THE STONEHILL GROUP, INC.

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

THE STONEHILL GROUP, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Management of
The StoneHill Group, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of The StoneHill Group, Inc., which comprise the balance sheet as March 31, 2023, and the related statements of income, changes in stockholders' equity, and cash flows for the period 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 The StoneHill Group, Inc. as of March 31, 2023, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis 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 The StoneHill Group, Inc. 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 StoneHill Group, Inc.'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 The StoneHill Group, Inc.'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 StoneHill Group, Inc.'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.

Other Matters

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 7, 2023

THE STONEHILL GROUP, INC.
BALANCE SHEET
AS OF MARCH 31, 2023

ASSETS

Current assets:		
Cash and cash equivalents	$	306,391
Accounts receivable, net of allowance for doubtful accounts of $523,627		2,227,134
Prepaid expenses		56,737
Due from related parties, net		1,755,045
Other current assets		28,776
Total current assets		4,374,083
Fixed assets:		
Equipment and intangible assets, net		2,806,047
Right to use assets, net of accumulated amortization of $527,747		1,738,459
Total fixed assets		4,544,506
TOTAL ASSETS	**$**	**8,918,589**

LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:		
Accounts payable	$	174,901
Accrued expenses		1,195,906
Current portion of lease liability		345,158
Total current liabilities		1,715,965
Long-term liabilities:		
Long-term lease liability, net of current maturities		1,468,536
Total liabilities		3,184,501
Stockholder's equity:		
Additional paid-in capital		500
Retained earnings		5,733,588
Total stockholder's equity		5,734,088
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	**$**	**8,918,589**

The accompanying notes are an integral part of this financial statement.

THE STONEHILL GROUP, INC.
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2023

GROSS REVENUE	$ 14,381,266
EXPENSES	
Staff costs	9,286,825
Depreciation expense	1,456,592
Consultancy charges	214,416
Other operating expenses	4,621,116
TOTAL EXPENSES	15,578,949
NET LOSS FROM OPERATIONS	(1,197,683)
OTHER INCOME (EXPENSE)	
Interest Expense	(65,296)
NET LOSS	**$ (1,262,979)**

The accompanying notes are an integral part of this financial statement.

THE STONEHILL GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

	Additional paid-in capital	Retained Earnings	Total
Balance at beginning of year	$ 500	$ 6,996,567	$ 6,997,067
Net loss	-	(1,262,979)	(1,262,979)
BALANCE AT END OF YEAR	**$ 500**	**$ 5,733,588**	**$ 5,734,088**

The accompanying notes are an integral part of this financial statement.

THE STONEHILL GROUP, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (1,262,979)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	1,456,592
Changes in operating assets and liabilities:	
Decrease (increase) in assets:	
Accounts receivable	(280,102)
Prepaid expenses	14,893
Due from related parties, net	(2,063,070)
Other current assets	-
Increase (decrease) in liabilities:	
Accounts payable	151,386
Accrued expenses	(36,713)
NET CASH USED IN OPERATING ACTIVITIES	(2,019,993)
CASH FLOWS FROM FINANCING ACTIVITIES	
Reduction in lease liability	(323,275)
NET CASH USED IN FINANCING ACTIVITIES	(323,275)
NET DECREASE IN CASH	(2,343,268)
CASH AT BEGINNING OF YEAR	2,649,659
CASH AT END OF YEAR	**$ 306,391**
SUPPLEMENTAL INFORMATION	
Cash paid for interest	$ 65,296

The accompanying notes are an integral part of this financial statement.

THE STONEHILL GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Organization – The StoneHill Group, Inc (the Company) is a 100% subsidiary of Sourcepoint, Inc. Firstsource Group USA Inc. acquired 100% interest in the Sourcepoint, Inc. and the Company in November 2021. Firstsource Group USA Inc. is a wholly owned subsidiary of Firstsource Solutions Limited, a listed company in India. The Company is engaged in providing a wide range of business process outsourcing services to the mortgage lending industry. The Company's customer base consists primarily of mortgage banks and financial institutions situated primarily in the United States of America.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (USA GAAP).

Basis of Presentation – The accompanying financial statements represent the assets, liabilities, revenue and expenses of the subsidiary The StoneHill Group, Inc.

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

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

Trade Accounts Receivable - Trade accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts 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.

Equipment and Leasehold Improvements - Equipment is stated at cost, net of accumulated depreciation. Equipment under capital leases is 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:

- Computer equipment 2 - 4 years

Intangible Assets
Intangible assets consist of various customer contracts, which are amortized on a straight-line basis over their estimated useful lives, which range from 3 to 4 years. Amortization expense totaled $1,059,075 for the period ended March 31, 2023.

Revenue Recognition - The Company derives its revenues from business process outsourcing services. Revenue derived from professional services under the time-and-material contracts is recognized as the related services are performed. Revenue from title and related operations such as valuation, are primarily transactions based and is recognized when services are performed, the fee is fixed or determinable, and collection is reasonably assured.

The accompanying notes are an integral part of this financial statement.

Note 1 - Summary of Significant Accounting Policies, Continued

Revenue Recognition, Continued - 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.

Advertising and Marketing Costs **-** The Company expenses all advertising and marketing costs when incurred and these are included as part of operating expenses. Total advertising and marketing costs for the year ended March 31, 2023 was $57,194.

Leases - 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 period ended March 31, 2023.

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 consolidated financial statements. The Company's cash accounts are concentrated in a few financial institutions. Although cash accounts at times may 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.

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.

THE STONEHILL GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

Note 1 - Summary of Significant Accounting Policies, Continued

Contingent Liabilities - Liabilities for loss contingencies arising from claims, tax assessments, litigations, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with the same are expensed as incurred. No contingent liabilities have been recorded as of March 31, 2023.

Subsequent Events - The Company has evaluated subsequent events and transactions after March 31, 2023, and through June 7, 2023, which is the date the financial statements were available to be issued as required by USA GAAP.

Note 2 - Due from Related Parties, Net

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

Sourcepoint, Inc.	$ (204,421)
Sourcepoint Fulfillment Services, Inc	(45,345)
Firstsource Advantage LLC	(570)
MedAssist Holding, LLC	(119,826)
Firstsource Group USA Inc.	2,125,207
Net Due from Related Parties	**$ 1,755,045**

Note 3 - Equipment and Intangible Assets

Equipment and intangibles at March 31, 2023 is summarized as follows:

Computer equipment	$ 97,540
Customer contracts	4,236,298
	4,333,838
Accumulated depreciation on computer equipment	(30,579)
Accumulated amortization on customer contracts	(1,497,212)
Net Equipment and Intangibles	**$ 2,806,047**

Note 4 - Employee Retirement Plan

The Company sponsors an employee savings plan under Section 401(k) of the Internal Revenue Code that covers substantially all employees. Company matching contributions amounted to $58,746 for the period ended March 31, 2023.

Note 5 – Lease Commitments

The Company entered into a capital lease for occupying office space located in Sandy Springs, Georgia during November of 2021. The current lease expires in November of 2027. The base monthly rent is $32,085, with payments increasing each year at an incremental borrowing rate of 3.334%.

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

Year ended March 31,	
2024	$ 399,315
2025	410,346
2026	421,664
2027	433,271
2028	294,090
Total lease payments	1,958,685
Less: Imputed interest	144,991
	$ 1,813,694

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

Lease costs	
Operating lease cost	$ 388,572
Total lease costs	**$ 388,572**
Other information:	
Right to use asset recorded in conjunction with:	
Operating leases	$ 2,266,206
Total	**$ 2,266,206**
Weighted average remaining lease term under:	
Operating leases	4.7 years
Weighted average discount rate under:	
Operating leases	3.33%

SUPPLEMENTARY INFORMATION

THE STONEHILL GROUP, INC.
SCHEDULE OF OPERATING EXPENSES
PERIOD ENDED MARCH 31, 2023

Common costs	$	63,865
Rent		37,310
Insurance		10,125
Legal and professional fees		3,590,379
Rent, rates and taxes		7,028
Printing and stationery		30,563
Miscellaneous expenses		10,917
Repairs and maintenance		5,307
Software expenses		135,262
Travelling and conveyance		21,078
Bad debt expense		257,026
Recruitment and training expenses		7,666
Marketing and support services		57,194
Telephone		182,850
Car hire and other hire charges		13,625
Computer expenses		190,921
TOTAL OPERATING EXPENSES	**$**	**4,621,116**