PRATHAM INTERNATIONAL, INC.
Consolidated Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Report

withum
ADVISORY TAX AUDIT

Pratham International, Inc.
Table of Contents
December 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pratham International, Inc.:

Opinion

We have audited the consolidated financial statements of Pratham International, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pratham International, Inc. as of December 31, 2024 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Pratham International, 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.

Prior Period Financial Statements

The financial statements of Pratham International, Inc. as of December 31, 2023 and for the period from inception (September 12, 2022) through December 31, 2023 were audited by Pannell Kerr Forster of Texas, P.C., who joined with WithumSmith+Brown, PC on June 1, 2025, and whose report dated October 8, 2024 expressed an unmodified opinion on those statements.

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 U.S. GAAP, 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 Pratham International, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

withum

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 GAAS 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 GAAS, 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 Pratham International, 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pratham International, 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.

WithumSmith+Brown, PC

November 6, 2025

Pratham International, Inc.
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 1,004,869	$ 2,620,443
Investments at fair value	1,563,180	-
Accounts receivable and other receivables	24,172	31,000
Grant receivables	226,848	-
Prepaid expenses and other current assets	61,224	55,038
Total current assets	2,880,293	2,706,481
Intangible assets, net	58,120	48,284
Other assets	11,932	5,713
Total assets	$ 2,950,345	$ 2,760,478
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 62,176	$ 80,169
Current tax liability	31,075	13,393
Total current liabilities	93,251	93,562
Long-term deferred compensation	9,810	-
Total liabilities	103,061	93,562
Commitments and contingencies		
Net assets		
Without donor restrictions	2,376,745	2,541,880
With donor restrictions	470,539	125,036
Total net assets	2,847,284	2,666,916
Total liabilities and net assets	$ 2,950,345	$ 2,760,478

The Notes to Consolidated Financial Statements are an integral part of these statements.

Pratham International, Inc.
Consolidated Statements of Activities
Year Ended December 31, 2024 and Period from Inception (September 12, 2022) through December 31, 2023

	2024	2023
Changes in net assets without donor restrictions		
Revenues and other support		
Contributions	$ 689,397	3,081,376
Gifts in-kind	-	7,360
Grant revenue	226,848	-
Service revenue	325,812	92,151
Investment income	65,470	150
Total revenues and other support	1,307,527	3,181,037
Net assets released from restrictions		
Expiration of time and program restrictions	474,138	230,721
Total revenue without donor restrictions	1,781,665	3,411,758
Expenses		
Program support expenses	1,390,346	697,661
General and administrative expenses	490,712	172,217
Fundraising	65,742	-
Total expenses	1,946,800	869,878
Change in net assets without donor restrictions	(165,135)	2,541,880
Changes in net assets with donor restrictions		
Contributions	819,641	355,757
Net assets released from restrictions	(474,138)	(230,721)
Change in net assets with donor restrictions	345,503	125,036
Change in net assets	180,368	2,666,916
Net assets		
Net assets, beginning of year	2,666,916	-
Net assets, end of year	$ 2,847,284	$ 2,666,916

The Notes to Consolidated Financial Statements are an integral part of these statements.

Pratham International, Inc.
Consolidated Statements of Cash Flows
Year Ended December 31, 2024 and Period from Inception (September 12, 2022) through December 31, 2023

	2024	2023
Operating activities		
Increase in net assets	$ 180,368	$ 2,666,916
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Realized and unrealized gains on securities	(63,180)	-
Changes in operating assets and liabilities		
Accounts receivable	6,828	(31,000)
Grant receivable	(226,848)	-
Prepaid expenses	(6,957)	(55,038)
Other assets	(6,242)	(5,713)
Current tax liability	17,683	13,393
Payables and accrued expenses	(2,921)	80,169
Net cash provided by (used in) operating activities	(101,269)	2,668,727
Investing activities		
Purchase of trademarks	(9,836)	(48,284)
Purchase of Investment securities	(1,500,000)	-
Net cash used in investing activities	(1,509,836)	(48,284)
Net change in cash and cash equivalents	(1,611,105)	2,620,443
Effect of exchange rate on cash and cash equivalents	(4,469)	-
Cash and cash equivalents		
Beginning of year	2,620,443	-
End of year	$ 1,004,869	$ 2,620,443
Supplemental cash flow information		
Cash paid for taxes	$ 22,240	$ -

The Notes to Consolidated Financial Statements are an integral part of these statements.

Pratham International, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Support					Supporting Services		
	Digital	Education	Skills Training	Other	Total Program Support	General and Administrative	Fundraising	Total Expenditures
Salaries	$ 159,904	$ 496,289	$ 49,744	$ 11,583	$ 717,520	$ 238,095	$ 32,904	$ 988,519
Professional fees and contract services	176,584	71,054	74,082	43,511	365,231	135,196	32,838	533,265
Insurance	2,789	6,558	237	415	9,999	3,972	-	13,971
Office expenses	868	6,964	547	2,106	10,485	21,936	-	32,421
Bank charges	-	-	-	-	-	2,331	-	2,331
Travel and meetings	5,602	202,557	56,957	3,738	268,854	34,148	-	303,002
Income Tax	-	-	-	-	-	39,922	-	39,922
Depreciation	1,538	617	57	157	2,369	927	-	3,296
Miscellaneous	105	11,842	-	3,941	15,888	14,185	-	30,073
Total expenses	$ 347,390	$ 795,881	$ 181,624	$ 65,451	$ 1,390,346	$ 490,712	$ 65,742	$ 1,946,800

The Notes to Consolidated Financial Statements are an integral part of these statements.

Pratham International, Inc.
Consolidated Statement of Functional Expenses
Period from Inception (September 12, 2022) through December 31, 2023

	Program Support					Supporting Services		
	Digital	Education	Skills Training	Other	Total Program Support	General and Administrative	Fundraising	Total Expenditures
Salaries	$ -	$ 228,872	$ -	$ -	$ 228,872	$ 43,117	$ -	$ 271,989
Professional fees and contract services	129,667	143,588	165	-	273,420	87,103	-	360,523
Insurance	-	496	-	-	496	206	-	702
Office expenses	4,058	3,609	299	-	7,966	5,613	-	13,579
Bank charges	-	-	-	-	-	2,717	-	2,717
Travel and meetings	7,169	154,039	18,167	-	179,375	6,305	-	185,680
Income Tax	-	-	-	-	-	14,931	-	14,931
Supplies	-	7,360	-	-	7,360	-	-	7,360
Miscellaneous	-	172	-	-	172	12,225	-	12,397
Total expenses	$ 140,894	$ 538,136	$ 18,631	$ -	$ 697,661	$ 172,217	$ -	$ 869,878

The Notes to Consolidated Financial Statements are an integral part of these statements.

1. ORGANIZATION

Nature of Operations

Pratham International, Inc. (the "Organization") was formed on September 12, 2022 ("Inception") to carry out programmatic work by supporting local communities, non-governmental organizations, and governments to adapt and implement solutions collaboratively in diverse contexts worldwide. The Organization facilitates the adaptation and dissemination of proven, scalable solutions, such as the evidence-based Teaching at the Right Level (TaRL) approach, through customized programming and technical assistance suited to local contexts. It also develops educational technology tools and solutions for low-resource settings, focusing on assessment, learner support, and digital content management. Additionally, the Organization partners with local institutions and governments to empower youth through skill-building initiatives.

The Organization receives monetary contributions from corporations, foundations and individual donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and includes the accounts of Pratham International, Inc. and its subsidiary, PUSA Learning Solutions Pvt. Ltd. ("PULS"), of which Pratham International, Inc. holds a 99.7% interest. PULS is a for-profit entity incorporated in India. All significant intercompany balances and transactions have been eliminated in the consolidation.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC"), net assets, revenues, expenses, gains and losses are classified on the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions: net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions: net assets subject to donor-imposed stipulations that specify a use for a contributed asset. When a purpose restriction or a time restriction ends, net assets with donor restrictions are released to net assets without donor restrictions and reported in the consolidated statement of activities.

Income Tax Status

Pratham International, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It recognizes the impact of an uncertain tax position only if that position is more likely than not of being sustained upon examination by the taxing authority based on the technical merits.

The Organization accounts for interest and penalties relating to uncertain tax positions in the current period consolidated statement of activities, if necessary. PULS provides for income taxes using the asset and liability method as required by ASC Topic 740, *Income Taxes*.

The provision for income taxes is computed based upon the reported amount of income before income taxes in accordance with the asset and liability method, whereby deferred income taxes are recorded to reflect the tax consequences on future years of differences between the financial reporting and tax basis of assets and liabilities measured using the enacted tax laws and rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided, if necessary, to reduce deferred tax assets to their estimated net realizable value.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible into cash and have an original maturity of three months or less on the date of acquisition.

Investments
Investments in marketable securities with readily determinable fair values are reported at fair value in the statements of financial position. Investment income or loss is included in the change in net assets in the statements of activities. See Note 4 for discussion of fair value measurements.

Accounts and Grants Receivable
Accounts receivable consists of trade receivables for services performed and is stated at amounts billed to customers. The Organization closely monitors outstanding accounts receivable and assesses an allowance for credit losses based on the collectability of customer accounts. Grants receivable that are expected to be collected within one year are recorded at their net realizable value. Grants receivable that are expected to be collected after one year are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the grant is received. Amortization of the discount is included as contribution revenue. All grants receivable are due within one year at December 31, 2024 and 2023.

The Organization regularly reviews the allowance for credit losses by considering factors such as historical experience, credit quality, age of the accounts receivable balances, industry and other economic factors that may affect a customer's ability to pay. As of December 31, 2024 and 2023, management determined its balances to be collectible, therefore no allowance for credit loss was required.

Foreign Currency
The financial statements of PULS are measured using the local currency of the subsidiary as the functional currency. Accordingly, assets and liabilities of the subsidiary are translated at current rates of exchange at the balance sheet date. Income and expenses are translated at the weighted average exchange rates throughout the year. Translation adjustments are charged or credited to other comprehensive income (loss) and are recorded net of taxes. Foreign currency transaction gains and losses are included in other general and administrative expenses within the consolidated statement of activities.

Intangible Assets, Net
Intangible assets consist of trademarks and are subject to amortization. Intangible assets are recorded at their original purchase price and are amortized using the straight-line method over their estimated useful lives of 7 to 10 years.

Impairment of Long-Lived Assets
The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to estimated undiscounted future cash flows expected to be generated by the asset.

If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. At December 31, 2024 and 2023, management determined no impairment was necessary.

Revenue and Revenue Recognition
Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor for future periods or a specific purpose are reported as increases in net assets with donor restrictions depending upon the nature of the restriction. When a restriction expires or is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor restricted contributions in which the restrictions are met in the same year as received are recorded as unrestricted contributions in the accompanying consolidated statement of activities.

Conditional contributions are those with a measurable performance or other barrier and a right of return and are not included as support until the conditions on which they depend have been met. The Organization's agreements are considered conditional contributions at the time they are signed. Grant revenues are recognized and included in the financial statements once allowable costs are incurred or service period has ended. At December 31, 2024 and 2023, the Organization had conditional promises to give of $841,052 and $0, respectively, which primarily relate to unutilized grants.

Service revenue is derived from service agreements with educational programs to provide management and support services. Revenue is recognized in the amount of consideration that the Organization expects to be entitled to receive when performance obligations are satisfied either at a point in time or over time depending on the nature of the services provided, which is generally one year or less. Revenue is recognized using the input method as performance obligations are met. Amounts are billed as work progresses in accordance with agreed-upon terms. Amounts billed that represent the Organization's right to consideration are reported as accounts receivable. At December 31, 2024 and 2023 the Organization had approximately $22,346 and $31,000, respectively, in accounts receivable related to service agreements.

Functional Expenses

The costs of providing various programs and other activities for the year ended December 31, 2024 and for the period from Inception through December 31, 2023 have been summarized on a functional basis in the consolidated statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services on the basis of estimated time expended or usage by function. Salaries, professional fees and contract services are allocated based on the estimated time expended by function.

Donated Services

Donated assets and services are recorded as donations at their fair values at the date of donation and reported as expense when utilized. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability. Individuals contribute services or materials to assist in the furtherance of the Organization's mission and objectives. The fair value of donated services are recorded in the consolidated financial statements only if the services either create or enhance a non-financial asset or requires specialized skills, are provided by entities or persons possessing those skills, and would be purchased if they were not donated. Volunteer services have not been recorded in the consolidated financial statements as they do not meet the requirements to record. The Organization did not monetize any contributed nonfinancial assets.

For the year ended December 31, 2024, the Organization received no donated nonfinancial assets. Donated nonfinancial assets for the period from Inception through December 31, 2023 consisted of laptops with a fair value of approximately $7,000.

Financial Instruments, Credit Risk and Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash and cash equivalents, investments, grants receivable and accounts receivable. Cash and cash equivalents are deposited in demand accounts with federally insured institutions to minimize risk. From time to time, the balances in these accounts may exceed the federally insured limits. The Organization has not incurred losses related to these deposits. The investments in marketable securities are exposed to various risks such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position. Grants receivables consist of contributions receivable from individuals, private foundations, and corporations across the United States. Accounts receivables consist of service revenue receivable from customers. Although the Organization is directly affected by the financial stability of its donors and customers, management does not believe significant credit risk exists at December 31, 2024 and 2023.

During 2024, two donors accounted for approximately 78% of the Organization's revenues. During 2023, one donor accounted for approximately 97% of the Organization's revenues.

Use of Estimates
The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Management believes its estimates are reasonable.

Recent Accounting Pronouncements
In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The new standard, which is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, provides a simplified approach for measuring expected credit losses on current accounts receivable accounted for under Topic 606. The Organization has early adopted ASU 2025-05 prospectively as of January 1, 2024.

In accordance with ASU 2025-05, the Organization elected the practical expedient for estimating expected credit losses on current accounts receivable arising from revenue transactions under Topic 606. This expedient allows for the assumption that conditions at December 31, 2024 will remain consistent throughout the assets' lives. The Company also elected the accounting policy to consider cash collection activity after December 31, 2024 when estimating expected credit losses. Subsequent cash collections were evaluated through the date the financial statements were available to be issued resulting in no allowance for credit losses on the collected portion of receivables as of December 31, 2024. Remaining receivables were assessed using historical loss rates and known customer information noting no allowance for credit loss was necessary as of December 31, 2024.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2024 and 2023 consist of the following:

	2024	2023
Purpose restrictions		
Digital	$ 373,792	$ 95,136
Skills training	5,417	29,900
Education	91,330	-
Total net assets with donor restrictions	$ 470,539	$ 125,036

During the years ended December 31, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the passage of time in the amounts of $474,138 and $230,721, respectively. Releases from donor restrictions by program for the year ended December 31, 2024 and the period from Inception to December 31, 2023 consist of the following:

	2024	2023
Purpose restrictions		
Digital	$ 256,329	$ 198,785
Skills training	133,239	31,936
Education	59,570	-
Other programs	25,000	-
Total net assets with donor restrictions	$ 474,138	$ 230,721

4. FAIR VALUE MEASUREMENTS

The Organization uses a three-level hierarchy for determination of the fair value. This hierarchy is based on the transparency of inputs to the valuation process as follows:

Level 1 - Observable inputs such as quoted prices in active markets at the measurement date for identical assets or liabilities.

Level 2 - Other inputs that are observable directly or indirectly such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

Cash and cash equivalents: Valued daily at the net asset value of shares or units held by the Organization based on the quoted market value of the underlying assets.

U.S. Treasury Bills: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities.

The methods described above may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation methods are considered appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value of financial assets measured on a recurring basis are as follows as of December 31, 2024:

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments				
Cash and cash equivalents	$ 578,512	$ -	$ -	$ 578,512
U.S. Treasury bills	-	984,668	-	984,668
Total investments	$ 578,512	$ 984,668	$ -	$ 1,563,180

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization receives contributions which are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. In addition, the Organization receives support without donor restrictions. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 75 - 90 days operating expense.

The Organization's financial assets available for general expenditure within one year at December 31, 2024 and 2023, is as follows:

	2024	2023
Cash and cash equivalents	$ 1,004,869	$ 2,620,443
Investments at fair value	1,563,180	-
Accounts receivable and other receivables	24,172	31,000
Less: Donor-imposed restrictions	(470,539)	(125,036)
Financial assets available to meet general expenditures within one year	$ 2,121,682	$ 2,526,407

6. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024 and the period from Inception through December 31, 2023, the Organization received 66% and 100%, respectively, of its contributions from a network organization.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 6, 2025, which is the date the consolidated financial statements were available to for issuance. Management has determined that there are no subsequent events to be reported.