One Advantage LLC

Financial Statements
With Supplementary Information
For the Year Ended March 31, 2023
Together With
Independent Auditor's Report

ONE ADVANTAGE LLC

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INDEPENDENT AUDITOR'S REPORT

To the Members
One Advantage LLC
Amherst, New York

Report on the Financial Statements

We have audited the accompanying financial statements of One Advantage LLC (a limited liability company), which comprise the balance sheet as of March 31, 2023, and the related statement of income, statement of changes in members' equity, and statement of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Advantage LLC as of March 31, 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of One Advantage LLC 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 One Advantage LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 One Advantage LLC'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 One Advantage LLC'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Allied CPAs, P.C.

Amherst, New York
June 16, 2023

ONE ADVANTAGE LLC
BALANCE SHEET
AS OF MARCH 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	1,376,580
Client trust funds		25,951
Accounts receivable, net of allowance for doubtful accounts of $569,698		1,664,818
Prepaid expenses		34,826
Other current assets		2,750
Due from related parties		4,632,812
TOTAL CURRENT ASSETS		7,737,737
Property and equipment, net		74,198
Right of use assets		80,952
TOTAL ASSETS	**$**	**7,892,887**

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$	62,673
Accrued expenses		553,864
Current portion of lease liability		32,403
TOTAL CURRENT LIABILITIES		648,940
LONG-TERM LIABILITIES		
Long-term lease liability, net of current portion		52,803
TOTAL LIABILITIES		701,743
MEMBERS' EQUITY		
Capital contributions		25,000
Members' equity		7,166,144
TOTAL MEMBERS' EQUITY		7,191,144
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$**	**7,892,887**

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

ONE ADVANTAGE LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2023

REVENUE		
Net revenues from services		$ 12,772,228
EXPENSES		
Staff costs		3,559,267
Depreciation		464,310
Other operating expenses		3,781,889
	TOTAL EXPENSES	7,805,466
NET INCOME FROM OPERATIONS		4,966,762
OTHER INCOME (EXPENSE)		
Interest expense		(70,250)
NET INCOME		**$ 4,896,512**

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

ONE ADVANTAGE LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

	Capital Contributions	Members' Equity	Total Members' Equity
BALANCE - March 31, 2022	$ 25,000	$ 17,269,632	$ 17,294,632
Dividend paid	-	(15,000,000)	(15,000,000)
Net income	-	4,896,512	4,896,512
BALANCE - March 31, 2023	**$ 25,000**	**$ 7,166,144**	**$ 7,191,144**

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

ONE ADVANTAGE LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	$ 4,896,512
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	464,310
Changes in assets and liabilities	
Accounts receivable	(519,839)
Due from related parties	(3,441,841)
Prepaid expenses	6,252
Other current assets	(2,750)
Accounts payable	(47,104)
Accrued expenses	117,918
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,473,458
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment and leasehold improvements	(52,870)
NET CASH USED IN INVESTING ACTIVITIES	(52,870)
CASH FLOWS FROM FINANCING ACTIVITIES	
Reduction in lease liability	(758,086)
NET CASH USED IN FINANCING ACTIVITIES	(758,086)
NET CHANGE IN CASH	662,502
CASH - BEGINNING OF YEAR	740,029
CASH - END OF YEAR	**$ 1,402,531**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid for interest	**$ 70,250**

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

Note 1 – Organization

Organization
One Advantage LLC (the Company) was incorporated under the laws of the State of Delaware on August 6, 2014 for the purpose of providing debt collection services primarily for healthcare organizations throughout the United States of America.

The Company is a wholly owned subsidiary of Firstsource Business Process Services, LLC (a State of Delaware corporation), which is a wholly owned subsidiary of Firstsource Group USA, Inc. (a State of Delaware corporation), which is a wholly owned subsidiary of Firstsource Solutions Limited (a Nation of India corporation).

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Company have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk
Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. All such financial instruments involve risk by their nature including the credit risk of non-performance by counter parties. In management's opinion, there was no significant risk of loss in the event of non-performance to these financial instruments, other than amounts already provided for in the financial statements. The Company's cash accounts are concentrated in a few financial institutions. Although the cash accounts at March 31, 2023 exceed the federally insured deposit limit, management does not anticipate nonperformance by the financial institution. Exposure to credit risk is managed through credit approvals, establishing credit limits, and monitoring procedures.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Amounts written off to bad debts totaled $38,949 for the year ended March 31, 2023.

Property and Equipment
Fixed assets are stated at cost, net of accumulated depreciation. Assets under capital leases are stated at the present value of minimum lease payments. Leasehold improvements are depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the term of the lease. Depreciation of other equipment is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	2-5 years
Computer equipment	2-5 years
Computer software	2-4 years
Office equipment	2-5 years
Leasehold improvements	5 years

Note 2 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition
Revenue from operations comprises debt collection services to major credit card issuers and banks and is billed in accordance with the contractual terms specified in the respective customer contracts. Revenue from fixed fee based service contracts is recognized based on achievement of performance milestones specified in the customer contracts. Revenue from debt collection services is recognized when debts are collected.

In accordance with ASU 2014-09, Revenue from Contracts with Customers (Topic 606), the Company recognizes their revenue from contracts using the following five-step process: 1) Identify the contract(s) with a customer, 2) Identify the performance obligations in the contract, 3) Determine the transaction price, 4) Allocate the transaction price to the performance obligations in the contract, and 5) Recognize revenue as the Company satisfies a performance obligation.

Unbilled revenue represents work executed in accordance with the terms of the agreement with customers but not billed as of the balance sheet date.

Lease
In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize long-term leases on their balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Management has elected to early adopt the provisions ASU 2016-02 for the year ended March 31, 2023

Income Taxes
Current income taxes are provided for in accordance with the applicable laws in various tax jurisdictions in which the Company operates. Income tax expense consists of the current tax provision and the net change in the deferred tax asset or liability for the year. Deferred income taxes are determined under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences of temporary differences between the carrying amounts of assets and liabilities, and their respective tax bases and operating loss and business loss carry forwards. 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 to be recovered or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the results of operations in the period of enactment of the change. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events
The Company has evaluated events and transactions through June 16, 2023, which is the date the financial statements were available to be issued for potential recognition and disclosure in the financial statements.

Note 3 – Restricted Cash

The Company has client trust accounts that are restricted fand to be used for client activities. The restricted balance at March 31, 2023 was $25,951.

Note 4 - Related Party Transactions

Firstsource Solutions Limited (Parent) is the sole member of the Company. Firstsource Advantage LLC, Firstsource Group USA, Inc., MedAssist Holding LLC, Sourcepoint, Inc., and Firstsource Business Process Services, LLC are all subsidiary organizations of the Parent. All amounts are payable on demand.

Amounts due from (due to) related parties at March 31, 2023 are summarized as follows:

Firstsource Group USA, Inc.	$	19,492,331
MedAssist Holding LLC		160,845
Sourcepoint, Inc.		(2,480)
Firstsource Advantage, LLC		(5,699)
Firstsource Solutions Limited - India		(12,185)
Firstsource Business Process Services, LLC		(15,000,000)
NET DUE FROM RELATED PARTIES	**$**	**4,632,812**

Note 5 - Equipment and Leasehold Improvements

Equipment and leasehold improvements at March 31, 2023 are summarized as follows:

		2023
Furniture and fixtures	$	1,550
Computer equipment		36,825
Office equipment		72,993
Software		137,115
Total fixed assets		248,483
Less: accumulated depreciation		(174,285)
Total property and equipment, net	**$**	**74,198**

Note 6 - Lease Commitments

The Company occupies office facilities, located in LaPorte, under non-cancelable operating leases, which expire at various dates through August 31, 2025. Each lease includes options to renew the lease. Rent expense incurred under these agreements for the year ended March 31, 2023 amounted to $506,039.

The undiscounted minimum cash flows under these agreements are as follows:

Year ended March 31,		
2024	$	34,485
2025		53,955
Total lease payments		88,440
Less: Imputed interest		(3,234)
Total lease liability	**$**	**85,206**

Note 6 - Lease Commitments (Cont.)

The following constitutes the cumulative quantitative information for all lease agreements of the Corporation for the year ended March 31, 2023:

Lease costs:	
Operating lease cost	$ 506,039
Other information:	
Right to use asset recorded in conjunction with operating leases	$ 102,539
Weighted average remaining lease term under operating leases	2.8 years
Weighted average discount rate under operating lease	5.00%

Note 7 - Retirement Plan

The Company has a deferred contribution plan that employees have the option of participating in. Employee contributions are made via withholdings from their weekly payroll checks. For every employee contribution up to 6% of their gross paycheck, 25% is matched by the Company. Company contributions to the plan amounted to $24,947 for the year ended March 31, 2023.

SUPPLEMENTARY INFORMATION

ONE ADVANTAGE LLC
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

Professional services	$	1,804,839
Computer and software expenses		425,168
Information services		106,883
Bank charges		441,330
Postage		797,936
Telephone		307,997
Licenses and registration		35,354
Rent and lease		(161,090)
Insurance		30,027
Miscellaneous		(304,738)
Repairs and maintenance		46,399
Hire charges		12,441
Bad debt expense		38,949
Common costs		184,190
Training		16,204
TOTAL OPERATING EXPENSES	**$**	**3,781,889**

See independent auditor’s report.