# Renaissance Jewelry New York, Inc. and Subsidiaries

## Consolidated Financial Statements

## March 31, 2026

PragerMetis

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# Independent Auditor's Report

To the Board of Directors & Stockholders of
Renaissance Jewelry New York, Inc. and Subsidiaries

## Opinion

We have audited the accompanying consolidated financial statements of Renaissance Jewelry New York, Inc. and Subsidiaries (the "Company") which comprise the consolidated balance sheet as of March 31, 2026, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Renaissance Jewelry New York, Inc. and Subsidiaries as of March 31, 2026, and the results of their operations and their 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 Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Prager Metis CPAs, LLC

Prager Metis CPAs, LLC
New York, New York
May 19, 2026

| | |
|---|---|
| **Assets** | |
| Current assets | |
| Cash and cash equivalents | $ 2,752,102 |
| Accounts receivable, net | 12,363,648 |
| Accounts receivable, related parties | 29,647,298 |
| Inventory, net | 29,626,074 |
| Loan receivable | 10,000 |
| Prepaid expenses and other current assets | 344,778 |
| Total current assets | 74,743,900 |
| Property and equipment, net | 2,861,815 |
| Goodwill | 369,036 |
| Intangible assets, net | 32,500 |
| Deferred tax assets, net | 1,757,000 |
| Other assets | 911,670 |
| Operating lease right-of-use asset, net | 13,141,544 |
| **Total assets** | $ 93,817,465 |
| **Liabilities and stockholders' equity** | |
| **Liabilities** | |
| Current liabilities | |
| Short-term borrowings | $ 10,000,000 |
| Accounts payable, trade | 1,941,208 |
| Accounts payable, related parties | 3,188,762 |
| Accrued expenses and other payables | 1,964,937 |
| Customer refund liabilities | 932,045 |
| Operating lease liability, current portion | 864,074 |
| Total current liabilities | 18,891,026 |
| Operating lease liability, net of current portion | 13,359,710 |
| **Total liabilities** | 32,250,736 |
| **Stockholders' equity** | |
| Common stock – no par value, 1,000 shares authorized, 225 shares issued and outstanding | 37,755,823 |
| Additional paid-in-capital | 583,246 |
| Retained earnings | 23,227,660 |
| **Total stockholders' equity** | 61,566,729 |
| **Total liabilities and stockholders' equity** | $ 93,817,465 |

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

| | |
|---|---|
| **Net sales** | $ 130,312,174 |
| Cost of sales | 110,163,457 |
| **Gross profit** | 20,148,717 |
| Operating expenses | |
| Selling, general and administrative expenses | 15,363,040 |
| Depreciation and amortization expense | 640,944 |
| Total operating expenses | 16,003,984 |
| **Income from operations** | 4,144,733 |
| Interest expense, net | (1,225,935) |
| **Net income before provision for income taxes** | 2,918,798 |
| Provision for income taxes | (832,553) |
| **Net income** | $ 2,086,245 |

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

| | Common Stock | | Additional | Retained | Total Stockholders' |
|---|---|---|---|---|---|
| | Shares | Amount | Paid-in-Capital | Earnings | Equity |
| Balance at April 1, 2025 | 225 | $ 37,755,823 | $ 562,882 | $ 21,141,415 | $ 59,460,120 |
| Stock-based compensation | - | - | 20,364 | - | 20,364 |
| Net income | - | - | - | 2,086,245 | 2,086,245 |
| **Balance at March 31, 2026** | **225** | **$ 37,755,823** | **$ 583,246** | **$ 23,227,660** | **$ 61,566,729** |

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

| | |
|---|---|
| **Cash flows from operating activities** | |
| Net income | $ 2,086,245 |
| Adjustments to reconcile net income to net cash provided by operating activities | |
| Depreciation and amortization | 640,944 |
| Credit losses | 90,000 |
| Deferred taxes | (61,000) |
| Operating lease right-of-use asset amortization | 927,505 |
| Stock-based compensation expense | 20,364 |
| Changes in operating assets and liabilities | |
| Accounts receivable | 3,784,067 |
| Accounts receivable, related parties | (20,857,003) |
| Inventory | 22,308,302 |
| Loans receivable | 37,364 |
| Prepaid expenses and other current assets | 497,886 |
| Accounts payable, trade | 409,916 |
| Accounts payable, related parties | (3,231,104) |
| Accrued expenses and other payables | 198,028 |
| Customer refund liabilities | (1,332,573) |
| Operating lease liability | (802,132) |
| **Net cash provided by operating activities** | 4,716,809 |
| **Cash flows from financing activities** | |
| Repayments of loan payable, related party | (3,750,000) |
| Proceeds from short-term borrowings | 20,800,000 |
| Repayments of short-term borrowings | (23,800,000) |
| **Net cash used in financing activities** | (6,750,000) |
| **Net decrease in cash and cash equivalents** | (2,033,191) |
| Cash and cash equivalents, beginning of year | 4,785,293 |
| **Cash and cash equivalents, end of year** | $ 2,752,102 |
| **Supplemental disclosures of cash flow activities** | |
| Interest | $ 1,230,505 |
| Income taxes | $ 1,319,443 |

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

## Note 1 Nature of Operations

Renaissance Jewelry New York, Inc. ("Renaissance") is a minority owned subsidiary of Renaissance Global Limited, 44.44% of a company based in India, and a 55.56% majority owned subsidiary of Verigold Jewellery DMCC a company based in Dubai, United Arab Emirates. Renaissance was incorporated on April 23, 2007 under the laws of the State of New York. Jay Gems Inc. ("Jay Gems") is a wholly owned subsidiary of Renaissance that was incorporated on November 22, 2000 in New York. Essar Capital LLC ("Essar") is a wholly owned subsidiary of Jay Gems that was formed on March 13, 2014 in New York.

Renaissance Jewelry New York, Inc. and Subsidiaries (the "Company") is an importer and wholesaler of diamonds and jewelry whose customers are located primarily throughout the United States of America. Large retail chains comprise a significant portion of the Company's customer base. Management believes that credit risk resulting from concentrations is limited due to the large number of entities comprising this base and their dispersion across many different geographic regions.

On November 21, 2025, Essar subsidiary was dissolved. Remaining accounts were assigned and transferred to its parent.

## Note 2 Summary of Significant Accounting Policies

**Basis of Presentation**
The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Basis of Consolidation**
The accompanying consolidated financial statements represent the operations of Renaissance, Jay Gems, and Essar. All material intercompany transactions and balances have been eliminated in consolidation.

**Use of Estimates**
The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**
The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash and cash equivalents.

## Note 2 Summary of Significant Accounting Policies (continued)

### Accounts Receivable

Accounts receivable are stated at original amount less an allowance for credit losses. Estimated costs associated with trade discounts, advertising allowances, markdowns, and allowance for returns which constitute variable consideration are reflected as a reduction of sales and classified as current liabilities. The Company makes allowances against known chargebacks, as well as for an estimate of potential future deductions by customers. These allowances result from negotiations with the Company's customers, historic deduction trends, the evaluation of current market conditions and future economic conditions.

Effective January 1, 2025, the Company elected to early adopt the practical expedient provided by Accounting Standards Update ("ASU") 2025-05, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which is applicable for current accounts receivable and current contract assets arising from revenue transactions under Accounting Standards Codification ("ASC") 606. Under this expedient, the Company assumes that current conditions as of the balance sheet date do not change over the remaining life of the assets. Further, the Company made the accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses. For the year ended December 31, 2025, the Company considered actual cash collections received subsequent to year end and through April 30, 2026, to estimate the credit loss for accounts receivable.

At March 31, 2026 and 2025, management has determined that an allowance of approximately $651,000 and $561,000, respectively, for credit losses was required. Credit losses for the year ended March 31, 2026 amounted to $90,000.

### Inventory

Inventories, which consist primarily of finished goods, are stated at the lower of cost or net realizable value. Cost is determined in accordance with the FIFO (First-In, First-Out) method.

### Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, typically three to seven years for machinery and equipment, five to seven years for furniture and fixtures, five to seven years for model and display, and the shorter of the lease term or useful life for leasehold improvements. Expenditures for renewals and betterments that extend the useful lives of the property and equipment are capitalized. Repairs and maintenance expenditures, which do not extend the useful lives of the related assets, are expensed as incurred.

## Note 2 Summary of Significant Accounting Policies (continued)

**Goodwill**

Goodwill represents the excess of acquisition cost over the fair value of net assets acquired using the acquisition method of accounting as prescribed under the Financial Accounting Standards Board ("FASB") ASC 805, *Business Combinations*. In accordance with ASC 350, *Intangibles – Goodwill and Other,* the Company evaluates goodwill for possible impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

The Company follows FASB ASU No. 2021-03, *Accounting Alternative for Evaluating Triggering Events*. The amendments allow an entity to elect not to monitor for goodwill impairment triggering events during the reporting period and, instead, to evaluate the facts and circumstances as of the end of the reporting period to determine whether it is more likely than not that goodwill is impaired.

During the year ended March 31, 2026, due to current results and economic conditions, the Company determined there is no impairment.

**Intangible Assets**

Intangible assets consist of various assets which have finite useful lives and are carried at cost less accumulated amortization. Amortization is provided using the straight-line method over the estimated useful lives of the intangible assets ranging from 3 to 15 years.

**Long-Lived Assets**

The Company reviews the carrying values of its long-lived assets including finite-lived intangible assets, when events or changes in circumstances would indicate that it is more likely than not their carrying values may exceed their realizable values, and records impairment charges when considered necessary.

When circumstances indicate that impairment may have occurred, the Company tests such assets for recoverability by comparing the estimated undiscounted future cash flows expected to result from the use of such assets and their eventual disposition to their carrying amounts. In estimating these future cash flows, assets and liabilities are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows generated by other such groups. If the undiscounted future cash flows are less than the carrying amount of the asset, an impairment loss, measured as the excess of the carrying value of the asset over its estimated fair value, is recognized. Fair values are determined based on discounted cash flows, quoted market values or external appraiser as applicable. There was no impairment of the Company's long-lived assets for the year ended March 31, 2026.

## Note 2 Summary of Significant Accounting Policies (continued)

### Revenue Recognition

The Company follows the FASB ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized in accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the Company satisfies a performance obligation. Revenue is recognized when the contract is in place, obligations under the terms of the contract are satisfied and control is transferred to the customer. The Company considers control to have been transferred when the Company has transferred the physical possession of the product, the Company has a right to payment for the product, the customer has legal title to the product and the customer has significant risks and rewards of the product. Revenue is recognized for an amount that reflects the consideration to which the Company is entitled in exchange for the product. The Company records variable considerations as a reduction of revenue arising from implicit or explicit obligation in the period the related product revenue is recognized. Variable consideration includes trade discounts, markdowns, co-op advertising, sales returns and other customer allowances. Variable considerations are estimated based on historical experience, customer agreements and expectations, statutory requirements, current economic conditions and other factors that arise in the normal course of business.

The Company has elected to treat all shipping and handling activities as fulfillment costs and recognize the costs as shipping expenses at the time revenue is recognized. Shipping and handling costs billed to customers are included as a component of selling, general and administrative expenses on the consolidated statement of income.

### Stock-Based Compensation

The Company follows the FASB ASC Subtopic 718-10, *Compensation–Stock Compensation*. Stock-based compensation expense requires measurement of compensation cost for stock-based awards at fair value on the grant date and recognition of compensation cost on a straight-line basis over the requisite service and vesting period, net of estimated forfeitures, if any.

The grant date fair value of stock options is estimated using option-pricing models adjusted for the unique characteristics of those instruments (unless observable market prices for the same or similar instruments are available).

Stock-based compensation represents vested and non-vested stock options granted to employees and are included as a component of selling, general and administrative expenses in the consolidated statement of income. Forfeitures are recognized as they occur.

## Note 2 Summary of Significant Accounting Policies (continued)

**Advertising and Promotion Expenses**

Advertising and promotion costs, which are included as a component of selling, general and administrative expenses on the consolidated statement of income, are expensed as incurred. Advertising and promotion expense was $3,058,680 for the year ended March 31, 2026 and is included as a component of selling, general and administrative expenses on the consolidated statement of income. The Company also participates in the co-op advertising program with certain customers. For the year ended March 31, 2026, co-op advertising expense amounted to $2,824,957 and is included as a component of net sales on the consolidated statement of income.

**Income Taxes**

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is required if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are based on the current period taxable income for Federal, state and local income tax reporting purposes.

The Company follows guidance issued by the FASB ASC 740, *Accounting for Income Taxes*, regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The Company records income tax related interest and penalties as a component of the provision for income tax expense. As of March 31, 2026, the Company determined that there were no uncertain tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within 12 months of the reporting date.

**Leases**

The Company follows FASB ASU No. 2016-02, *Leases (Topic 842),* and subsequent amendments thereto, which requires the Company to recognize most leases on the consolidated balance sheet.

## Note 2 Summary of Significant Accounting Policies (continued)

The Company elected the available practical expedients to account for existing operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Company made an accounting policy election to exclude leases with an initial term of 12 months or less from the balance sheet date. The Company will recognize the lease payments on a straight-line basis over the lease term.

The Company elected to use the risk-free rate to discount the future lease payments for all equipment and small office space leases. The Company's primary office and showroom lease was discounted using the incremental borrowing rate which is defined as the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

## Note 3 Accounts Receivable, Net

Accounts receivable consist of the following at March 31, 2026 and April 1, 2025:

| | **March 31, 2026** | April 1, 2025 |
|---|---|---|
| Accounts receivable | **$ 13,015,102** | $ 16,799,169 |
| Accounts receivable, related parties | **29,647,298** | 8,790,295 |
| Allowance for credit losses | **(651,454)** | (561,454) |
| Accounts receivable, net | **$ 42,010,946** | $ 25,028,010 |

## Note 4 Property and Equipment, Net

Property and equipment consist of the following at March 31, 2026:

| | |
|---|---|
| Leasehold improvements | $ 2,821,855 |
| Computers and equipment | 1,030,898 |
| Furniture and fixtures | 1,102,336 |
| Other depreciable property | 64,458 |
| Total property and equipment | 5,019,547 |
| Less: accumulated depreciation and amortization | 2,157,732 |
| | $ 2,861,815 |

Depreciation and amortization expense related to property and equipment, net was $634,944 for the year ended March 31, 2026.

## Note 5 Intangible Assets

Intangible assets consist of the following at March 31, 2026:

| | |
|---|---|
| License agreement | $ 4,000,000 |
| Customer list | 2,000,000 |
| Non-compete covenants | 365,000 |
| Trademarks | 88,500 |
| | 6,453,500 |
| Less: accumulated amortization | (6,421,000) |
| | $ 32,500 |

Estimated amortization expense for the next five fiscal years and thereafter is as follows:

| Years Ending March 31, | |
|---|---|
| 2027 | $ 6,000 |
| 2028 | 6,000 |
| 2029 | 6,000 |
| 2030 | 6,000 |
| 2031 | 6,000 |
| Thereafter | 2,500 |
| | $ 32,500 |

Amortization expense related to intangible assets for the year ended March 31, 2026 was $6,000.

## Note 6 Credit Facility

The Company has a credit facility with a bank allowing for maximum borrowing of $25,000,000 to be utilized for working capital purposes. Borrowings under this facility are subject to a borrowing base limitation consisting of specified percentages of eligible accounts receivable and inventories. The credit facility has maximum advances against eligible inventory in the amount of $15,000,000 for the period July 1 to October 31 and $10,000,000 for the period from November 1 to February 28. Interest on these borrowings is calculated as a function of the bank's prime rate (7.00% at March 31, 2026). At March 31, 2026, the outstanding borrowings were $10,000,000 which are secured by substantially all assets of the Company, as well as various guarantees and subordinations. This credit facility agreement expires on January 31, 2027. The bank is also the loss payee on the jewelers' block policy held by the Company. The Company is required to maintain certain financial and restrictive covenants. As of March 31, 2026, the Company was in compliance with those covenants.

## Note 7 Stock Option Plan

Renaissance Global Limited ("RGL"), a minority owner of the Company, formulated an Employee Stock Option Scheme known as RGL Employee Stock Option Plan 2021 ("RGL ESOP 2021"), in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits Sweat Equity) Regulations, 2021.

The RGL ESOP 2021 was approved by the Board of Directors of RGL and its shareholders to formulate, administer and implement the stock option plan as of December 14, 2021.

In accordance with RGL ESOP 2021, 138,000 options were granted to employees of the Company on April 11, 2022. Per ASC 718, *Compensation–Stock Compensation*, the options granted to the Company's employees are recorded as stock-based compensation charge with an offsetting credit to additional paid-in capital on the Company's books.

Effective July 19, 2022, RGL declared a 5 to 1 stock split which impacted the RGL ESOP 2021 by increasing the number of options by a factor of 5 to 690,000 granted options and decreasing the weighted average exercise price on the grant date by a factor of 5. Post stock split, each option when exercised will be converted into 1 (one) equity share at a cost of 2 Rupees Rs. each, fully paid up, of RGL.

In September 2023, one of the employees of the Company retroactively provided his acceptance to the RGL ESOP 2021 for 40,000 options.

Options are exercisable only to the extent that they are vested. The exercise period cannot be more than 5 (five) years from the date of respective vesting of option. In addition, options shall vest only so long as the participant remains employed by or continues to provide services to RGL.

For the purposes of determining the non-cash compensation cost for the RGL stock option plan using the fair value method of ASC 718, the fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model. The weighted average assumptions used are included in the table below:

| | Options | Weighted Average Exercise Price | Expiration | Risk Free Interest Rate | Volatility | Dividend % | Fair Value Options on Grant Date | Aggregate Fair Value |
|---|---|---|---|---|---|---|---|---|
| **Balance outstanding April 1, 2025 – unvested** | **365,000** | **$ 1.33** | **4 years** | **4.85%** | **37.86%** | **0%** | **$ 0.92** | **$ 334,139** |
| **Grants vested during the period** | **(182,500)** | **-** | | | | | **0.84** | **(153,881)** |
| **Balance outstanding as of March 31, 2026 – unvested** | **182,500** | **1.33** | **3 years** | | | | **0.99** | **$ 180,258** |
| **Vested at March 31, 2026** | **547,500** | | | | | | | |
| **Exercisable at March 31, 2026** | **547,500** | | | | | | | |

**Note 7 Stock Option Plan (continued)**

The fair value of options on grant date is based on the weighted average for vesting periods of one through four years. Amortization of this compensation charge, which is included as a component of selling, general and administrative expenses on the consolidated statement of income for the year ended March 31, 2026 was $20,363. The future compensation to be recognized for the aforementioned options over the remaining weighted average service period of 11 days is $1,038.

**Note 8 401(k) Plan**

The Company has established a 401(k) savings plan ("the Plan") which covers substantially all employees that meet certain requirements. At the discretion of the Company, the Plan provides for an employer contribution election which is discretionary and is based on eligible amounts contributed to the Plan by its participants. There were no discretionary contributions for the year ended March 31, 2026.

**Note 9 Operating Leases**

The Company is obligated under a non-cancellable operating lease for office space and facilities.

For the year ended March 31, 2026, lease expense amounted to $1,440,752, which is included as a component of selling, general and administrative expenses on the consolidated statement of income and is comprised of $927,505 for amortization of the operating right-of-use asset and $513,247 of interest accretion on the lease liability.

Future minimum rental payments as of March 31, 2026 are as follows:

| Year Ending March 31, | |
|---|---|
| 2027 | $ 1,348,262 |
| 2028 | 1,381,969 |
| 2029 | 1,416,518 |
| 2030 | 1,451,931 |
| 2031 | 1,488,229 |
| Thereafter | 10,323,846 |
| | $ 17,410,755 |

## Note 9 Operating Leases (continued)

The components of future minimum rental payments are as follows:

| | |
|---|---|
| Total | $ 17,410,755 |
| Operating lease liability imputed interest | (3,186,971) |
| Operating lease liability | 14,223,784 |
| Less: current maturity on lease liability | 864,074 |
| Total long-term lease liability | $ 13,359,710 |

As of March 31, 2026, the Company's weighted average discount rate was 3.5% and the weighted average remaining lease term was 11 years.

## Note 10 Concentrations of Credit Risk

The Company has various accounts at one bank. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) which, at times, may exceed federally insured limits. The Company has not experienced any such losses on such accounts and does not believe there is any significant credit risk to its cash and cash equivalents.

Credit sales are made to customers in the normal course of business. Collection of these accounts receivable is dependent on the ability of these customers to generate cash flow to meet their obligations. The Company mitigates the associated credit risk by performing credit checks, monitoring and actively pursuing past due accounts.

## Note 11 Related Party Transactions

As of March 31, 2026, the Company had outstanding accounts receivable of $29,647,298 from various affiliates which are disclosed as accounts receivable, related parties.

In November 2022, Renaissance entered into an inter-corporate loan agreement with Verigold Jewellery DMCC, the Company's majority stockholder, for $2,000,000. The loan bears 7% interest with a maturity date of May 17, 2026. In February 2023, Renaissance entered into a second inter-corporate loan agreement with Verigold Jewellery DMCC, the Company's majority stockholder, for $1,750,000. The loan bears 7% interest with a maturity date of February 13, 2026. The outstanding balances of these two inter-corporate loans were fully paid off as of December 31, 2025.

For the year ended March 31, 2026, the interest expense on these inter-corporate loans amounted to $87,021. The outstanding balances of interest payable on these inter-corporate amounted to $673,856 as of March 31, 2026.

## Note 11 Related Party Transactions (continued)

As of March 31, 2026, the Company had accounts payable of $3,188,762 to various affiliates which are disclosed as accounts payable, related parties.

For the year ended March 31, 2026, the Company had sales to various affiliates of $39,014,742, which make up approximately 30% of the total Company sales.

For the year ended March 31, 2026, the Company had net purchases from various affiliates of $34,262,471 which make up approximately 42% of the total Company purchases.

For the year ended March 31, 2026, the Company had reimbursement of expenses of $2,695,544 from various affiliates of the Company.

For the year ended March 31, 2026, the Company had advanced payment received of $1,000,000 from a related party which is included as a component of accrued expenses and other payables.

## Note 12 Income Taxes

The components of provision for income taxes for the year ended March 31, 2026 are as follows:

| | | |
|---|---|---|
| Current income tax expense | | |
| Federal | $ | 648,205 |
| State and Local | | 245,348 |
| | | 893,553 |
| Deferred income tax benefit | | |
| Federal | | (55,000) |
| State and Local | | (6,000) |
| | | (61,000) |
| Total provision for income taxes | $ | 832,553 |

**Note 12 Income Taxes (continued)**

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The tax effects of temporary differences that give rise to significant portions of the net deferred tax assets are presented below:

| | |
|---|---|
| Deferred tax assets | |
| Allowance for credit losses | $ 148,010 |
| Allowance for returns | 22,720 |
| Operating lease amortization | 245,885 |
| Amortization | 969,033 |
| Unpaid interest | 381,976 |
| Inventory costs | 85,424 |
| Total deferred tax assets | 1,853,048 |
| | |
| Deferred tax liabilities | |
| Depreciation | (96,048) |
| Total deferred tax liabilities | (96,048) |
| | |
| Net deferred tax assets | $ 1,757,000 |

The expected income tax rate for the year ended March 31, 2026 was 22.7%. The Company does not currently anticipate any significant increase or decrease of the total amount of unrecognized or uncertain tax benefits within the next twelve months. None of the Company's Federal or state income tax returns are currently under examination by the Internal Revenue Service or state authorities.

**Note 13 Major Customers and Vendors**

For the year ended March 31, 2026, sales to four customers, one of which is also a related party, represented approximately 48% of total sales. These customers also represented 77% of accounts receivable at March 31, 2026.

For the year ended March 31, 2026, the Company made purchases from five vendors, three of which are also related parties, which represented approximately 92% of net purchases. These vendors also represented 69% of accounts payable at March 31, 2026.

The majority of the Company's purchases is from foreign vendors in India. The Company imports its inventory from India and may be subject to certain business-related risks due to the impact of additional tariffs imposed by the United States government on India.

**Note 14 Subsequent Events**

Subsequent events have been evaluated through May 19, 2026, which is the date the consolidated financial statements were available to be issued.