOTAL ASSETS.....\$141,000

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

- Accounts payable.....\$9,250
- Accrued expenses.....7,850
- Deferred revenue.....12,500

- Operating lease liabilities, current.....2,750
- Income taxes payable.....1,850
- Other current liabilities.....2,300

Total Current Liabilities.....\$36,500

Non-Current Liabilities:

- Long-term debt.....\$15,000
- Operating lease liabilities, non-current.....10,250
- Deferred tax liabilities.....4,750
- Other long-term liabilities.....3,500

Total Non-Current Liabilities.....\$33,500

Total Liabilities.....\$70,000

Stockholders' Equity:

- Preferred stock, \$0.001 par value, 10,000,000 shares authorized; none issued....\$0
- Common stock, \$0.001 par value, 100,000,000 shares authorized; 25,000,000 shares issued and outstanding....25
- Additional paid-in capital.....45,475
- Accumulated other comprehensive income.....1,500
- Retained earnings.....24,000

Total Stockholders' Equity.....\$71,000

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....\$141,000

Notes and Certifications

****Basis of Presentation****

This consolidated balance sheet has been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and includes the accounts of Summit Digital Solutions, Inc. and its wholly-owned subsidiaries.

****Significant Accounting Policies****

The preparation of this balance sheet required management to make estimates and assumptions that

affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

****Management Certification****

The undersigned hereby certifies that this balance sheet fairly presents, in all material respects, the financial position of Summit Digital Solutions, Inc. as of December 31, 2023.

****Auditor Statement****

This balance sheet is subject to review by our independent registered public accounting firm as part of the annual audit process.

APPROVED AND CERTIFIED BY:

/s/ Sarah Blackwell

Sarah Blackwell

Chief Operating Officer

Date: January 15, 2024

/s/ David Thompson

David Thompson

Chief Financial Officer

Date: January 15, 2024

Disclaimer

This balance sheet is confidential and proprietary to Summit Digital Solutions, Inc. It has been prepared solely for informational purposes and should not be relied upon for any other purpose. The information contained herein is subject to change without notice and is not warranted to be error-free. Neither Summit Digital Solutions, Inc. nor any of its affiliates shall have any liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof.