VERTEX HOLDING GROUP

ANNUAL CONSOLIDATED FINANCIAL REPORT

Fiscal Years Ended October 31, 2025 and 2024

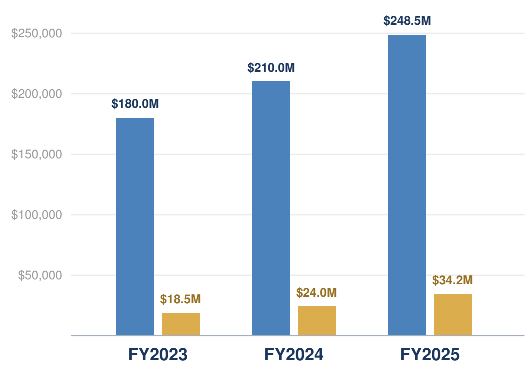
AUDITED FINANCIALS
FY2025 Consolidated
Confidential

Executive Summary

Vertex Holding Group LLC has delivered exceptional financial results for the fiscal year ended October 31, 2025. Total consolidated revenue reached **$248.5M**, representing an **18.3%** increase year-over-year. Net Income grew by **42.5%** to **$34.2M**, driven by strong software-as-a-service sales growth and optimized operating margins. The group maintains a robust balance sheet with total assets of **$234.0M** and cash reserves of **$42.5M**.

Consolidated Revenue	Consolidated Net Income	Operating Cash Flow
$248,500	**$34,200**	**$47,500**
+18.3% vs FY2024	+42.5% vs FY2024	+29.4% vs FY2024

Key Performance Metrics & Trend Analysis



Key Financial Trends

- **Revenue CAGR**: 17.4% growth from FY2023 to FY2025, driven by strong software and services adoption.
- **Profitability Expansion**: Net Income margin expanded from 10.3% in FY2023 to 13.8% in FY2025.
- **Operating Efficiency**: OPEX grew at 12.7% compared to 18.3% revenue growth, showing positive operating leverage.
- **Cash Conversion**: Outstanding cash flow conversion from Net Income to Operating Cash Flow of 139%.

Key Ratios

Ratio Description	FY2025	FY2024	Status
Gross Profit Margin	56.8%	55.2%	Expanded
Operating Margin (EBIT)	22.5%	19.3%	Expanded
Net Profit Margin	13.8%	11.4%	Expanded
Current Ratio	2.75x	2.71x	Strong
Debt-to-Equity Ratio	0.58x	0.56x	Healthy
Return on Equity (ROE)	28.5%	21.6%	Outstanding

Consolidated Statement of Operations (Income Statement)

Amounts in Thousands of USD, Except Share and Per-Share Data

Financial Line Item	Note	FY2025	FY2024	Change (%)
Revenue				
Product sales	2	$ 145,200	$ 120,400	20.6%
Service revenue	2	103,300	89,600	15.3%
Total revenue		**248,500**	**210,000**	**18.3%**
Cost of Goods Sold				
Cost of product sales	2	(62,100)	(53,800)	15.4%
Cost of services	2	(45,300)	(40,200)	12.7%
Total cost of goods sold		**(107,400)**	**(94,000)**	**14.3%**
Gross Profit		**141,100**	**116,000**	**21.6%**
Operating Expenses				
Research and development		(24,500)	(21,200)	15.6%
Sales, general, and administrative		(48,200)	(42,500)	13.4%
Depreciation and amortization	5	(12,400)	(11,800)	5.1%
Total operating expenses		**(85,100)**	**(75,500)**	**12.7%**
Operating Income (EBIT)		**56,000**	**40,500**	**38.3%**
Other Income / (Expense)				
Interest income		1,800	1,200	50.0%
Interest expense	6	(6,200)	(5,500)	12.7%
Other net gains / (losses)		(1,200)	(800)	50.0%
Total other expense, net		**(5,600)**	**(5,100)**	**9.8%**
Income Before Income Taxes		**50,400**	**35,400**	**42.4%**
Provision for income taxes	7	(16,200)	(11,400)	42.1%
Net Income		**34,200**	**24,000**	**42.5%**
Earnings Per Share				
Basic (USD)	8	$ 3.42	$ 2.40	42.5%
Diluted (USD)	8	3.38	2.37	42.6%

Consolidated Balance Sheets (Statement of Financial Position)

Amounts in Thousands of USD

Asset Category	Note	FY2025	FY2024	Change (%)
Current Assets				
Cash and cash equivalents		$ 42,500	$ 35,200	20.7%
Short-term investments		15,000	12,000	25.0%
Accounts receivable, net	3	28,400	24,500	15.9%
Inventories	4	18,200	16,100	13.0%
Prepaid expenses		4,500	3,800	18.4%
Total current assets		**108,600**	**91,600**	**18.6%**
Non-Current Assets				
Property, plant, and equipment, net	5	85,000	78,000	9.0%
Intangible assets, net		12,000	14,000	(14.3%)
Goodwill		25,000	25,000	0.0%
Deferred tax assets	7	3,400	2,800	21.4%
Total non-current assets		**125,400**	**119,800**	**4.7%**
Total Assets		**234,000**	**211,400**	**10.7%**

Liabilities & Shareholders' Equity	Note	FY2025	FY2024	Change (%)
Current Liabilities				
Accounts payable		$ 16,800	$ 14,200	18.3%
Accrued liabilities		9,500	8,100	17.3%
Short-term debt	6	5,000	4,000	25.0%
Deferred revenue		8,200	7,500	9.3%
Total current liabilities		**39,500**	**33,800**	**16.9%**
Non-Current Liabilities				
Long-term debt	6	65,000	58,000	12.1%
Deferred tax liabilities	7	5,200	4,800	8.3%
Other long-term liabilities		4,300	3,800	13.2%
Total non-current liabilities		**74,500**	**66,600**	**11.9%**
Total Liabilities		**114,000**	**100,400**	**13.5%**
Shareholders' Equity				
Common stock ($0.01 par value)	8	10,000	10,000	0.0%
Additional paid-in capital		45,000	45,000	0.0%
Retained earnings		62,600	54,200	15.5%
Accumulated other comprehensive income		2,400	1,800	33.3%
Total shareholders' equity		**120,000**	**111,000**	**8.1%**
Total Liabilities & Shareholders' Equity		**234,000**	**211,400**	**10.7%**

Consolidated Statement of Cash Flows

Amounts in Thousands of USD

Statement of Cash Flows	Note	FY2025	FY2024	Change (%)
Cash Flows from Operating Activities				
Net income		$ 34,200	$ 24,000	42.5%
Adjustments for:				
Depreciation and amortization	5	12,400	11,800	5.1%
Stock-based compensation expense		2,500	2,000	25.0%
Deferred income taxes	7	400	300	33.3%
Changes in operating assets and liabilities:				
Accounts receivable	3	(3,900)	(3,200)	21.9%
Inventories	4	(2,100)	(1,800)	16.7%
Prepaid expenses		(700)	(500)	40.0%
Accounts payable		2,600	2,200	18.2%
Accrued liabilities		1,400	1,100	27.3%
Deferred revenue		700	800	(12.5%)
Net cash provided by operating activities		**47,500**	**36,700**	**29.4%**
Cash Flows from Investing Activities				
Capital expenditures (PP&E purchase)	5	(19,400)	(16,500)	17.6%
Purchase of short-term investments		(3,000)	(2,500)	20.0%
Net cash used in investing activities		**(22,400)**	**(19,000)**	**17.9%**
Cash Flows from Financing Activities				
Proceeds from long-term debt issuance	6	7,000	5,000	40.0%
Proceeds from short-term debt issuance	6	1,000	500	100.0%
Dividends paid to shareholders		(25,800)	(17,400)	48.3%
Net cash used in financing activities		**(17,800)**	**(11,900)**	**49.6%**
Net Increase in Cash		**7,300**	**5,800**	**25.9%**
Cash at beginning of year		35,200	29,400	19.7%
Cash at end of year		**42,500**	**35,200**	**20.7%**

Selected Explanatory Notes

Note 1: Basis of Presentation
The consolidated financial statements of Vertex Holding Group LLC are prepared in accordance with US GAAP. All financial amounts are reported in thousands of U.S. Dollars ($000) except share and per-share details. Fictional entities are used for presentation purposes.

Note 2: Revenue Recognition & Cost of Goods Sold
Product revenue is recognized at the point of shipment. Service revenue is recognized over the contract term. Cost of Goods Sold includes direct materials, direct labor, and manufacturing overhead costs.

Note 3: Accounts Receivable, Net
Accounts receivable are stated net of an allowance for doubtful accounts of $1,250 in FY2025 and $1,100 in FY2024.

Note 4: Inventories
Inventories are valued at the lower of cost (first-in, first-out method) or net realizable value.

Note 5: Property, Plant, and Equipment (PP&E)
PP&E is depreciated over estimated useful lives ranging from 3 to 15 years using the straight-line method. Depreciation expense was $12,400 for FY2025 and $11,800 for FY2024.

Note 6: Debt Obligations & Interest Expense
Short-term and long-term debt consist of senior secured notes with interest rates ranging from 4.5% to 6.2%. Interest expense of $6,200 (FY2025) and $5,500 (FY2024) is recorded net of capitalized interest.

Note 7: Income Taxes
The effective tax rate was 32.1% (FY2025) and 32.2% (FY2024). Deferred tax assets/liabilities are recognized for temporary differences between tax and financial reporting.

Note 8: Earnings Per Share
Basic EPS is computed by dividing net income by the weighted-average number of common shares outstanding (10,000,000). Diluted EPS includes the impact of 120,000 dilutive share options.