Teleworld Solutions, Inc.

(A wholly owned subsidiary of Samsung Electronics America, Inc.)

Financial Statements

December 31, 2021

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Report of Independent Auditors

To the Board of Directors of
Teleworld Solutions, Inc.

Opinion

We have audited the accompanying financial statements of Teleworld Solutions, Inc. (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of income and comprehensive income, of changes in shareholder's equity and of cash flows for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditors' Responsibilities 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- 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. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Washington, D.C.
June 3, 2022

Teleworld Solutions, Inc.
(A wholly owned subsidiary of Samsung Electronics America, Inc.)
Balance Sheet
December 31, 2021

Assets		
Current assets		
Cash and cash equivalents	$	-
Accounts receivable		3,641,709
Accounts receivable, related parties (Note 11)		6,630,457
Contract Assets		678,069
Contract Assets, related parties (Note 11)		3,309,217
Other current assets		1,844,085
Total current assets		16,103,537
Noncurrent assets		
Property and equipment, net (Note 3)		2,677,470
Intangible Assets (Note 4)		54,234
Operating lease right-of-use asset (Note 9)		2,670,541
Other assets		30,520
Total assets	$	21,536,302
Liabilities and Shareholder's Equity		
Current liabilities		
Borrowings from the parent	$	6,552,419
Accounts payable		1,123,894
Related party payable(Note 11)		150,320
Current operating lease liabilities (Note 9)		297,800
Accrued expenses and other liabilities (Note 7)		6,210,491
Total current liabilities		14,334,924
Non-current operating lease liabilities (Note 9)		2,470,833
Total liabilities		16,805,757
Commitment and contingencies (Note 10)		-
Shareholder's equity		
Common stock, $1 par value; 4,000 authorized shares;4,000 issued and outstanding shares		4,000
Additional paid in capital (Notes 8)		619,897
Retained earnings		4,106,648
Total shareholder's equity		4,730,545
Total liabilities and shareholder's equity	$	21,536,302

The accompanying notes are an integral part of these financial statements.

Teleworld Solutions, Inc.
(A wholly owned subsidiary of Samsung Electronics America, Inc.)
Statement of Income and Comprehensive Income
Year Ended December 31, 2021

Revenue	
Revenue, third-parties	$ 9,324,429
Revenue, related parties (Note 11)	73,642,405
Total Revenue	82,966,834
Cost of sales	72,398,094
Gross profit	10,568,740
Operating expenses (Note 7)	9,701,632
Operating profit	867,108
Other expense	(79,501)
Income before income taxes	787,607
Income tax provision (Notes 5)	(448,550)
Net income	339,057
Other comprehensive income	-
Comprehensive income	$ 339,057

The accompanying notes are an integral part of these financial statements.

Teleworld Solutions, Inc.
(A wholly owned subsidiary of Samsung Electronics America, Inc.)
Statement of Changes in Shareholder's Equity
Year Ended December 31, 2021

	Common Stock		Additional	Retained	
	Shares	Amount	paid-in capital	Earnings	Total
Balances at December 31, 2020	4,000	$ 4,000	$ -	$ 3,767,591	$ 3,771,591
Capital contribution	-	-	619,897	-	619,897
Net income	-	-	-	339,057	339,057
Balances at December 31, 2021	4,000	$ 4,000	$ 619,897	$ 4,106,648	$ 4,730,545

The accompanying notes are an integral part of these financial statements.

Teleworld Solutions, Inc.
(A wholly owned subsidiary of Samsung Electronics America, Inc.)
Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities	
Net Income	$ 339,057
Adjustments to reconcile net income to cash used in operating activities	
Depreciation and amortization	296,421
Lease expense	328,509
Changes in operating assets and liabilities	
Accounts receivable	(2,149,085)
Accounts receivable, related parties	(1,145,643)
Contract Assets	(574,221)
Contract Assets, related parties (Note 11)	(2,885,478)
Deferred tax assets	382,986
Other assets	(1,029,473)
Accounts payable	208,315
Related party payable	150,320
Accrued expenses and other liabilities	3,388,645
Operating lease liabilities	(275,573)
Net cash used in operating activities	(2,965,220)
Cash flows from investing activities	
Purchases of property and equipment	(2,545,584)
Purchases of intangible assets	(72,312)
Purchases of other assets	(4,483)
Proceeds from disposals of property and equipment	3,031
Net cash used in investing activities	(2,619,348)
Cash flows from financing activities	
Net proceeds from borrowing (cash pooling agreement with the parent)	4,964,671
Additional paid in capital (Note 8)	619,897
Net cash provided in financing activities	5,584,568
Net decrease in cash and cash equivalents	-
Cash and cash equivalents at	
Beginning of year	-
End of year	$ -

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Business Operations
TeleWorld Solutions, Inc. was incorporated in the Commonwealth of Virginia in 2002. The Company has adopted December 31 as its fiscal year end. The Company was acquired by Samsung Electronics America, Inc. ("SEA" or "Parent"), a wholly owned subsidiary of Samsung Electronics Co., Ltd. ("SEC"), the Company's ultimate parent company, on January 30, 2020. Upon the acquisition, the Company elected not to apply push down accounting and the purchase price was not allocated to the Company. Therefore the historical accounts of the Company have been presented herein.

The Company provides full life cycle wireless technology to companies located in the United States. Services provided by the Company include wireless technology consulting, design, dimensioning, testing, optimization, and deployment. After acquisition, the operation of the Company is highly dependent on the Parent. The Company has no cash and cash equivalents at the end of the year, 2021. As a result, the Company has historically been, and will continue to be, highly dependent on financial support from its Parent Company for its continued operations. A financial support agreement is in place between the Company and its Parent that pledges ongoing funding of the operating and cash flow needs of the Company for at least one year from the financial statement issuance date. It is possible that a similar level of financial support may be required beyond one year from the financial statement issuance date. Based on the above, management believes that the Company will be able to meet its operating, liquidity and other financial needs through at least one year from the financial statement issuance date.

The Company maintains its website at www.teleworldsolutions.com.

Basis of Presentation and Use of Estimates
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The presentation of financial statements in conformity with Unites States generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Company considers cash in operating bank accounts, demand deposits, cash on hand, and highly liquid debt instruments purchased with maturity of three (3) months or less as cash and cash equivalents.

Accounts Receivable
Accounts receivable consists of amounts billed to the customers for services rendered, net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The allowance for doubtful accounts is determined based on current receivables aging, historical write-off experience and on specific customer accounts believed to be a collection risk. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has $3,000 allowance for doubtful accounts at December 31, 2021. The Company has no history of significant write-offs of accounts receivable.

Property and Equipment
Property and equipment are recorded at cost. Expenditures for additions, improvements, and betterments, if material, major additions, and individual purchases are generally capitalized. Minor replacements, maintenance, and repairs that do not improve or extend the lives of the assets are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes.

Intangible Assets
The cost of intangible assets with definite lives is amortized on a straight-line basis over their respective useful lives.

Impairment of Long-Lived Assets
The Company's long-lived assets primarily consist of property and equipment. The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets in question exceed the expected future cash flows, on an undiscounted basis, to be generated from the assets, including eventual disposition. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. No such events or changes in circumstances were identified for the year ended December 31, 2021.

Commitments and Contingencies
Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Advertising Costs
Advertising costs are charged to operations when incurred.

Income Taxes
The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax law is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, (i) on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, (ii) unused tax losses and (iii) unused tax credits. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized. In assessing the realizability of deferred tax assets, when those tax assets are realized (or realizable) by the Parent, net operating losses (or other current or deferred tax assets) are characterized as realized (or realizable) by the Company.

Deferred taxes are reviewed at each balance sheet date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences. Deferred tax assets and liabilities are not discounted.

The Company has been part of a consolidated tax group of the Parent that files a consolidated federal income tax return since acquired by the Parent on January 30, 2020. State tax returns are filed on a consolidated, combined or separate basis depending on the applicable laws relating to the Company. All members of the consolidated group have entered into a tax sharing agreement with the Parent which provides for the allocation of federal and state consolidated income tax liability based upon each member's proportionate share of taxable income contributing to such liability. The Company has elected to use the separate return method to estimate its portion of allocable income taxes in accordance with ASC 740, "Accounting for Income Taxes" (ASC 740). Under the separate return method, the Company is assumed to file a separate return with the taxing authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the Parent. If the tax-sharing agreement differs from the method of allocation under ASC 740, the difference between the amount paid or received under the tax-sharing agreement and the expected settlement amount based on the method of allocation is treated as a dividend (i.e., when less cash was received or more cash was paid by the subsidiary than would have been expected under the method of tax allocation) or a capital contribution (i.e., when more cash was received or less cash was paid by the subsidiary than would have been expected under the method of tax allocation). During the year ended December 31, 2021, the Company received $619,897 in excess of the amount of its hypothetical tax provision and recorded the amount as an increase to additional paid in capital.

Revenue Recognition
The Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) (referred to herein as "Accounting Standards Codification ("ASC") 606", "ASC 606" or "Topic 606") in May 2014. The Company adopted ASC 606 Revenue from Contracts with Customers on January 1, 2020. The adoption of ASC 606 was applied only to contracts that were not completed contracts at the date of initial application and had no impact on the opening balance sheet. The Company recognizes revenues in accordance with ASC 606 by applying the following 5 steps:

(1) Identify the contracts with the customers,

(2) Identify the separate performance obligations,

(3) Determine the transaction price of the contract,

(4) Allocate the transaction price to each of the separate performance obligations, and.

(5) Recognize the revenue as each performance obligation is satisfied.

The Company recognizes revenues when control of the promised service is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for the service provided. Depending on the terms of the arrangement and the nature of service promised, the Company determined whether control of service is transferred at a point in time upon completion of service or over time as services are rendered. The Company recognized revenue of $14.1 million for arrangements satisfied at a point in time and $68.9 million for those over time.

Customer contracts are typically fixed price and short-term in nature. The transaction price is based on the service provided and is determined at the time of order. Sales, value add, and other taxes the Company collect concurrent with revenue-producing activities are excluded from revenue. The Company does not have any material significant payment terms as payment is received at or shortly after the point of sale.

Contract Assets
For performance obligations satisfied over time, the Company has agreements with the customers whereby the Company is providing staffing services for the customers in the United States of America. The Company recognizes revenue related to staffing service contracts over time using the input method based on time incurred. The Company presents Contract assets for revenue recognized for satisfying performance obligation till year end but not billed as of December 31, 2021.

Leases
On January 1, 2020, the Company adopted ASC 842 Leases ("ASC 842").

In the initial application of ASC 842, the Company used the following practical expedients permitted by the Standard:

(1) Need not to reassess whether any expired or existing contracts are or contain leases,

(2) Need not to reassess the lease classification for any expired or existing leases,

(3) Need not to reassess initial direct costs for any existing leases,

(4) To use hindsight in determining the lease term (that is, when considering lessee options to extend or terminate the lease and to purchase the underlying asset) and in assessing impairment of the entity's right-of-use assets.

There was no cumulative effect from adoption of the standard to the opening retained earnings balance on January 1, 2020.

Since adoption of ASC 842, the Company has recognized right-of-use assets and their corresponding lease liabilities at the lease's commencement date. Assets and liabilities arising from leases are initially measured at their present value which is discounted using the incremental borrowing interest rate of the Company. Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Costs associated with short-term leases are recognized in profit or loss on a straight-line basis. A short-term lease is a lease with a lease term of 12 months or less. The Company terminated the existing office lease agreement by not exercising the extended option and entered into new office agreement during 2021.

Recently Issued Accounting Standards
In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. This ASU sets forth an expected credit loss model which requires the measurement of expected credit losses for financial instruments based on historical experience, current conditions and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost, and certain off-balance sheet credit exposures. This standard is effective for interim and annual reporting periods beginning after January 1, 2023. Early adoption is permitted. The Company is evaluating the impact of this new accounting standard on the financial statements and has not yet determined when the standard will be adopted.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740)*, which is intended to simplify the accounting for income taxes. The ASU is intended to enhance and simplify aspects of the income tax accounting guidance in ASC 740 as part of the FASB’s simplification initiative. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact this guidance may have on its financial statements.

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting (the “ASU”). This ASU, which introduces ASC 848 to the Codification, provides relief that, if elected, will require less accounting analysis and less accounting recognition for modifications related to reference rate reform. The ASU provides specific guidance relating to instruments subject to ASC 310, Receivables, ASC 470, Debt, ASC 840 or ASC 842, Leases, and ASC 815, Derivatives and Hedging. It also includes a principle that provides relief from contract modification requirements in other guidance not explicitly addressed. This standard could have been adopted upon issuance. However, the relief is designed to be temporary, and as a result, this guidance cannot be applied subsequent to December 31, 2022. The Company is evaluating the impact of this new accounting standard on the financial statements and has not yet determined when the standard will be adopted.

2. Fair Value Disclosures

The Company’s financial instruments reported in the accompanying balance sheet primarily comprise accounts receivable, accounts payable and borrowings from the group cash pooling. The carrying value of accounts receivable, and accounts payable and short-term borrowings approximates fair value because of the short-term nature of these financial instruments.

3. Property and Equipment

The major classifications of property and equipment, including their estimated useful lives, are summarized as follows at the balance sheet dates:

	Estimated Useful Life		2021
Office equipment/furniture	3–5 years	$	2,066,544
Vehicles	5 years		766,097
Tools and Fixtures	2–5 years		655,366
Leasehold improvements	5 years		181,000
			3,669,007
Less: Accumulated depreciation			(991,537)
		$	2,677,470

For the year ended December 31, 2021, depreciation expense amounts relating to property and equipment is approximately $278,000.

4. Intangible Assets

The Company has intangible assets as follows at the balance sheet dates:

	Estimated Useful Life		2021
Software	3 years	$	72,312
Less: Accumulated depreciation			(18,078)
		$	54,234

For the year ended December 31, 2021, amortization expense is shown as an operating expense of approximately $18,000 on the accompanying statement of income and comprehensive income.

5. Income Taxes

In 2021, the Company's benefit from income taxes consists of the following:

		Current		Deferred		Total
Federal	$	-	$	-	$	-
State and local		-		-		-
Prior period adjustment		-		448,550		448,550
	$	-	$	448,550	$	448,550

Income tax benefit differed from the amounts computed by applying the U.S. federal income tax rate of 21% to pretax income as a result of the following:

Computed "expected" tax expense	$	151,276
Increase (reduction) in income taxes resulting from		
Permanent differences		1,687
Valuation allowance change and others		295,587
	$	448,550

As of December 31, 2021, deferred tax assets and liabilities consist of the following:

Deferred tax assets (liabilities)		
Accrued Bonus	$	340,070
Accrued Other		165,912
Capitalized Leasing IFRS16		25,690
Goodwill Amortization		2,877,725
Customer relationship		593,931
Net operating loss carryforward		619,898
Others		(202,375)
Valuation allowance		(4,420,851)
	$	-

The Company incorrectly reported a tax benefit of approximately $449,000 for the year ended December 31, 2020. The Company corrected the error as an out of period adjustment during the year ended December 31, 2021.

As of December 31, 2021, the Company determined that it had a hypothetical federal net operating loss carryforward of approximately $2,776,000. Federal NOLs generated after January 1, 2018 would not expire, but would only be available to offset up to 80% of the Company's future taxable income.

In assessing the realizability of deferred tax assets, management considers the probability of sufficient taxable income which can realize the deductible temporary difference in the future. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the management believes it is uncertain that the Company will realize the benefits of these deferred tax assets. Thus, the Company recognized full valuation allowance during 2021.

The Company maintains provisions for uncertain tax positions that it believes approximately reflect its risk. As of December 31, 2021, the Company recorded amounts related to uncertain tax position of approximately $56,000 and it was reflected as a reduction of deferred tax assets.

The Company recognizes interest and penalties incurred associated with uncertain tax positions as part of tax expense. For the year ended December 31, 2021, the Company has immaterial amounts of interest and penalties expenses related to uncertain tax positions.

6. Retirement Plan

The Company sponsors a 401(k)-profit sharing plan that covers eligible employees. The Plan contains two components, a discretionary profit-sharing portion and a 401(k)-salary deferral portion. Employees are considered eligible to participate in this plan if they have completed 3 months of service and are at least twenty-one years of age. The profit-sharing portion of the Plan provides for contributions to eligible employees based on total compensation.

The 401(k) portion of the Plan provides for voluntary salary deferrals for eligible employees. Additionally, the Company at its discretion may make matching contributions for those employees making salary deferrals.

Years of Services	Vesting Percentage
1	0
2	20
3	40
4	60
5	80
6	100

All employee salary deferral contributions vest immediately.

For the year ended December 31, 2021, the Company did not make any discretionary profit-sharing contributions. There are no matching employer contributions for the year ended December 31, 2021.

7. Operating Expenses, Accrued Expenses and Other Liabilities

Operating expenses and Accrued expenses and other liabilities for the year ended and as of December 31, 2021 consisted of the following:

Operating expenses:

		Amount (USD)
Personnel expenses		
Salaries	$	4,192,536
Discretionary employees' bonuses		1,222,350
Retention bonus		718,233
Employee benefits and payroll taxes		849,936
Recruitment expense		48,904
Training		81,409
		7,113,368
Marketing expenses		
Advertising		172,067
Meals and entertainment		8,679
		180,746
Occupancy expenses		
Lease expense		296,748
Short-term software license		115,894
Utilities		12,286
		424,928
Other operating expenses		
Travel		22,037
Consulting		315,030
Office		215,044
Depreciation		179,787
Amortization		18,078
Professional fees		351,121
Insurance		434,938
Postage		2,095
Dues and subscriptions		85,610
Telephone		36,675
Taxes and licenses		42,271
Bad debt expense		2,939
Repairs and Maintenance		991
Computer expense		275,974
		1,982,590
	$	9,701,632

Accrued expenses and other liabilities:

Accrued salary expenses	$	3,751,814
Accrued bonus expenses		1,298,471
Accrued expense - Others		1,160,206
	$	6,210,491

8. Supplemental Disclosure of Cash Flow Information

Cash paid (received) for interest, income taxes and distribution for the year ended December 31, 2021 is as follows:

Interest expense	$	24,204
Additional paid in capital (*)		619,897

(*) The Company received additional capital contribution from Parent as the Company recorded a net operating loss in taxable loss.

For the year ended December 31, 2021, the Company did not have noncash financing and investing transactions.

9. Leases

The Company maintains a lease agreement for its Chantilly, VA location office (the “old office”) under an operating lease which will expire on August 31, 2022, as the Company determined not to exercise its renewal option. Instead, the Company has entered into new office lease in the same area which expires in 2030. The Company has an option to extend new office lease term till 5 years, but it is not reflected on calculation of lease period as the management does not have intention to extend. Further, the Company leased a facility for a project which expires in 2024. The lease requires base rent plus operating expenses.

Right-of-use assets and lease liabilities at December 31, 2021, consist of the following:

Right-of-use assets		
Building	$	2,551,438
Facility		119,103
	$	2,670,541
Lease liabilities		
Current	$	297,800
Noncurrent		2,470,833
	$	2,768,633

Expenses regarding leases for the year ended December 31, 2021 consists of the following:

Operating lease expenses from the lease agreements recognized as Right-of-use assets.

Cost of Sales	$	31,761
Operating expenses		296,748
	$	328,509

Future minimum operating lease payments as of December 31, 2021 are as follows:

2022	$	301,119
2023		399,095
2024		383,243
2025		366,540
2026 and there after		1,594,349
Total minimum lease payments		3,044,346
Discounted using the weighted average borrowing interest rate		2.34 %
Lease liabilities	$	2,768,633

Short-term lease costs for the year ended December 31, 2021:

Operating expenses	$	888,545

10. Commitment and Contingencies

Concentration of Customers and Revenues
The Company mainly operates their business with Parent, that represented approximately 89% of the total revenues for the year ended December 31, 2021. As of December 31, 2021, amounts due from Parent represented approximately 70% of total accounts receivables and Contract assets.

Uncertainties
The World Health Organization ("WHO") declared COVID-19, a global pandemic causing disruptions to global markets. COVID-19 is having an impact on overall economic conditions. The Company is assessing developments of COVID-19 continuously to determine potential impacts to the business to mitigate supply disruptions and minimize the negative impacts to the Company. At this time, the Company is not able to estimate the financial impact COVID-19 will have on its operations.

Contingencies
The Company may be subject to complaints and lawsuits occurring in the ordinary course of business. The Company believes that it has adequate defenses and the result of any complaints and proceedings will not have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

The Company opened line of credit limited $450,000 with regards to new office lease agreement for the purpose of security deposit, which expires on May 31, 2023.

11. Related Party Transactions

The Company, wholly owned subsidiary of Samsung Electronics America, Inc ("SEA" or the "Parent"), recognizes considerable amount of revenue from contracts with the Parent. The amounts due to/from and transactions with related parties as of and for the year ended December 31, 2021 are summarized as follows:

Revenue recognized from contracts with the parent	$ 73,642,405
Account receivable	6,630,457
Contract assets	3,309,217
Interest expense	24,204
Borrowings from the parent	6,552,419
Other payable	150,320

The accounts receivable and contract assets are related to the sale of services that occur in the ordinary course of business. The Company reversed unbilled revenue of approximately $424,000 as of December 31, 2020 and it was billed during 2021. Also, the Company recognized unbilled revenue of approximately $3,309,000 to the Parent as of December 31, 2021.

The Company is engaged in short-term lending and borrowing activities with the Parent in order to pool cash resources. The Company repaid all outstanding borrowings from banks upon the acquisition by SEA on January 30, 2020 and has entered into a cash pooling arrangement with the Parent, and other Samsung affiliates and, currently is dependent upon its parent or affiliates to provide working capital financing. Accordingly, the financial statements may not be indicative of the financial position or results of operations that would have been achieved had the Company operated without such affiliations. The financial support will be provided through continued access to the Parent's cash pooling arrangement.

12. Subsequent Events

The Company has evaluated subsequent events from the balance sheet date at which the financial statements were available to be issued on June 3, 2022.