

DECIPHER SOFTWARE SOLUTIONS LLC

REVIEWED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

AND

FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

VBC & COMPANY

Certified Public Accountants
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873.
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Member of,
Decipher Software Solutions LLC.,
Suite # 101, Southfield Center,
One Cragwood Road,
South Plainfield, NJ 07080

We have reviewed the accompanying financial statements of Decipher Software Solutions LLC, which comprise the balance sheets as of March 31, 2020 and December 31, 2019, and the related statements of income, changes in member's equity, and cash flows for the three months ended March 31, 2020 and for the period December 20, 2019 through December 31, 2019 and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The supplementary information comprising of the supplementary schedules on cost of sales and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is representation of management and has been subjected to the review procedures applied in the review of the basic financial statements and, in our opinion, we are not aware of any material modifications that should be made to the supplementary schedule in relation to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



VBC & Company
Certified Public Accountants
Somerset, New Jersey
June 19, 2020

DECIPHER SOFTWARE SOLUTIONS LLC
BALANCE SHEETS AS ON
MARCH 31, 2020 AND DECEMBER 31, 2019

	Mar 31, 2020	Dec 31, 2019
Current Assets		
Cash and cash equivalents	\$ 152,691	\$ 13,562
Accounts receivable, net	1,915,499	2,252,639
Total current assets	2,068,190	2,266,201
Goodwill, net of accumulated amortization	413,344	423,979
Other receivables	1,379,218	1,334,014
Total other assets	1,379,218	1,334,014
Total assets	\$ 3,860,752	\$ 4,024,194
Current liabilities		
Accounts payable and accrued liabilities	\$ 908,795	\$ 1,128,539
Accrued payroll and payroll taxes	450,051	472,279
Accrued income taxes	44,265	12,151
Short term borrowings	222,222	305,556
Line of Credit	931,661	700,669
Notes payable	11,214	190,066
Other current liabilities	239	1,216
Total current liabilities	2,568,447	2,810,476
Member's equity		
Units, \$1 par value, 2,000 units authorized, 2,000 units issued and outstanding		
Member's capital	1,181,767	1,181,767
Retained earnings	110,538	31,951
Total member's equity	1,292,305	1,213,718
Total liabilities and member's equity	\$ 3,860,752	\$ 4,024,194

(See accountant's review report and accompanying notes to financial statements)

DECIPHER SOFTWARE SOLUTIONS LLC
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 TO DECEMBER 31, 2019

	For the three months ended, March 31, 2020	For the period Dec 20, 2019 to Dec 31, 2019
Revenue		
Consulting income	\$ 2,163,875	\$ 334,177
Other Income	20,328	2,626
Total Revenue	<u>2,184,203</u>	<u>336,803</u>
Cost of sales	1,922,675	270,806
Gross profit	<u>261,528</u>	<u>65,997</u>
General and administrative expenses	85,320	11,792
Income before depreciation and tax	<u>176,208</u>	<u>54,205</u>
Interest expense	54,873	7,995
Depreciation	-	710
Amortization	10,634	1,398
Income before income taxes	<u>110,701</u>	<u>44,102</u>
Provision for income taxes	32,114	12,151
Net income	<u><u>\$ 78,587</u></u>	<u><u>\$ 31,951</u></u>
Beginning retained earnings	31,951	-
Distributions	-	-
Ending retained earnings	<u><u>\$ 110,538</u></u>	<u><u>\$ 31,951</u></u>

(See accountant's review report and accompanying notes to financial statements)

DECIPHER SOFTWARE SOLUTIONS LLC
STATEMENTS OF CASHFLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 TO DECEMBER 31, 2019

	For the three months ended, March 31, 2020	For the period Dec 20, 2019 to Dec 31, 2019
Cash flow from operating activities		
Net income after taxes	\$ 78,587	\$ 31,951
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	10,634	2,108
Changes in operating assets and liabilities:		
Trade and other receivables	337,140	(199,701)
Accounts payable, accrued expenses	(219,744)	(70,654)
Other assets	(45,204)	(4,019)
Accrued payroll and related costs	(22,228)	226,515
Accrued income taxes	32,114	12,151
Other liabilities	(977)	(780)
Net cash provided by / (used in) operating activities	<u>170,322</u>	<u>(2,430)</u>
Cash flow from investing activities		
Purchase of assets	-	(1,180,184)
Net cash provided by / (used in) investing activities	<u>-</u>	<u>(1,180,184)</u>
Cash flow from financing activities		
Notes payable	(178,852)	18,000
Capital contributions	-	1,181,767
Repayment of short term borrowings	(83,333)	(13,887)
Proceeds from Line of Credit	230,992	(4,424)
Net cash provided by / (used in) financing activities	<u>(31,193)</u>	<u>1,181,456</u>
Increase/(decrease) in cash and cash equivalents	<u>139,129</u>	<u>(1,158)</u>
Cash and cash equivalents, beginning of period	\$ 13,562	\$ 14,720
Cash and cash equivalents, end of period	<u>\$ 152,691</u>	<u>\$ 13,562</u>
Interest paid	54,873	10,855
Taxes paid	-	-

(See accountant's review report and accompanying notes to financial statements)

DECIPHER SOFTWARE SOLUTIONS LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 TO DECEMBER 31, 2019

	For the three months ended, March 31, 2020	For the period Dec 20, 2019 to Dec 31, 2019
Member's capital account		
Balance, beginning of period	\$ 1,181,767	-
Capital contributions	-	\$ 1,181,767
Balance, end of period	<u>1,181,767</u>	<u>1,181,767</u>
Retained earnings		
Balance, beginning of period	31,951	-
Net income for the period	78,587	31,951
Distributions	-	-
Balance, end of period	<u>110,538</u>	<u>31,951</u>
Total member's equity	<u>\$ 1,292,305</u>	<u>\$ 1,213,718</u>

(See accountant's review report and accompanying notes to financial statements)

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Note A - Summary of Significant Accounting Policies

Nature of Operations

Decipher Software Solutions LLC (the "Company") was formed effective March 05, 2007, as a Florida Limited Liability Company. The Company was acquired by Decipher Labs Limited, an entity registered in India, (formerly Combat Drugs Limited), (100%) with effect from December 20, 2019. The Company provides software engineering and consulting services on both project and hourly basis. The market for the Company's services is characterized by rapidly changing technology, evolving industry standards, and new product introductions. The Company's market is intensely competitive. The Company's success will depend on its ability to enhance and market existing services and introduce new services to meet changing customer requirements and evolving standards.

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenues are recognized when services are rendered and expenses reflected when cost are incurred. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard require a change in accounting policy hitherto in use.

Concentration of Credit Risk

The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. With respect to trade receivables, the Company generally does not require collateral because the majority of the Company's customers are well established companies operating in a variety of industries and geographic regions.

Use of Estimates

The Company's management makes estimates and assumptions in preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those implicit in the estimates and assumptions.

Cash and Cash Equivalents

The Company considers cash and highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The Company places its temporary cash and cash equivalents with high credit quality financial institutions.

Financial Instruments

The Company's financial instruments including cash and cash equivalents, accrued expenses, accounts receivable, accounts payable and lines of credit debt, all of which approximate fair value at the balance sheet dates.

Accounts Receivable

The Company routinely assesses the financial strength of its customers and does not require collateral or other security to support customer receivables. Credit losses are provided for in the financial statements based upon the age of the receivable and specific circumstances surrounding the collection of an invoice. Actual collection on accounts may differ from the Company's estimate of the amount collectible.

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. The Company determines the allowance based on known troubled accounts, historical experience, and other currently available evidence. The allowance for doubtful debts as on March 31, 2020 and December 31, 2019 was \$ 98,565 and \$ 98,565 respectively.

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Property and Equipment

Property and equipment, consisting of computers, furniture and equipment, are stated at cost. Improvements which substantially increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or disposal, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is recorded.

Depreciation/Amortization

Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from five to seven years. The Company amortizes goodwill, (purchased or merger related) over ten years' period.

As of March 31, 2020, the Company did not have any property or equipment and therefore did not have depreciation expense for the three months ended March 31, 2020. Depreciation expense for the period December 20, 2019 through December 31, 2019 was \$ 710.

Amortization expense for the three months ended March 31, 2020 was \$ 10,634 and for the period December 20, 2019 through December 31, 2019 was \$ 1,398 respectively.

Revenue Recognition

In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers, further amended in July 2015. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. Effective Jan 01, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, using the modified retrospective method. The adoption allows companies to apply the new revenue standard to reporting periods beginning in the year the standard is first implemented, while prior periods continue to be reported in accordance with previous accounting guidance. Since the adoption of Accounting Standards Codification ("ASC") 606 did not have a significant impact on the recognition of revenue, the Company did not have an opening retained earnings adjustment.

The Company generates most of its revenues from Technology Staffing, and IT Services. Comprehensive revenue recognition model is designed to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are recognized as control of the promised service is transferred to customers, in an amount that reflects the consideration expected in exchange for the services. Revenues from contract assignments are recognized over time, based on hours worked by the Company's contract professionals. The performance of the requested service over time is the single performance obligation for assignment revenues. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods. The Company recognizes revenue for fixed-price contracts using percentage of completion method. Under this method of revenue recognition, the Company estimates the progress towards completion to determine the amount of revenue and profit to recognize on all significant contracts. The Company utilizes a cost-to-cost approach in applying the percentage-of-completion method, under which revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. The recognition of profit is dependent upon the accuracy of a variety of estimates, including software development progress, achievement of milestones and other incentives, penalty provisions, labor productivity and cost estimates. Such estimates are based on various judgments that the Company makes with respect to those factors and are difficult to accurately determine until the project is significantly underway. Due to uncertainties, inherent in the estimation process, it is possible that actual completion costs may vary from estimates. If estimated total costs on any contract indicate a loss, the Company charges the entire estimated loss to operations in the period the loss first becomes known.

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

The Company recognizes most of its revenue on a gross basis when it acts as a principal in its transactions. The Company has direct contractual relationships with its customers, bears the risks and rewards of its arrangements, has the discretion to select the contract professionals and establish the price for the services to be provided. The Company primarily provides services through its employees and through subcontractors; the related costs are included in cost of sales. The Company includes billable expenses (out-of-pocket reimbursable expenses) in revenue and the associated expenses are included in cost of sales.

Unbilled Revenues

If any are classified as accounts receivables on the balance sheet, represents services rendered prior to being invoiced due to certain contractual restrictions.

Cost of Revenues

The costs of revenues are classified as cost of sales on the income statement, and consist primarily of employee costs and sub-contractors' costs, and other costs incurred in connection with the execution of assignments.

Customer and Business Concentration

Financial instruments that potentially subject the company to concentration of credit risk consist principally of cash and trade receivables. Credit risks associated with trade receivables is minimal due to the Company's large customer base and ongoing procedures, which monitor the credit worthiness of its customers. For the three months ended March 31, 2020, revenue from top five customers was \$ 1,127,516 (52% of net revenues) and for the period December 20, 2019 through December 31, 2019, revenue from the top five customers was \$ 152,611 (45% of net revenues).

As of March 31, 2020 and December 31, 2019 accounts receivable due from these customers was \$ 651,548 (47% of net accounts receivable) and \$ 894,662 (38% of net accounts receivable) respectively.

Income Taxes

The Company elected to be taxed as a "C" corporation with effect from December 20, 2019. The Company accounts for income taxes pursuant to the provisions of ASC 740, Accounting for Income Taxes. Deferred tax liabilities and assets are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Any deferred tax assets recognized for net operating loss carry-forwards and other items are reduced by a valuation allowance when it is more likely than not that the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. There are no deferred tax assets or liabilities as of March 31, 2020 as there are no material timing differences.

Impairment of Intangibles

The Company assesses at each balance sheet date whether there is any indication that any intangible assets including goodwill may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to the Income statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

For the three months ended March 31, 2020 and for the period December 20, 2019 through December 31, 2019 there are no charges towards impairment of intangibles.

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

Impact of New Accounting Standards

In February 2016, the FASB issued ASI No 2016-02, which introduces a lessee model that brings substantially all leases into the balance sheet. Under the new standard, a lessee will recognize on its balance sheet a lease liability and a right of use of all asset for all leases, including operating leases, with a greater term than 12 months. The new standard will also distinguish leases as either finance leases or operating leases. This distinction will affect how leases are measured and presented in the income statement and statement of cash flows. ASU No. 2016-02 is effective for annual and interim periods in fiscal year beginning after December 15, 2020. Due to the challenges related to the coronavirus pandemic, on April 8, 2020, FASB has proposed to defer the effective date to fiscal years beginning after December 15, 2021. The Management is still accessing the potential impact that ASU No 2016-02 will have on its financial statements and disclosures.

Note B – Acquisition

On December 20, 2019, Pavan Mantripragada (49%) and Janaki Yenamandra (51%) (totalled to 100% of membership interest in Decipher Software Solutions LLC) agreed to sell their entire membership interest in Decipher Software Solution LLC to Decipher Labs Limited, (formerly Combat Drugs Limited), an entity registered in India. The agreed purchase consideration was preferential allotment of 2,100,000 equity shares of Decipher Labs Limited, (formerly Combat Drugs Limited) at Rupees 40 per share, which is valued at \$ 1,181,767 as on December 20, 2019. The allocation of purchase consideration to the net assets of the Company as on December 20, 2019 is as follows:

	Total
Current Assets	
Cash and cash equivalents	\$ 14,720
Accounts receivable, net	2,052,938
Property and equipment, net	2,293
Other receivables	1,329,995
Current Liabilities	
Accounts payable and accrued liabilities	(1,199,193)
Accrued payroll and payroll taxes	(245,764)
Short term borrowings	(319,444)
Line of Credit	(705,093)
Other current liabilities	(1,996)
Notes payable	(172,066)
Net Assets	\$ 756,390
Purchase consideration	\$ 1,181,767
Goodwill	\$ 425,377

Note C - Advertising Costs

Costs for producing and communicating advertising for the Company's brand and products are charged to general and administrative (G&A) expenses as they are incurred. Company did not incur advertising cost during the period.

Note D – Other receivables

As of March 31, 2020 and December 31, 2019, the Company has to receive \$ 1,379,218 and 1,334,014 from the previous owner Pavan Mantripragada, which carries an interest of 6%.

Receivable	As on March 31, 2020	As on December 31, 2019
Within one year	\$ 459,739	\$ 444,671
More than one year and not later than 5 years	919,479	889,343
Total	\$ 1,379,218	\$ 1,334,014

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Note E - Property and Equipment

Property and equipment consisted of:

	As of March 31, 2020	As of December 31, 2019
Computer equipment	\$ 7,197	\$ 7,197
Furniture & Fixtures	13,876	13,876
Vehicle	37,878	37,878
Total assets	58,951	58,951
Less: Accumulated depreciation	(58,951)	(58,951)
Property and Equipment, net	\$ -	\$ -

As of March 31, 2020, the Company did not have any property or equipment and therefore did not have depreciation expense for the three months ended March 31, 2020. Depreciation expense for the period December 20, 2019 through December 31, 2019 was \$ 710.

Note F - Commitments and contingent liabilities

Operating Leases

The Company has several non-cancellable leases for its office space and vehicles. Rent expense for the office space and vehicles is recognized equally over the lease term. Future minimum rental commitments under the non-cancellable lease are as follows:

	As of March 31, 2020	As of December 31, 2019
Within one year	\$ 7,350	\$ 7,350
More than one year and not later than 5 years	1,225	3,063
Total	\$ 8,575	\$ 10,413

The rent expense for the three months ended March 31, 2020 was \$ 1,838 and period December 20, 2019 through December 31, 2019 was \$ 237.

The Company does not have any material outstanding capital commitments and contingent Liabilities as on the date of the Balance Sheet.

Note G – Accounts Receivable Purchasing Agreement

On May 20, 2019 Decipher Software Solutions LLC entered into an accounts receivable purchasing agreement with Seacoast business funding (a division of Seacoast National bank, financial institution). As per the agreement, Seacoast business funding will advance against the eligible accounts receivable and, the total facility is capped at \$ 3,000,000 at any given time. The eligible accounts receivable will be discounted at 0.12% of the face value of the purchased accounts for the first thirty days that it remains outstanding and then at 0.004% for each additional day that the invoice remains outstanding. Any invoice outstanding beyond ninety days will be charged back to the company. The financial institution will also charge a fee based on the daily balance of outstanding obligations at the base index plus 4.75%. Base index is rate equal to London Interbank Offered Rate ("LIBOR") rate or 2% whichever is higher.

As of March 31, 2020 and December 31, 2019 the amount of net advance outstanding was \$ 931,661 and \$ 700,669 respectively. Interest and fee accrued for the three months ended March 31, 2020 was \$ 30,086 and for the period December 20, 2019 through December 31, 2019 was \$ 3,103 respectively.

Note H – Short term borrowings

Company had borrowed \$ 500,000 from S G Credit Solutions LLC on 23rd May 2019 for working capital needs. The loan is repayable in thirty-six bi-weekly installments (Maturity date: 06th October 2020). The bi-weekly installment is \$ 18,889 out of which \$ 13,889 is towards principal and \$ 5,000 is towards Interest. The current principal balance outstanding as of March 31, 2020 and December 31, 2019 is \$ 222,222 and \$ 305,556 respectively. Interest accrued for the three months ended March 31, 2020 and for the period December 20, 2019 through December 31, 2019 was \$ 17,544 and \$ 4,517 respectively.

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Note I – Notes payable

The Company has taken temporary loans from Global Information Technology Inc and/or its subsidiaries which carry an interest rate of 6%. The note payable as of March 31, 2020 and December 31, 2019 was \$ 11,050 and \$ 190,066 respectively. The interest accrued for the three months ended March 31, 2020 and for the period December 20, 2019 through December 31, 2019 was \$ 165 and \$ 375 respectively.

Note J - Retirement Benefits

The Company adopted a 401(k)-profit sharing plan for its employees effective April 1, 2016. Employees who are aged 21 or above are eligible to participate in the plan, if they are employed with the Company for three consecutive months. The Company's contribution for the three months ended March 31, 2020 and for the period December 20, 2019 to December 31, 2019 was \$ 7,676 and \$ 2,561 respectively.

Note K - Income Taxes

The components of the provision for income taxes for the period is as follows:

	For the three months ended, March 31, 2020	For the period Dec 20, 2019 to Dec 31, 2019
Current taxes		
Income tax provision- Federal	\$ 21,832	\$ 8,593
Income tax provision- State	10,282	3,558
Total – Current	\$ 32,114	\$ 12,151

Uncertain tax positions: As of the report date, the Company does not have any uncertain tax liabilities or benefits that could materially affect the effective tax rate. Management regularly assesses the tax risk of the company's return filing positions for all open years.

Note L – Subsequent Events

The Company has evaluated subsequent events through June 19, 2020 the date on which the financial statements were available to be issued. The company does not have any reportable events occurring after March 31, 2020.

Impact of COVID-19 Pandemic: The COVID-19 outbreak in early 2020 has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. The management is continuously monitoring the impact of the pandemic on its financial statements. These economic and market conditions and other effects of the COVID-19 outbreak may adversely affect the Company. As of the date of this report, the Company has not faced any material impact to its business. At this point, the extent to which COVID-19 may impact the Company's business is uncertain.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the March 31, 2020.

Paycheck Protection Program(PPP) Loan: The company on April 28, 2020, has received a loan of \$ 879,000 under the "Paycheck Protection Program(PPP), issued under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)". As per the promissory note issued, the PPP Loan carries an interest rate of 1% with a monthly repayment schedule of \$ 49,466.95 per month beginning seven months from the month of the note issued. The said PPP Loan together with interest qualifies for forgiveness (subject to compliance with certain terms and conditions) as per the provisions of CARES Act and the related guidance issued by the Small Business Administration ("SBA"). In accordance with the recent guidance issued by the SBA the Company can hold off on repaying the loan (although interest will continue to accrue) till it receives a response from the SBA on the forgiveness application.

Note M – Member's Capital

The 100% of the member's interest is held by Decipher Labs Limited, (formerly Combat Drugs Limited), an entity registered in India. The member's capital account as on March 31, 2020 and December 31, 2019 was \$ 1,181,767 and \$ 1,181,767 respectively.

DECIPHER SOFTWARE SOLUTIONS LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 THROUGH DECEMBER 31, 2019

Note N – Segment Revenues

The Company's operations comprise only of software testing, engineering and consulting services on both project and hourly basis and the financial statements reflect the performance for the segment as such. Segments are identified taking into account the nature of the business, the differing risks and returns, the organization structure and internal reporting system. Accordingly, the Company has considered only one business segment as the primary segment. The Company presently caters to the domestic market and hence there are no reportable Geographic segments.

Note O – Risks and Uncertainties of Doing Business

Many of the Company's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. Any failure in a customer's system could result in a claim for substantial damages against the Company, regardless of the Company's responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from errors, mistakes or omissions in rendering its information technology services, there can be no assurance that the limitations of liability set forth in its services contracts will be enforceable in all instances or would otherwise protect the Company from liability for damages. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

Note P – Comparative Statements

Certain comparative figures have been reclassified to conform to current period's presentation.

DECIPHER SOFTWARE SOLUTIONS LLC
SUPPLEMENTARY SCHEDULES
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND
FOR THE PERIOD DECEMBER 20, 2019 TO DECEMBER 31, 2019

	For the three months ended, March 31, 2020	For the period Dec 20, 2019 to Dec 31, 2019
Cost of sales		
Staff wages and benefits	\$ 998,264	\$ 145,868
Outside services	924,411	124,938
Total cost of sales	<u>\$ 1,922,675</u>	<u>\$ 270,806</u>
General & administrative expenses		
Bank service charges	4,050	635
Dues and subscriptions	1,200	220
Insurance	3,658	-
Legal and professional fees	16,920	5,470
Office expenses	1,321	96
Rent	1,838	237
Postage and delivery	152	96
Staff wages and benefits - support	30,139	3,871
Travel	25,563	1,075
Utilities	479	92
Total general & administrative expenses	<u>\$ 85,320</u>	<u>\$ 11,792</u>

(See accountant's review report and accompanying notes to financial statements)