UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____________ to _____________

Commission File Number: 001-42546

FATPIPE, INC.
(Exact name of registrant as specified in its charter)

Utah	**27-1113325**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

392 East Winchester Street, Fifth Floor
Salt Lake City, Utah 84107
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(801) 281-3434**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value Per Share	FATN	The NASDAQ Stock Market LLC (The NASDAQ Capital Market)

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☐ **No** ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **Yes** ☐ **No** ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes ☐ No ☒**

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of September 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $41.8 million, based on the closing price of the registrant's common stock as reported on The Nasdaq Capital Market on such date.

As of May 18, 2026, there were 14,024,468 shares of the Company's common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. Forward-looking statements give our current expectations or forecasts of future events and can be identified by the fact that they do not relate strictly to historical or current facts. In particular, these include statements relating to future actions, prospective products, market acceptance, future performance or results of current and anticipated products, sales efforts, expenses, and the outcome of contingencies such as legal proceedings and financial results. Forward-looking statements involve risks and uncertainties and include statements regarding, among other things, our projected revenue growth and profitability, our growth strategies and opportunity, anticipated trends in our market and our anticipated needs for working capital. They are generally identifiable by use of the words “may,” “will,” “should,” “anticipate,” “estimate,” “plans,” “potential,” “continuing,” “ongoing,” “expects,” “management believes,” “we believe,” “we intend” or the negative of these words or other variations on these words or comparable terminology.

Examples of forward-looking statements in this Annual Report include, but are not limited to, our expectations regarding our business strategy, business prospects, operating results, operating expenses, working capital, liquidity and capital expenditure requirements. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our offerings, the cost, terms and availability of components, pricing levels, the timing and cost of capital expenditures, competitive conditions and general economic conditions. You should not rely on forward-looking statements as predictions of future events. These statements are based on our management’s expectations, beliefs and assumptions concerning future events affecting us, which are based on currently available information. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations and assumptions may prove to be incorrect.

Important factors that could cause actual results to differ materially from the results and events anticipated or implied by such forward-looking statements include, but are not limited to:

- changes in the market acceptance of our software solutions and offerings;
- our ability to successfully execute our growth strategy and enter into new markets;
- our ability to expand in existing and new markets;
- increased levels of competition;
- our relationships with our key customers and channel partners;
- changes in customer preferences and the level of acceptance of our software solutions and services;
- our ability to retain and attract senior management and other key employees;
- our ability to quickly and effectively respond to new technological developments;
- our ability to protect our trade secrets or other proprietary rights, operate without infringing upon the proprietary rights of others, and prevent others from infringing on our proprietary rights; and
- other risks, including those described in the “Risk Factors” section of this Annual Report.

We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all of those risks, nor can we assess the impact of all of those risks on our business or the extent to which any factor may cause actual results to differ materially from those contained in any forward-looking statement. The forward-looking statements in this Annual Report are based on assumptions management believes are reasonable. However, due to the uncertainties associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to publicly update any of them in light of new information, future events, or otherwise.

PART I

ITEM 1. BUSINESS

Overview

FatPipe is a leading developer of enterprise-class, application-aware, secure SD-WAN solutions and integrated single-stack cybersecurity solutions for organizations, including enterprises, communication service providers, security service providers, government organizations, and other middle-market companies.

We strive to be the global leader in delivering leading-edge enterprise-class networking software technology. We are dedicated to continually improving the way organizations connect, ensuring their networks are secure, reliable, and supporting their continued success. Our commitment lies in empowering our customers with a seamless and dependable connectivity infrastructure that safeguards their critical data and fosters business continuity. We further aim to ensure our customers have unparalleled insights into their network operations.

We focus on enabling organizations to connect, secure, and monitor their networks through a unified software platform. Our solutions are designed to operate across cloud, hybrid cloud, and on-premise environments, supporting distributed applications, users, and infrastructure. By integrating networking, cybersecurity, and monitoring capabilities within a single software stack, we aim to reduce the complexity associated with deploying and managing multiple point solutions, while providing consistent policy enforcement, centralized visibility, and coordinated network and security operations.

To deliver on this vision, we hold over a dozen software and technology patents, which we leverage through an integrated suite of software solutions to offer our customers a reliable and secure platform to support mission-critical applications running on cloud, hybrid cloud and on-premise networks. Our core offerings include SD-WAN, SASE, single stack cybersecurity (“Cybersecurity”), and network monitoring service (“NMS”) software solutions, each of which is typically offered to our customers as a subscription service.

Our SD-WAN / SASE platform includes integrated traffic management and routing capabilities that address a broad set of network management needs to manage multi-line network traffic and routing. When customers have multiple data lines, and one of the lines fails, FatPipe automatically and dynamically transfers network traffic from one data line to another (failover) without disconnecting the application session. When all lines are functional, FatPipe is able to improve data traffic speed and optimize bandwidth.

Our cybersecurity platform is designed as an integrated component of our software stack and includes a range of security capabilities intended to protect network traffic, users, and applications across distributed environments. These capabilities include firewall functionality, intrusion detection and prevention, secure web gateway controls, content filtering, encrypted connectivity, secure virtual private network (“VPN”) access, and application-aware policy enforcement. Our platform is also designed to support advanced threat protection techniques, including traffic inspection, anomaly detection, and controls intended to mitigate unauthorized access and data exfiltration. These security capabilities are designed to operate consistently across WAN links, cloud environments, and network endpoints, providing coordinated protection across both edge and core network infrastructure.

In addition to our software capabilities, we provide cybersecurity testing and protection services designed to support customer security operations. These services include web application penetration testing, internal network and server penetration testing, vulnerability and port scanning of internet-facing assets, and managed web application firewall (“WAF”) services. These services are intended to complement our software platform by enabling customers to assess, validate, and enhance their security posture.

Our network monitoring capabilities provide visibility into network performance, device health, and traffic behaviour, enabling customers to monitor and manage their environments through centralized reporting and analytics. By integrating monitoring functionality within the same platform as networking and security, we aim to provide customers with a unified operational view of their network and security environments.

We service customers in geographies around the world, with our largest customer populations located in the United States and India. We plan to continue expanding our presence throughout North America and parts of Southeast Asia. Further, FatPipe is in discussions with potential partners to offer geography specific software license bundles to address these market needs. Customers in different geographies require different licenses and network servers specific to their needs and prices. We plan to expand its presence in Mexico and Asia markets with products and services bundles to address geography specific markets.

Industry

SD-WAN is a network architecture that allows enterprises to utilize software and virtualization technologies to enhance the performance, security, and manageability of their WANs that connect offices, data centers, cloud applications, and cloud storage. This innovative architecture has emerged as a force in the world of networking and connectivity, revolutionizing the way organizations manage and optimize their WANs. SD-WAN technology enables organizations to leverage multiple types of connection, such as broadband, multiprotocol label switching, and LTE, to create a unified and intelligent network that can be centrally managed and orchestrated. This flexibility not only improves network efficiency but also reduces costs associated with expensive dedicated circuits, and the technology represents a seismic shift from traditional static network architectures to dynamic, agile, and cloud-centric solutions. SD-WAN applications have gained tremendous momentum in recent years due to its ability to address many evolving needs of modern businesses.

SASE technology enhances network security by enabling centralized policy enforcement and encryption. It allows for granular control over traffic, ensuring that sensitive data is transmitted securely across the network. This is particularly significant in today's cyber-threat landscape, where data breaches and network vulnerabilities are constant concerns for businesses of all sizes, and trends such as remote work and distributed organizations have only served to exacerbate potential susceptibility.

NMS allows for the systematic monitoring and management of computer networks. Generally consisting of an integrated set of tools, NMS solutions provide network administrators with the ability to remotely detect and address network issues or anomalies before they affect network performance, integrity, or end-user experience. Many NMS solutions combine multiple data collection methods to offer comprehensive insights into a range of network performance metrics, allowing administrators to continuously and remotely optimize network configurations, troubleshoot problems, manage capacity, identify suspicious network activity and generate analytics for further assessment.

Cybersecurity solutions are designed to protect networks, applications, and data from unauthorized access, disruption, or attack. These solutions may include a range of capabilities such as firewalling, intrusion detection and prevention, secure access controls, traffic inspection, and threat detection. As organizations increasingly operate in distributed, cloud-based environments, cybersecurity has become a critical component of network infrastructure, requiring protection across endpoints, network layers, and cloud applications. Enterprises are increasingly adopting integrated approaches to cybersecurity that combine multiple security functions within unified platforms in order to reduce complexity and improve coordination across security operations.

The continued evolution of enterprise IT environments, including increased reliance on cloud computing, remote access, and distributed applications, has contributed to the convergence of networking, security, and monitoring functions. As a result, organizations are increasingly seeking solutions that provide integrated capabilities across these domains, rather than deploying and managing multiple independent systems.

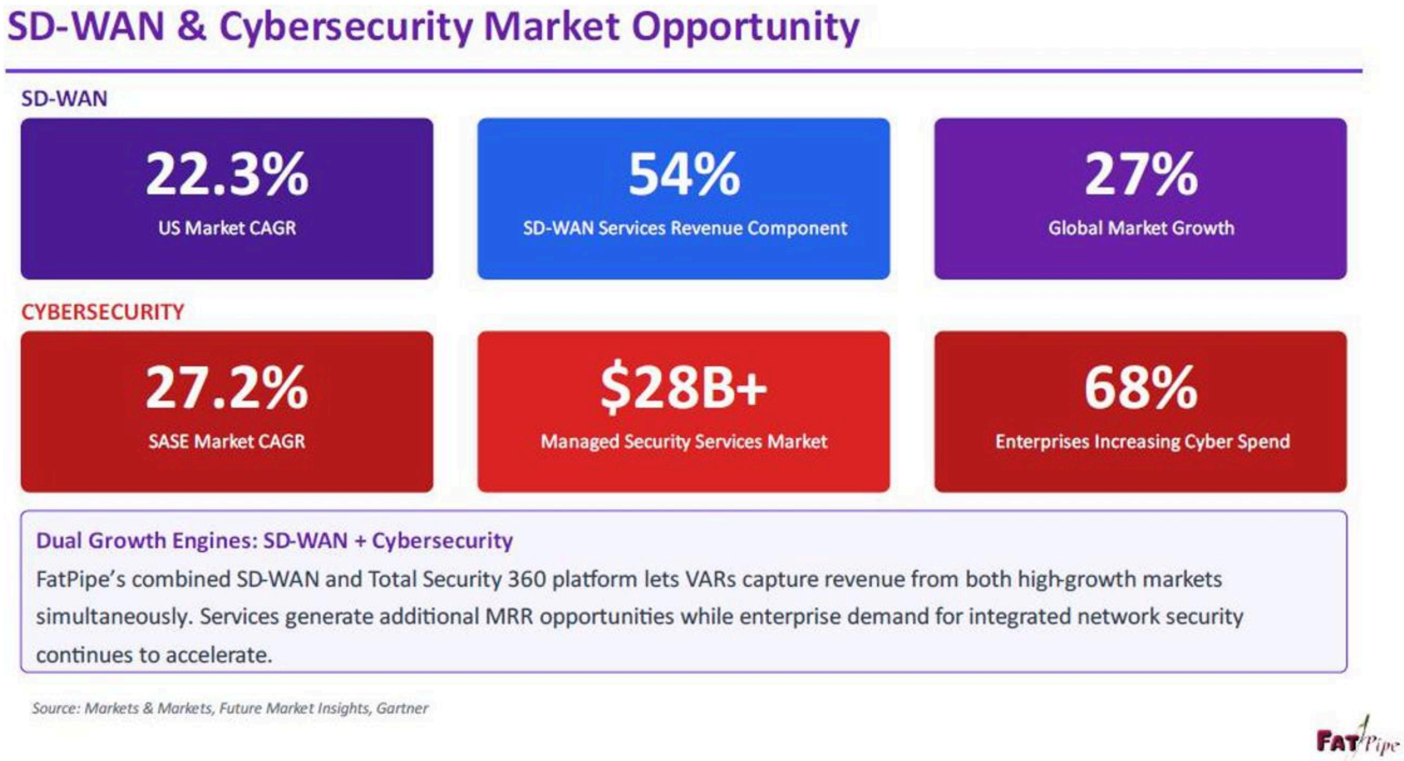
Total Addressable Market

SD-WAN. The market for SD-WAN products was estimated to be approximately $4.5 billion in 2023 (according to the research published via the Maia Research Report) with expected market size to grow to over $17.6 billion by 2030. The North America and Asia-Pacific ("APAC") segments of the market, which represent FatPipe's primary markets, are expected to achieve continued growth in the near term. According to Gartner, Inc., the North America market for SD-WAN solutions will grow at an estimated 18% compound annual growth rate ("CAGR") through 2025, while growth in APAC is projected to exceed 60% CAGR. This significant growth trajectory has been attributed to several factors, including the rise in remote work, need for enhanced network security, migration of applications to the cloud, and overall digital transformation efforts of enterprises.

SASE. According to the Maia Research Report, total revenues for SASE software and platform solutions is expected to grow from $6.4 billion in 2022 to $27.2 billion by 2030, resulting in a CAGR of almost 20.0% during the forecast period. This is driven by the rise of work-from-home mandating secure zero-trust remote connectivity, cloud-adoption broadening the definition of a corporate network, and the convergence of cloud and on-premise networks creating the need for a unified solution.

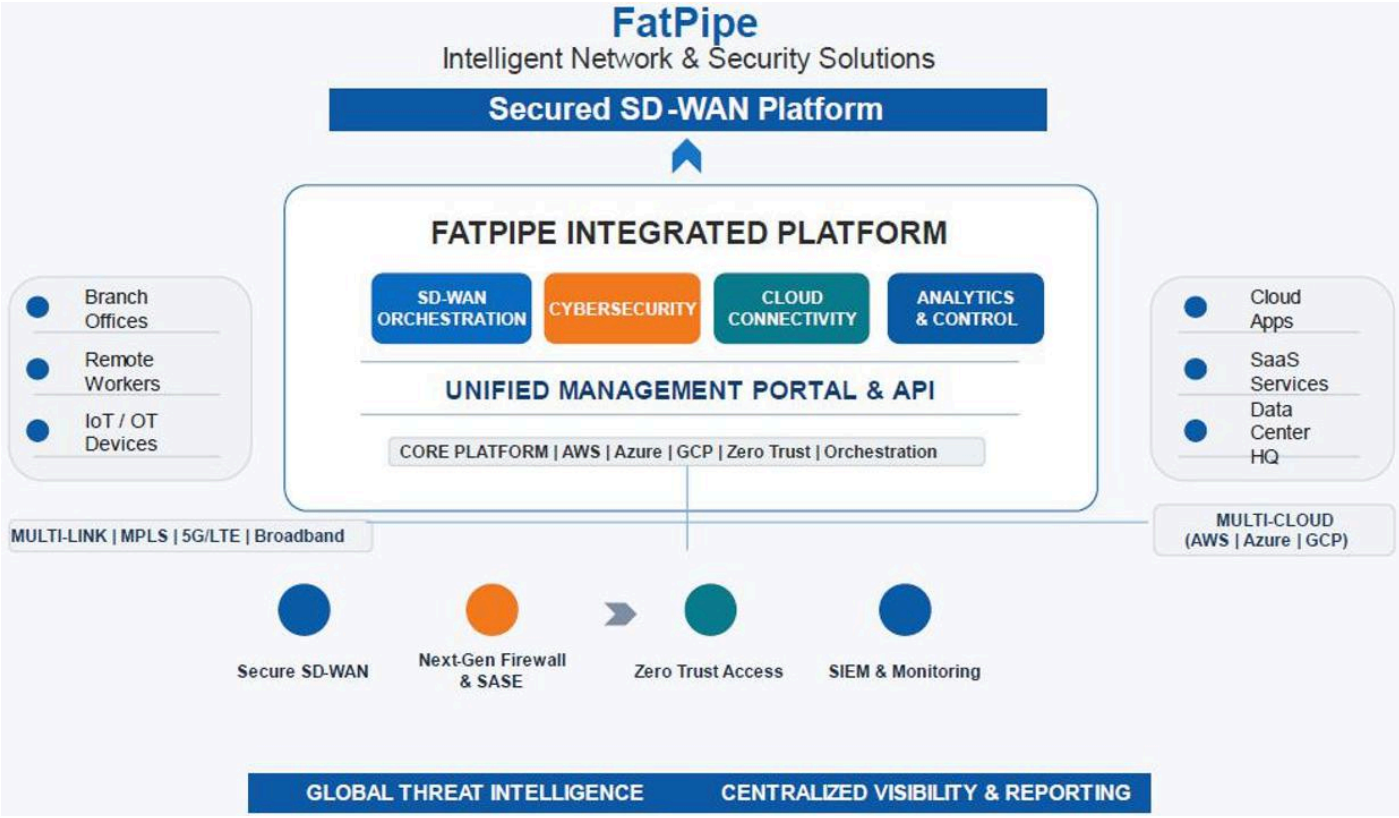
NMS. The total NMS market, including both cloud-based and on-premise solutions, is projected by the Maia Research Report to grow at a more modest CAGR of 10.0% for the period from 2022 to 2030. Total market revenues for NMS solutions is estimated at $2.0 billion in 2022, approximately three-quarters of which is categorized at cloud-based, and is projected to grow to approximately $4.4 billion, when cloud-based solutions will account for almost 85% of the total market.

Cybersecurity. According to a report by Grand View Research, the global cybersecurity market was valued at approximately $245.6 billion in 2024 and is projected to reach approximately $500.7 billion by 2030, representing a CAGR of approximately 12.9% over the forecast period. Growth in this market is being driven by increasing adoption of cloud computing, the expansion of connected devices, the growing complexity of cyber threats, and evolving regulatory requirements. As organizations continue to operate in distributed and hybrid environments, demand for cybersecurity solutions has expanded beyond traditional perimeter defenses to include protection across endpoints, network infrastructure, and cloud-based applications. In addition, enterprises are increasingly adopting integrated security approaches that combine multiple security functions within unified platforms in order to reduce operational complexity and improve coordination across security operations.



FatPipe Software Solutions

Our objective is to offer a suite of solutions to ensure our customers can securely support their networks in this cloud-first world. We are committed to driving a trusted customer experience through innovation and a diverse set of capabilities. Our core offerings are based on a complete, integrated suite of software solutions, including SD-WAN, SASE, NMS, and Cybersecurity capabilities, each of which can be individually licensed to create an experience tailored to a customer's needs and network configuration. Additionally, all of our technologies are available for commercial sale. These capabilities are designed to operate together as part of a single software stack, allowing customers to manage networking, security, and monitoring functions through a centralized platform. By integrating these functions, our solutions are intended to reduce the complexity associated with deploying and maintaining multiple independent systems, while enabling consistent policy enforcement, centralized visibility, and coordinated network and security operations across distributed environments. Further, our product pipeline consists of new SD-WAN security features and enhancements to the NMS, as well as single-stack cybersecurity features to serve all of a customer's cybersecurity requirements from a single vendor.



As networks become increasingly critical to business operations and more exposed to cyber threats, organizations require continuous monitoring and protection across both network infrastructure and application environments. Our platform incorporates built-in and automated capabilities designed to monitor network status, detect potential intrusion activity, enforce geographic access controls, and regulate external web access based on defined policies.

Our SD-WAN capabilities provide application-aware traffic management and dynamic routing across multiple network connections. When multiple data connections are available, our platform is designed to manage traffic across those connections and, in the event of a disruption, transfer traffic between available links without interrupting application sessions. When multiple links are active, our platform is designed to optimize bandwidth utilization and improve overall network performance.

Our cybersecurity capabilities are integrated within the same software platform and are designed to protect network traffic, users, and applications across distributed environments. These capabilities include firewall functionality, intrusion detection and prevention, secure web gateway controls, content filtering, encrypted connectivity, and secure virtual private network ("VPN") access. Our platform also supports application-aware policy enforcement, enabling organizations to define and apply security policies based on application behavior and traffic characteristics.

In addition, our cybersecurity functionality is designed to support advanced threat protection techniques, including traffic inspection, anomaly detection, and controls intended to mitigate unauthorized access and data exfiltration. These capabilities are designed to operate consistently across WAN links, cloud environments, and network endpoints, providing coordinated protection across both edge and core network infrastructure. To support these capabilities, we also provide cybersecurity testing and protection services, including web application penetration testing, internal network and server penetration testing, vulnerability and port scanning of internet-facing assets, and managed web application firewall ("WAF") services. These services are designed to assist customers in identifying vulnerabilities, validating security controls, and maintaining the effectiveness of their security environments.

Our network monitoring capabilities provide centralized visibility into network performance, device health, and traffic activity. By integrating monitoring functionality within the same platform as networking and security, our solutions are designed to enable customers to correlate performance metrics with security and traffic patterns, supporting more efficient troubleshooting and operational decision-making. Our monitoring and reporting capabilities may also be utilized in conjunction with our cybersecurity services to provide customers with ongoing visibility into network activity, security events, and system performance.

Software-Defined Wide Area Network (SD-WAN)

Our primary offering is an SD-WAN software platform that integrates a broad array of network traffic management and routing, security, and monitoring functions and is predominately sold on a subscription basis. The platform can be delivered on a dedicated commodity appliance or virtual configuration, and can be installed in a variety of network environments, including cloud, hybrid or on-premise.

Our SD-WAN solution is designed to enable organizations to manage multiple network connections simultaneously and dynamically control the flow of application traffic across those connections. By supporting multiple connectivity types, including broadband, fiber, and wireless networks, our platform provides flexibility in network design and supports distributed enterprise environments.

A key capability of our platform is its ability to maintain continuous application connectivity in the event of network disruptions. When one connection becomes unavailable, our software is designed to transfer traffic across alternate connections without interrupting active application sessions. This functionality is intended to support business continuity for applications that require persistent connectivity, including voice, video, and transactional systems.

When multiple connections are active, our platform is designed to distribute traffic across available links in order to improve bandwidth utilization and optimize application performance. These capabilities are intended to reduce reliance on higher-cost dedicated circuits while maintaining performance and reliability across the network.

Our SD-WAN solution offers a number of benefits for managing and maintaining network infrastructure, including:

- *Enterprise-Class Reliability and Network Resiliency*: Rapid failover of data, VPN, video and voice over IP (“VoIP”) traffic in sub-seconds. The speed at which FatPipe can restore connection integrity minimizes transaction failures and duplicate transactions resulting from disruptions to network connectivity.

- *Lower Total Cost of Ownership*: Reductions in bandwidth requirements, duplicate traffic, latency and jitter lowers overall network costs.

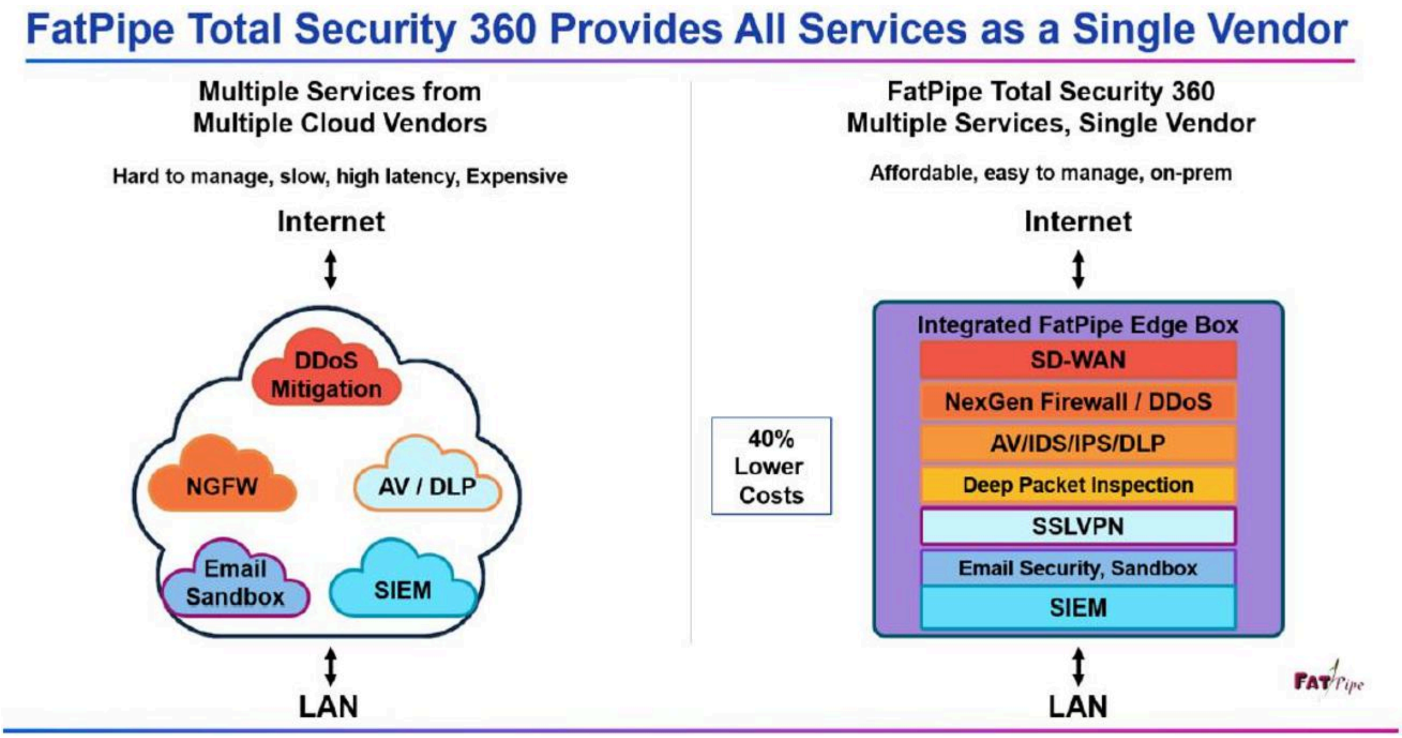
- *Highly Scalable*: Supports over 12 million sessions across land line, satellite and LTE/4G/5G networks for large scale deployments.

- *Secure Environment*: Incorporates a robust security suite for intrusion detection and prevention (“IDS/IPS”), web filtering and firewall solutions. Our patented multi-path security transmission capabilities increase WAN transmission security.

- *Ease of Use*: Intuitive management interface enables a seamless experience across all customer locations and scalable deployments across varied use cases. We provide customers with the ability to centrally manage their WAN and branch office configurations.

- *Flexible Deployments*: Zero-touch deployments with cloud-based or in-band network configuration and management.

Our SD-WAN solution is suitable for multi-location, single location with high density, and multi-cloud environments, and offers these features in a single device for network end-point (or edge) and branch network needs. The solution enables multi-path VPN for hybrid connectivity, intelligent WAN edge management, cloud disaster recovery for hybrid cloud management, and other capabilities, all at enterprise-class performance levels. Its application-aware network optimization capabilities are suitable for virtual machines (“VMs”) for all major hypervisors, including AWS, Azure Cloud, Oracle and Google.



According to research published in 2026 by Software Reviews, an independent research organization and division of Info-Tech Research Group, FatPipe's SD-WAN solutions are the top-ranked solutions for middle-market companies, based on Software Review's assessment of the complete software experience, which includes measurement of product features and satisfaction, as well as vendor experience and capabilities. FatPipe has also been previously rated as top-ranked in InfoTech's 2024 and 2025 reports.

Secure Access and Service Edge (SASE)

Our SASE solution seamlessly integrates a WAN-Edge appliance with an SASE software access solution, to provide connectivity, consistent security and optimized user experience for hybrid workforce, branch office and retail locations. Our SASE capabilities are designed to operate as part of our broader software platform, enabling organizations to apply networking and security policies across users, devices, and locations within a unified architecture. By combining connectivity and security functions, our solution is intended to support secure access to applications and data while reducing the operational complexity associated with managing multiple independent systems. Our SASE solution offers virtual network functions, which combine networking and network security services into a single cloud-delivered solution, and are available for major virtual customer premise equipment (vCPE) hardware providers. Additionally, our SASE offerings include the following features:

- *Firewall*: Includes Firewall-as-a-Service and traffic management capabilities based on security policies.

- *Geo Fencing and DDoS*: Protects internal networks from external access originating in specific geographic locations and denial of service attacks.

- *Encryption*: Supports data encryption protocol suite to ensure data security.

- *MPSec*: Our patented MPSec multi-path security solution manages network security, application flows and load balancing across multiple paths connecting remote sites with the data center.

- *Selective Encryption*: Allows customers to select specific data traffic that needs to be encrypted.

- *Web Filtering*: Controls access to external websites based on customer-defined security policies.

- *Cloud-Hosted Security*: Provides additional security such as data loss prevention, antivirus, and content filtering.

Network Security	Cybersecurity	SIEM	Email Security
DDoS Attack Prevention	Protocol Monitoring	Applications Monitoring	Multiple Detection Modules
NexGen Firewall	Firewall IDS/IPS	PCI Alerts	Identifies Hidden Email Threats
Geo-Fencing	Deep Packet Inspection	HIPAA Compliance	Graylisting and Whitelisting
Transport Layer Security	OT / Vulnerability Correlation	Top Hosts / Top Users and DLP	Machine Learning / Neural Model
Device Authentication	URL / Video Filtering	GDPR Compliance	Real-Time Visibility for SOC
SSL and VPN	Botnet / Commands	Internet Access Control	DNS / IP/ URL Reputation
Proactive Network Monitoring	VPN Man in the Middle	NIST Compliance	Sandboxing Analysis
Web Filtering	Anti-Spam Sandbox	Remote Login and Device Login	VIP/Phishing/Malware Detection
Multi-Path Security	DNS-Based Threats	Proactive Network Monitoring	DLP Scan for Outgoing Mail
Remote Login Users and Stats	Virtual Patching	User Behavior at Desktop Level	Content Header Analysis
Encryption Internet Line	Data Loss Prevention	TSC Compliance	Business Email Compromise

Network Monitoring Service (NMS)

Our EnterpriseView reporting system for network monitoring provides a platform to monitor customer network environments, including wide area network performance and the operation of deployed devices. The system is designed to support centralized visibility across distributed network infrastructures, including branch locations and cloud-based environments. Our NMS capabilities are integrated within our broader software platform and are designed to operate in conjunction with our SD-WAN and cybersecurity functionality. By incorporating monitoring within the same platform as networking and security, our solution is intended to enable customers to observe network performance, traffic behavior, and security-related events through a unified interface. This integration is designed to allow customers to correlate network performance metrics with traffic patterns and security activity, supporting more efficient identification of performance issues, anomalous behavior, and potential security concerns.

Our NMS solution is a scalable solution that supports large data loads, maintains seamless connectivity across thousands of branches, boosts network performance to handle intensive demands, ensures comprehensive network monitoring and management, and provides real-time insights into a network or device's health and performance. The platform provides real-time visibility into network and device performance, including connection status, utilization, and operational health. Device health information is presented through centralized dashboards and reporting tools in real time, and a tabular dashboard gives a detailed view of each device's line condition and utilization in real time, enabling administrators to monitor network conditions and performance trends. The system is designed to provide detailed views of network line conditions, traffic utilization, and device status in real time, supporting proactive management and troubleshooting.

Cybersecurity

Our cybersecurity capabilities are designed as an integrated component of our software platform and are intended to provide protection for network traffic, users, and applications across distributed and cloud-based environments. These capabilities are delivered within the same software stack as our SD-WAN, SASE, and network monitoring solutions, enabling coordinated enforcement of security policies and centralized visibility across network and application environments.

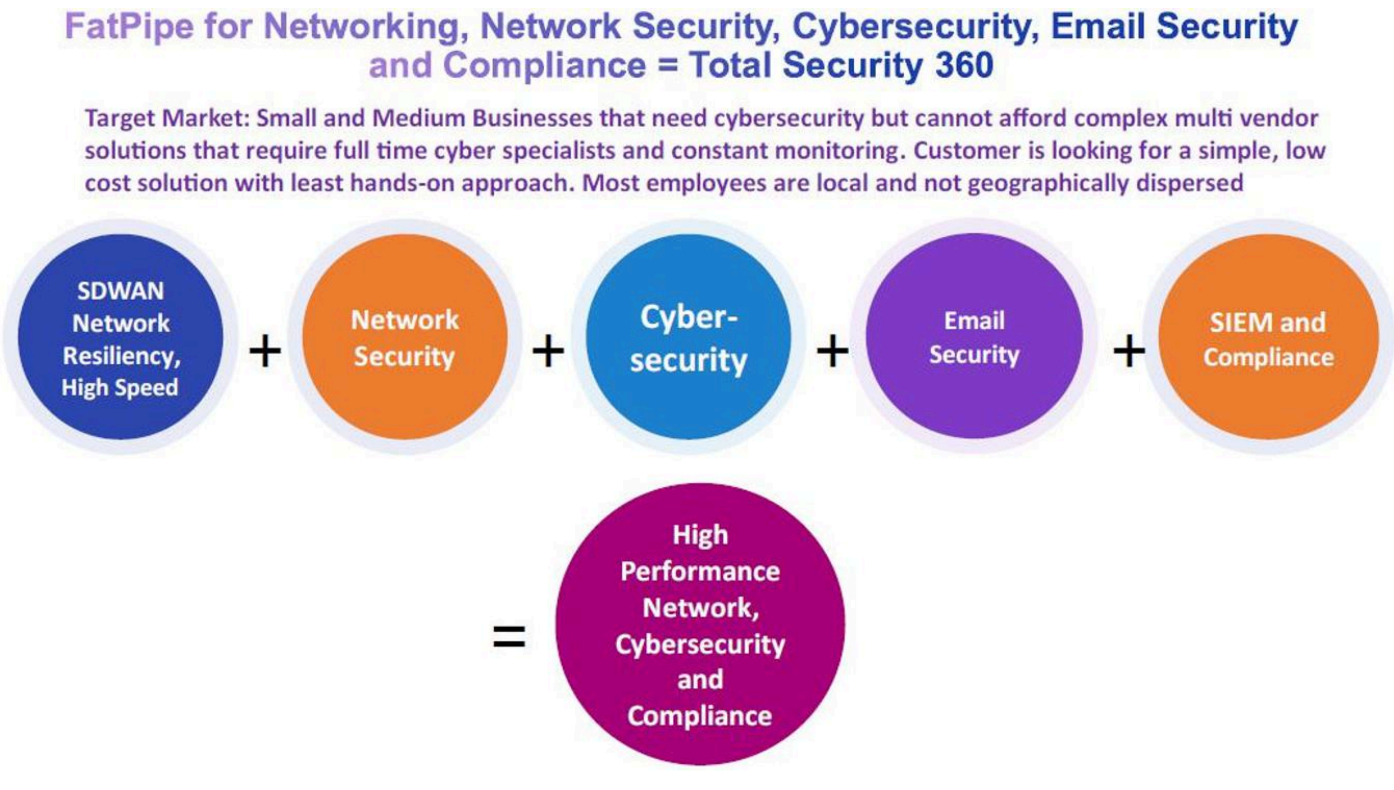
Our cybersecurity software functionality includes a range of security controls designed to operate across network infrastructure and endpoints. These capabilities include firewall functionality, intrusion detection and prevention, secure web gateway controls, content filtering, encrypted connectivity, and secure virtual private network ("VPN") access. In addition, our platform supports application-aware policy enforcement, enabling organizations to define and apply security policies based on application behavior, user activity, and traffic characteristics.

Our platform is also designed to support advanced threat protection techniques, including traffic inspection, detection of anomalous behavior, and controls intended to mitigate unauthorized access and data exfiltration. These capabilities are designed to operate consistently across wide area network connections, cloud environments, and network endpoints, providing coordinated protection across both edge and core network infrastructure.

By integrating cybersecurity capabilities within the same platform as networking and monitoring functions, our solutions are designed to enable customers to manage security and network operations through a unified interface. This integration is intended to reduce the complexity associated with deploying multiple standalone security products while supporting consistent policy enforcement and improved visibility across network environments.

In addition to our software-based cybersecurity capabilities, we provide cybersecurity testing and protection services designed to support customer security operations and risk management efforts. These services include web application penetration testing, internal network and server penetration testing, vulnerability and port scanning of internet-facing assets, and managed web application firewall ("WAF") services.

These services are designed to assist customers in identifying potential vulnerabilities, validating the effectiveness of implemented security controls, and maintaining the integrity of their network and application environments. Our cybersecurity services may be utilized in conjunction with our software platform to provide ongoing visibility into security posture and to support continuous monitoring and improvement of customer security environments.



Technology and Architecture

Our core technology has been developed internally by its founding management team and supported by a long-tenured group of engineers and software developers. We hold a portfolio of 13 patents that cover a range of SD-WAN and related capabilities. Specifically, our patented claims cover key SD-WAN and related functionality, including:

- Combining routers to increase concurrency and redundancy in external network access and supplement fault tolerance of WANs. The ability to transmit traffic over multiple paths and to failover in sub seconds ensures network reliability and resiliency, which are critical for corporate and government networks.

- VoIP over multiple WAN pathways to ensure that voice traffic is not dropped, which is essential for emergency communications such as 911 centers.

- VPN-secure sessions over multiple ISPs to ensure transmission security globally.

- Dynamic management of IP addresses and the ability to manage and load balance incoming traffic over multiple ISPs.

FatPipe's Services

Our software solutions are provided through a subscription-based model. During the fixed term of the subscription, we include a portfolio of services, which offer our customers technical support, professional services, training, and cybersecurity services.

Technical Support Services

We maintain our own team of technical support specialists to ensure quality control and build and retain trust throughout the entire customer experience. Our technical support services, incorporating both remote and on-site support, include installation services, configuration assistance, monitoring and alerts notification, and development of performance reports.

Professional Services

We offer limited professional services to our customers and channel partners. We may also provide more customized services for more complex use cases, such as implementation design, network analysis, and projected capacity requirements.

Training Services

We offer training to our customers and channel partners directly through our support staff. These services are designed to educate end-users and partners on implementation, use, functionality, and maintenance of FatPipe solutions.

Cybersecurity Services

We provide cybersecurity services designed to support customers in identifying vulnerabilities, assessing security controls, and maintaining the effectiveness of their security environments. These services are intended to complement our software platform and may be delivered in conjunction with deployments of our networking and cybersecurity solutions.

Our cybersecurity services include web application penetration testing, internal network and server penetration testing, vulnerability and port scanning of internet-facing assets, and managed web application firewall ("WAF") services. These services are designed to simulate real-world attack scenarios, identify potential weaknesses in network and application environments, and provide customers with actionable insights to address identified risks.

Web application penetration testing is designed to evaluate the security of customer-facing applications by identifying vulnerabilities in application logic, configuration, and underlying systems. Internal network and server penetration testing is intended to assess potential risks associated with internal access, including the ability of unauthorized actors to move laterally within a network environment.

Vulnerability and port scanning services are used to identify exposed services, open ports, and known vulnerabilities across internet-facing infrastructure. Managed WAF services are designed to provide protection for web-based applications by monitoring and filtering incoming traffic based on defined security rules and threat patterns.

Technology Development Services

Through our FatPipe Technologies division, we offer a diverse set of consulting services for the development and deployment of highly optimized and often complex wide area network (“WAN”) and local area network (“LAN”) solutions. We provide a host of networking, programming, and professional services as part of our engagement, which often include a mix of web, software, and application development, ERP integrations, outsourced staffing assistance and a range of IT consulting services. These services are generally independent of our core software solution offerings, and typically serve enterprises involved with such technologies as telemedicine, university and educational institution management, kiosk development, and multimedia communications. In addition, network design services further assist in marketing FatPipe’s core software solutions.

Reseller and Channel Partnerships

We primarily offer our software solutions to end-user customers through our distributors, value-added resellers, ISPs, and other third parties, with whom we build and maintain relationships through our territory managers. We leverage a diverse network of over 100 partnerships to generate revenues, and have maintained many of these relationships for over a decade.

Our revenues are primarily generated in the United States, with India generating an increasing share of sales since 2022. FatPipe has invested considerable resources in developing these relationships, and our distribution arrangements are not exclusive with any partner.

In 2023, we began an extensive program to train our sales force to support domestic and international commercial accounts. The program focused on enhancing our partners’ product knowledge and technical capabilities, and has been instrumental in driving sales growth. Further, to minimize barriers during the sales process, FatPipe software solutions are sold off a pre-approved price list and customer contracts between FatPipe and the end-user customer are embedded within the partner’s master agreement. After a sale, FatPipe maintains a direct relationship with the end-user by providing installation, maintenance, and support services.

We plan to replicate our reseller and channel partner model to enter or expand in new markets or geographies. We are currently exploring options to grow our global sales, with emphasis on expansion opportunities within the burgeoning India information technology market. We are in discussions with multiple potential partners in Southeast Asia, which does not include China, to address these local markets. Further, FatPipe is in discussions with potential partners to offer geography specific software license bundles to address these market needs. Customers in different geographies require different licenses and network servers specific to their needs and prices. We plan to expand our presence in Mexico and Asia markets with products and services bundles to address geography specific markets.

Diverse End Customers

FatPipe’s software solutions have been deployed by over 2,500 end-user customers across a diverse set of sectors including education, financial services, government, healthcare, hospitality, legal, manufacturing, retail, and transportation and in various deployment models, including hybrid, SaaS, and managed services. The Company’s end-user customers range in size from smaller businesses to Fortune 1000 enterprise users, but its core customer base can be classified as mid-market companies. No end-user customer accounted for over 10% of total revenue in fiscal year 2026 or 2025.

Channel partner concentration in our revenue base is significant. For the fiscal year ended March 31, 2026, three channel partners accounted for approximately 39.31% of total revenue (fiscal year 2025: two channel partners accounted for approximately 49.54% of total revenue, with one channel partner accounting for approximately 45.09% of total revenue). Channel partner concentration is described in further detail in Note 1 to the consolidated financial statements.

Competition

FatPipe faces competition from companies with varying capabilities in SD-WAN, SASE, NMS, and Cybersecurity, some of which are larger companies with greater access to capital and other resources.

Sales and Marketing

Our marketing strategy is focused on building our brand and driving end-user customer awareness for our solutions. Our internal marketing team is responsible for developing marketing materials and allocating our marketing resources across various channels and activities. We supplement our marketing activities with a variety of sales tools, including product literature, awards, technical materials, training, seminars, conference attendance, webinars, and various other activities.

Software Development (Research and Development)

FatPipe has maintained a robust research and development team of employees, many of whom have 15 or more years of experience with us. We continue to develop new technologies and features that help us maintain or improve our position in the market. We also have enhanced our support database to enable faster resolution of complex problems and to train our engineers to address problems faster, enabling us to grow without the need to linearly add personnel as we scale. We are automating our testing processes to reduce the time to introduce new features and new versions of software to control and manage engineering costs.

Intellectual Property

We primarily rely upon patent, trademark, copyright, and trade secret laws, confidentiality procedures, and contractual provisions to protect our IP and proprietary technology. As of the date of this Annual Report, we had 13 U.S. patents and seven U.S. trademarks for FatPipe, Inc. and FatPipe Networks Private Limited.

Issued Patents, per data of the United States Patent and Trademark Office (USPTO) as of March 31, 2026.

Number	Issue Date	Assignee
6295276	29 September 2001	FATPIPE NETWORKS PRIVATE LIMITED
6493341	10 December 2002	FATPIPE NETWORKS PRIVATE LIMITED
6775235	10 August 2004	FATPIPE NETWORKS PRIVATE LIMITED
7269143	11 September 2007	FATPIPE NETWORKS PRIVATE LIMITED
7444506	28 October 2008	FATPIPE NETWORKS PRIVATE LIMITED
7877510	25 January 2011	FATPIPE NETWORKS PRIVATE LIMITED
8356346	15 January 2013	FATPIPE NETWORKS PRIVATE LIMITED
8780811	15 July 2014	FATPIPE NETWORKS PRIVATE LIMITED
8995252	31 March 2015	FATPIPE NETWORKS PRIVATE LIMITED
10164822	25 December 2018	FATPIPE, INC.
10374830	6 August 2019	FATPIPE, INC.
10819536	27 October 2020	FATPIPE, INC.
10965649	30 March 2021	FATPIPE, INC.

Trademark Registrations, per data of the United States Patent and Trademark Office (USPTO) as of March 31, 2026.

Number	Reg. Date	Mark	Last Listed Owner
2236238	30 Mar 1999	FAT PIPE	FATPIPE NETWORKS PRIVATE LIMITED
2696702	11 Mar 2003	MPVPN	FATPIPE NETWORKS PRIVATE LIMITED
2717874	20 May 2003	MPSEC	FATPIPE NETWORKS PRIVATE LIMITED
3568580	27 Jan 2009	SPAM POLICE	FATPIPE NETWORKS PRIVATE LIMITED
4316990	9 Apr 2013	FATPIPE	FATPIPE NETWORKS PRIVATE LIMITED

Recent Developments

Initial Public Offering

On April 7, 2025, we entered into an underwriting agreement (the "Underwriting Agreement") with D. Boral Capital LLC, as representative (the "Representative") of the underwriters named therein (the "Underwriters"), pursuant to which the Company agreed to sell to the Underwriters, in a firm commitment initial public offering (the "Offering"), an aggregate of 695,656 shares of the Company's common stock, no par value per share (the "Common Stock"), at an initial public offering price of $5.75 per share. The Common Stock was offered pursuant to a registration statement on Form S-1, as amended (File No. 333-280925), originally filed with the U.S. Securities and Exchange Commission (the "Commission") on July 19, 2024, as amended, and which was declared effective by the Commission on February 12, 2025. A post-effective amendment to the registration statement related to the Offering was filed with the Commission on March 11, 2025, and was declared effective by the Commission on March 17, 2025.

On April 9, 2025, the Company closed the Offering and, including the partial exercise of the underwriters' over-allotment option, issued and sold an aggregate of 800,004 shares of common stock. The total gross proceeds to the Company from the Offering, before deducting discounts and expenses, were approximately $4,600,023. The Company received net proceeds of approximately $3,935,522 pursuant to the Offering.

A final prospectus relating to the Offering was filed with the Commission on April 7, 2025. The Common Stock was previously approved for listing on The Nasdaq Capital Market and commenced trading under the ticker symbol "FATN" on April 8, 2025.

Platform and Sales Organization Expansion

Since our initial public offering, we have expanded our platform capabilities and expanded our sales organization. We introduced an integrated single-stack architecture that combines our networking, security, and monitoring functionality within a unified software platform. As part of this expansion, we enhanced our product offerings to include additional cybersecurity capabilities designed to operate within the same software environment as our SD-WAN, SASE, and network monitoring solutions.

In addition, we have doubled the headcount of our sales organization, increasing the number of sales personnel, which has resulted in an increase in sales capacity. This expansion has contributed to growth in our sales pipeline and the number of customer opportunities processed during the fiscal year.

Based on current business trends and internal expectations, we anticipate continued growth in sales activity and overall revenue. These expectations are subject to various risks and uncertainties, including those described in the "Risk Factors" section of this Annual Report.

Human Capital Management

As of March 31, 2025, we had 172 full-time employees, with 56 in the United States, 112 in India, and 4 in the Philippines. None of our employees are represented by labor unions and we consider our employee relations to be good. Due to our consistent presence as an employer in India, which dates back to 2002, we believe we enjoy a more stable workforce than many technology companies in the region.

We do not currently have any employment agreements with our co-founders or other employees. Compensation arrangements with our executive officers and directors are governed by our Compensation Committee.

Facilities

FatPipe, Inc. and FatPipe Technologies, Inc. are headquartered in Salt Lake City, Utah. FatPipe Networks (India) Private Limited is headquartered in Chennai, India. We conduct sales, marketing, research and development, and customer support activities from each of these locations.

Corporate Information

FatPipe, Inc. was incorporated in Utah on October 14, 2009. Our principal executive offices are located at 392 East Winchester Street, Fifth Floor, Salt Lake City, Utah 84107, and our telephone number is (801) 281-3434. Our website address is www.fatpipe.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider information on our website to be part of this Annual Report.

Available Information

We make available, free of charge through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange

Act, as soon as reasonably practicable after we electronically file or furnish them to the SEC. The SEC also maintains an Internet website (www.sec.gov) that contains such reports, proxy statements and other information about us.

ITEM 1A. RISK FACTORS

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making an investment decision regarding our securities.

- Our operating results are likely to vary significantly and be unpredictable.
- We rely heavily on our reselling partners and our ability to work with suitable partners may impact our growth plans.
- If we are unable to develop and introduce new solutions and improve existing solutions in a cost-effective and timely manner, then our competitive position may be negatively impacted and our business, results of operations, and financial condition may be adversely affected.
- We invest significantly in research and development ("R&D"), and to the extent our R&D efforts are unsuccessful, our competitive position may be negatively impacted and our business, results of operations, and financial condition may be adversely affected.
- We operate in a highly competitive market.
- Increases in costs of the materials and other components that we use in our solutions would adversely affect our business, results of operations, and financial condition.
- Adverse economic conditions, such as a possible recession and possible impacts of inflation or stagflation, increasing or decreasing interest rates, reduced information technology spending or any economic downturn or recession, may adversely impact our business.
- Our billings, revenue and free cash flow growth may slow or may not continue, and our operating margins may decline.
- We are dependent on the continued services and performance of our senior management, the loss of any of whom could adversely affect our business, operating results and financial condition.
- If we are unable to attract, retain, and motivate key employees, then our business, results of operations, and financial condition would be adversely affected.
- We may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all.
- If we do not increase the effectiveness of our sales organization, we may have difficulty adding new end-customers or increasing sales to our existing end-customers and our business may be adversely affected.
- Unless we continue to develop better market awareness of our company and our software solutions, and to improve lead generation and sales enablement, our revenue may not continue to grow.
- We face competition in our market and we may not maintain or improve our competitive position.
- If our new software solutions and enhancements do not achieve sufficient market acceptance, our results of operations and competitive position will suffer.
- Demand for our software solutions may be limited by market perception that individual software solutions from one vendor that provide multiple layers of security protection in one offering are inferior to point solution network security solutions from multiple vendors.
- If functionality similar to that offered by our software solutions is incorporated into our competitors' existing network infrastructures, our customers may decide against adding our appliances to their network, which would have an adverse effect on our business.
- Because some of the key components in our network server come from limited sources of supply, we are susceptible to supply shortages, long or uncertain lead times for components, and supply changes, each of which could disrupt or delay our scheduled software deliveries to our customers, result in inventory shortage, cause loss of sales and customers or increase component costs resulting in lower gross margins and free cash flow.

- The sales prices of our hardware and software solutions may decrease, which may reduce our gross profits and operating margin and may adversely impact our financial results and the trading price of our common stock.

- The network security market is rapidly evolving and the complex technologies incorporated in our software solutions make them difficult to develop. If we do not accurately predict, prepare for and respond promptly to technological and market developments and changing end-customer needs, our competitive position and prospects may be harmed.

- Our ability to sell our software solutions is dependent on our quality control processes and the quality of our technical support services, and our failure to offer high-quality technical support services could have a material adverse effect on our sales and results of operations.

- Our business is subject to the risks of warranty claims, product liability and product defects.

- Our historical financial information may not be representative of our results as a public company.

- If our internal enterprise IT networks, on which we conduct internal business and interface externally, our operational networks, through which we connect to customers, vendors and partners systems and provide services, or our R&D networks, our back-end labs and cloud stacks hosted in our data centers, colocation vendors or public cloud providers, through which we research, develop and host software solutions are compromised, public perception of our offerings may be harmed, our customers may be breached and harmed, we may become subject to liability, and our business, operating results and stock price may be adversely impacted.

- Our proprietary rights may be difficult to enforce and we may be subject to claims by others that we infringe their propriety technology.

- Claims by others that we infringe their proprietary technology or other litigation matters could harm our business.

- Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose end-customers in the public sector or negatively impact our ability to contract with the public sector.

- We are subject to governmental export and import controls that could subject us to liability or restrictions on sales, and that could impair our ability to compete in international markets.

- Investors' expectations of our performance relating to environmental, social and governance factors may impose additional costs and expose us to new risks.

- We have incurred indebtedness and may incur other debt in the future, which may adversely affect our financial condition and future financial results.

- If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

- We are affected by fluctuations in currency exchange rates, including those in connection with recent inflationary trends in the United States.

- We could be subject to changes in our tax rates, the adoption of new U.S. or international tax legislation, exposure to additional tax liabilities or impacts from the timing of tax payments.

- Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between our forecasted and actual tax rates.

- As a public company, we will be subject to compliance initiatives that will require substantial time from our management and result in significantly increased costs that may adversely affect our operating results and financial condition.

- If securities or industry analysts stop publishing research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

- Global economic uncertainty, an economic downturn, the possibility of a recession, inflation, rising interest rates, weakening software demand caused by political instability, changes in trade agreements and conflicts such as the war in Ukraine, could adversely affect our business and financial performance.

- Changes in financial accounting standards may cause adverse unexpected fluctuations and affect our reported results of operations.

Risks Related to Our Business and Financial Position

Our operating results are likely to vary significantly and be unpredictable.

Our operating results have historically varied from period to period, and we expect that they will continue to do so as a result of a number of factors, many of which are outside of our control or may be difficult to predict, including:

- Economic conditions, including macroeconomic and regional economic challenges resulting, for example, from a recession or other economic downturn, increased inflation or possible stagflation in certain geographies, rising interest rates, the war in Ukraine, tensions between China and Taiwan, or other factors;

- our ability to attract and retain new end-customers or sell additional platform solutions to our existing end-customers;

- component shortages, including chips and other components, and product inventory shortages, including those caused by factors outside of our control, such as epidemics and pandemics, supply chain disruptions, inflation and other cost increases, international trade disputes or tariffs, natural disasters, health emergencies, power outages, civil unrest, labor disruption, international conflicts, terrorism, wars, such as rising tensions between China and Taiwan, and critical infrastructure attacks;

- the level of demand for our software solutions may render forecasts inaccurate;

- supplier cost increases and any lack of market acceptance of our price increases designed to help offset any supplier cost increases;

- the impact to our business, the global economy, disruption of global supply chains and creation of significant volatility and disruption of the financial markets due to factors such as increased inflation or possible stagflation in certain geographies, fluctuating interest rates, rising tensions between China and Taiwan and other factors;

- any actual or perceived vulnerabilities in our software solutions, and any actual or perceived breach of our network or our customers' networks;

- increased expenses, unforeseen liabilities or write-downs and any negative impact on results of operations from any acquisition or equity investment consummated, as well as accounting risks, integration risks related to software plans and software solutions and risks of negative impact by such acquisitions and equity investments on our financial results;

- investors' expectations of our performance relating to environmental, social and governance ("ESG") and commitment to carbon neutrality;

- certain customer agreements which contain service-level agreements, under which we guarantee specified availability of our platform and solutions;

- data security requirements that may be enforced inconsistently in certain jurisdictions;

- any decreases in demand by customers, including any such decreases caused by factors outside of our control such as natural disasters and health emergencies, including earthquakes, droughts, fires, power outages, typhoons, floods, pandemics or epidemics and manmade events such as civil unrest, labor disruption, international trade disputes, international conflicts, terrorism, wars, such as the war in Ukraine, and critical infrastructure attacks;

- the effectiveness of our sales organization, generally or in a particular geographic region, including the time it takes to hire sales personnel, the timing of hiring and our ability to hire and retain effective sales personnel, as well as our efforts to align our sales capacity and market demand;

- sales execution risk related to effectively selling to all segments of the market, including small- and medium-sized businesses, government organizations and service providers, and risks associated with the complexity and distraction in selling to all segments, such as increased competition, the unpredictability closing larger enterprise and large organization deals, and the risk that our sales representatives do not effectively sell our software solutions;

- execution risk associated with our efforts to capture the opportunities related to our identified growth drivers, such as our ability to capitalize on the convergence of networking and security, vendor consolidation of various cyber security solutions, SD-WAN, infrastructure security, security operations, SASE and other cloud security solutions, endpoint protection, Internet of Things ("IoT") and security opportunities;

- the timing and degree of our investments in sales and marketing, and the impact of such investments on our operating expenses, operating margin and the productivity, capacity, tenure and effectiveness of execution of our sales and marketing teams;

- the timing of revenue recognition for our sales, including any impacts resulting from extension of payment terms to distributors and fluctuations in backlog levels, which could result in more variability and less predictability in our quarter-to-quarter revenue and operating results;

- the level of perceived threats to network security, which may fluctuate from period-to-period;

- changes in the requirements, market needs or buying practices and patterns of our distributors, resellers or customers;

- changes in the growth rates of the network security market in particular and other security and networking markets, such as SD-WAN, IoT, switches, access points, security operations, SASE and other cloud solutions for which we and our competitors sell software solutions;

- the timing and success of new software solutions or enhancements by us or our competitors, or any other change in the competitive landscape of our industry, including consolidation among our competitors, partners or customers;

- the deferral of orders from distributors, resellers or end-customers in anticipation of new software solutions or enhancements announced by us or our competitors, price decreases or changes in our registration policies, or the acceleration of orders in response to our announced or expected price list increases;

- increases or decreases in our billings, revenue and expenses caused by fluctuations in foreign currency exchange rates or a strengthening of the U.S. dollar, as a portion of our expenses is incurred and paid in currencies other than the U.S. dollar and the impact such fluctuations may have on the actual prices that our partners and customers are willing to pay for our software solutions and services;

- compliance with existing laws and regulations;

- our ability to obtain and maintain permits, clearances and certifications that are applicable to our ability to conduct business with the U.S. federal government, other international and local governments and other industries and sectors;

- potential litigation, litigation fees and costs, settlements, judgments and other equitable and legal relief granted related to litigation;

- the impact of cloud-based security solutions on our billings, revenue, operating margins and free cash flow;

- decisions by potential end-customers to purchase network security solutions from newer technology providers, from larger, more established security vendors or from their primary network equipment vendors;

- price competition and increased competitiveness in our market, including the competitive pressure caused by software refresh cycles;

- our ability to both increase revenue and manage and control operating expenses in order to maintain or improve our operating margins;

- changes in customer renewal rates or attach rates for our software solutions;

- changes in the timing of our billings, collection for our contracts or the contractual term of the software solutions sold;

- changes in our estimated annual effective tax rates and the tax treatment of R&D expenses and the related impact of cash from operations;

- changes in circumstances and challenges in business conditions, including decreased demand, which may negatively impact our channel partners' ability to sell the current inventory they hold and negatively impact their future purchases of software solutions from us;

- increased demand for cloud-based services and the uncertainty associated with transitioning to providing such services;

- our partners having insufficient financial resources to withstand changes and challenges in business conditions;

- disruptions in our channel or termination of our relationship with important partners, including as a result of consolidation among distributors and resellers of security solutions;

- insolvency, credit or other difficulties confronting our key channel partners, which could affect their ability to purchase or pay for our software solutions;

- policy changes and uncertainty with respect to immigration laws, trade policy and tariffs, including increased tariffs applicable to countries where we manufacture our hardware, foreign imports and tax laws related to international commerce;

- future accounting pronouncements or changes in our accounting policies as well as the significant costs that may be incurred to adopt and comply with these new pronouncements; and

- legislative or regulatory changes, such as with respect to privacy, information and cybersecurity, exports, the environment, regional component bans, and requirements for local manufacture.

Any one of the factors above or the cumulative effect of some of the factors referred to above may result in significant fluctuations in our quarterly financial and other operating results. This variability and unpredictability could result in our failing to meet our internal operating plan or the expectations of securities analysts or investors for any period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our shares could fall substantially and we could face costly lawsuits, including securities class action suits. Accordingly, in the event of revenue shortfalls, we are generally unable to mitigate the negative impact on margins in the short term.

We rely heavily on our reselling partners and our ability to work with suitable partners may impact our growth plans.

Within our partner network, our three and two largest reselling partners accounted for over 53.8% of our total revenues in our fiscal year ended March 31, 2025, and 49.5% of our total revenues in our fiscal year ended March 31, 2024, respectively. To reduce this risk, we continue to engage with new partners and expand our existing relationships to mitigate customer concentration risk. Additionally, we are in discussions with multiple potential partners in Southeast Asia to address the Southeast Asia market and there are no assurances we will find a suitable qualified partners.

If we are unable to develop and introduce new software solutions and improve existing software solutions in a cost-effective and timely manner, then our competitive position may be negatively impacted and our business, results of operations, and financial condition may be adversely affected.

If we are unable to adapt to rapidly evolving technological advancements and market demands within the enterprise network software sector, our competitive position could be undermined, leading to adverse effects on our business, results of operations, and financial condition. The network software industry is characterized by swift changes in customer preferences, emerging security threats, and evolving performance expectations. Failing to anticipate and address these shifts could result in our solutions becoming outdated or less effective, which may cause customers to seek alternatives from our competitors. Additionally, the complex nature of SD-WAN, SASE, and SIEM solutions demand continuous R&D efforts to ensure compatibility with new networking protocols, hardware platforms, and cloud architectures. Delays or inefficiencies in the development processes could hinder our ability to capture new market opportunities and retain existing customers. Therefore, our inability to proactively develop and introduce innovative solutions, as well as enhance our existing offerings, could weaken our competitive stance and negatively impact our overall business prospects.

We invest significantly in research and development, and to the extent our research and development efforts are unsuccessful, our competitive position may be negatively impacted and our business, results of operations, and financial condition may be adversely affected.

Our success depends heavily on our ability to attract and retain highly skilled and experienced R&D personnel. The network software industry is marked by rapid technological advancements, evolving market trends, and intense competition. If we fail to effectively recruit and retain top-tier R&D personnel, our capacity to innovate, develop new solutions, and enhance existing software solutions may be compromised. Competition for skilled engineers and developers is strong, and an inability to assemble a proficient R&D team could hinder our ability to respond promptly to market demands and stay ahead of technological shifts. Though we mitigate this with our robust talent development pipeline, a shortage of qualified candidates may negatively impact our performance. Furthermore, if key R&D personnel were to leave or if we encounter challenges in maintaining a collaborative and innovative work environment, our research outcomes might suffer, negatively impacting the quality and speed of our software development. In such scenarios, our competitive standing could weaken, potentially leading to a decline in market share, revenue, and overall business performance.

We operate in a highly competitive market.

The intense competition within our market poses a risk to our business operations, financial performance, and overall market position. Our industry is comprised of a number of players, including both established companies and emerging startups. As a result, we face pressure to differentiate our offerings, maintain competitive pricing, and consistently deliver high-quality solutions. If we fail to navigate this competitive landscape, we could experience challenges in acquiring new customers, expanding our market share, and retaining existing customers. Furthermore, the emergence of new competitors or the rapid advancement of alternative technologies could disrupt our current business model. Therefore, our ability to successfully compete is critical to our long-term success.

Increases in costs of the materials and other components that we use in our solutions would adversely affect our business, results of operations, and financial condition.

Fluctuations or increases in the costs of materials and components to our hardware or software solutions pose a risk to our business. When customers cannot host our software solutions, we procure hardware components to deploy to customer sites. Any significant rise in these costs, whether due to supply chain disruptions, market volatility, or external factors, could lead to elevated production expenses and impact our profit margins or customer demand if the cost is passed on. Failure to manage and mitigate these cost pressures could impact profitability or revenue. Additionally, if we are unable to adapt to changing cost dynamics, it could impede our ability to invest in R&D or expansion efforts, further limiting our growth prospects. Therefore, our capability to effectively manage material and component costs is a factor in our operational resilience and long-term financial success.

Adverse economic conditions, such as a possible recession and possible impacts of inflation or stagflation, increasing or decreasing interest rates, reduced information technology spending or any economic downturn or recession, may adversely impact our business.

Our business depends on the overall demand for information technology and on the economic health of our current and prospective customers. In addition, the purchase of our software solutions is often discretionary and may involve a significant commitment of capital and other resources. Weak global and regional economic conditions, fluctuating spending environments, a potential recession, the effects of ongoing or increased inflation, possible stagflation in certain geographies, variable interest rates, geopolitical instability and uncertainty, a reduction in information technology spending regardless of macroeconomic conditions, the effects of epidemics and pandemics, and the impact of the war in Ukraine each could have a material adverse impact on our financial condition, results of operations, and our business. Our inability to mitigate any of the foregoing events may result in longer sales cycles, a decrease in prices of our software solutions, increased component costs, higher default rates among our channel partners, reduced unit sales, or a decline in growth.

The existence of inflation in certain economies has resulted in, and may continue to result in, increasing or decreasing interest rates and capital costs, increased component or shipping costs, increased costs of labor, weakening exchange rates and other similar effects. We may not be able to successfully mitigate these risks in a timely manner. These economic challenges may also adversely impact spending patterns by our distributors, resellers and end-customers.

Our billings, revenue and free cash flow growth may slow or may not continue, and our operating margins may decline.

We may experience slowing growth or a decrease in billings, revenue, operating margin and free cash flow for a number of reasons, including a slowdown in demand for our hardware or software solutions, a shift in demand from hardware to software solutions, decrease in revenue growth, increased competition, worldwide or regional economic challenges based on inflation or possible stagflation, a regional or global recession, rising interest rates, the war in Ukraine, a decrease in the growth of our overall market or softness in demand in certain geographies or industry verticals, such as the service provider industry, changes in our strategic opportunities, execution risks, lower sales productivity and our failure for any reason to continue to capitalize on sales and growth opportunities due to other risks identified in the risk factors described in this prospectus. Our expenses, as a percentage of total revenue, may be higher than expected if our revenue is lower than expected. If our investments in sales and marketing and other functional areas do not result in expected billings and revenue growth, we may experience margin declines. In addition, we may not be able to sustain profitability in future periods if we fail to increase billings, revenue or deferred revenue, and do not appropriately manage our cost structure, free cash flow, or encounter unanticipated liabilities. As a result, any failure by us to maintain profitability and margins and continue our billings, revenue and free cash flow growth could cause the price of our common stock to materially decline.

We are dependent on the continued services and performance of our senior management, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and continuing contributions of our senior management to execute on our business plan and to identify and pursue new opportunities and software solutions. The loss of services of members of senior management, or of any of our senior sales leaders or functional area leaders, could significantly delay or prevent the achievement of our development and strategic objectives. The loss of the services or the distraction of our senior management for any reason could adversely affect our business, financial condition and results of operations.

Dr. Bhaskar and Ms. Datta are the primary inventors of our Company's technology and have been instrumental in developing key partnerships. While our management team also supports the continuing operations, our two founders continue to play a key role in the company and in developing new ideas and building new partnerships. FatPipe is developing middle management to help reduce senior management risk.

If we are unable to attract, retain, and motivate key employees, then our business, results of operations, and financial condition would be adversely affected.

Hiring and retaining qualified executives, developers, engineers, technical staff, and sales representatives are critical to our business. The competition for highly skilled employees in our industry is increasingly intense. Competitors for technical talent increasingly may seek to hire our employees. Changes in the interpretation and application of employment-related laws to our workforce practices may also result in increased operating costs and less flexibility in how we meet our changing workforce needs. To help attract, retain, and motivate qualified employees, we intend to use employee incentives such as share-based awards. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our share-based or other compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain, and motivate employees would be weakened, which would harm our results of operations. Equity compensation has been, and will continue to be, an important part of our future compensation strategy and a significant component of our future expenses, which we expect to increase over time. Moreover, sustained declines in our stock price can reduce the retention value of our share-based awards. If we do not effectively hire, onboard, retain, and motivate key employees, then our business, results of operations, and financial condition would be adversely affected.

Changes in our management team can also disrupt our business. Our management and senior leadership team has significant industry experience, and their knowledge and relationships would be difficult to replace. Leadership changes may occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit qualified personnel.

We may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all.

A majority of our operating expenses are for sales and marketing, and R&D activities. Our capital requirements will depend on many factors, including, but not limited to:

- technological advancements;
- market acceptance of our solutions and solution enhancements, and the overall level of sales of our software solutions;
- R&D expenses;
- our relationships with our customers and partners;
- our ability to control costs;
- sales and marketing expenses;

- enhancements to our infrastructure and systems and any capital improvements to our facilities;
- working capital for inventory;
- potential acquisitions of businesses and product lines; and
- general economic conditions, including, inflation, rising interest rates, and international conflicts and their impact on the tech industry in particular.

If our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If additional funds are raised through the issuance of equity or convertible debt securities, our stockholders may be diluted. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our solutions, expand our sales and marketing programs, take advantage of future opportunities, or respond to competitive pressures.

Risks Related to Our Sales and End-Customers

If we do not increase the effectiveness of our sales organization, we may have difficulty adding new end-customers or increasing sales to our existing end-customers and our business may be adversely affected.

Although we have a channel sales model, sales in our industry are complex and members of our sales organization often engage in direct interaction with our prospective end-customers, particularly for larger deals involving larger end-customers. Therefore, we continue to be substantially dependent on our sales organization to obtain new end-customers and sell additional software solutions and services to our existing end-customers. There is significant competition for sales personnel with the skills and technical knowledge that we require, including experienced enterprise sales employees and others. Our ability to grow our revenue depends, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth and on the effectiveness of our sales strategy, sales execution, and sales personnel selling successfully in different contexts, each of which has its own different complexities, approaches and competitive landscapes, such as managing and growing the channel business for sales to small businesses and more actively selling to the end-customer for sales to larger organizations. New hires require substantial training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. Furthermore, hiring sales personnel in new countries requires additional setup and upfront costs that we may not recover if the sales personnel fail to achieve full productivity. Sales effectiveness has a ramp up period which we must carefully account for before we see full impact on additional headcount revenues. If we are unable to hire and train sufficient numbers of effective sales personnel, the sales personnel are not successful in obtaining new end-customers or increasing sales to our existing customer base or sales personnel do not effectively sell our Enhanced Platform Technology software solutions, our business, operating results and prospects may be adversely affected. If we do not hire properly qualified and effective sales employees and organize our sales team effectively to capture the opportunities in the various customer segments we are targeting, our growth and ability to effectively support growth may be harmed.

In addition, in light of macroeconomic trends and in the event of sales execution challenges for any reason, we may face excess sales capacity, low sales productivity generally, and a decline in productivity in our sales organization. If we are not able to align our sales capacity and market demand, or if the productivity of our sales organization decreases, our operating results and financial condition could be harmed.

Unless we continue to develop better market awareness of our company and our software solutions, and to improve lead generation and sales enablement, our revenue may not continue to grow.

Increased market awareness of our capabilities and software services and increased lead generation are essential to our continued growth and our success in all of our markets, particularly the market for sales to large businesses, service providers and government organizations. While we have increased our investments in sales and marketing, it is not clear that these investments will continue to result in increased revenue. If our investments in additional sales personnel or our marketing programs are not successful in continuing to create market awareness of our company and software solutions or increasing lead generation, in growing billings for our broad software solutions or if we experience turnover and disruption in our sales and marketing teams, we may not be able to achieve sustained growth, and our business, financial condition and results of operations may be adversely affected.

Risks Related to Our Industry, Customers, Software and Services

We face competition in our market and we may not maintain or improve our competitive position.

The market for network security software solutions is competitive and dynamic and we expect to face competitors across different cybersecurity markets.

Some of our existing and potential competitors enjoy competitive advantages such as:

- greater name recognition and/or longer operating histories;
- larger sales and marketing budgets and resources;
- broader distribution and established relationships with distribution partners and end-customers;
- access to larger customer bases;
- greater customer support resources;
- greater resources to make acquisitions;
- stronger U.S. government relationships;
- lower labor and development costs; and
- substantially greater financial, technical and other resources.

In addition, certain of our larger competitors have broader product offerings, and leverage their relationships based on other products or incorporate functionality into existing products in a manner that discourages customers from purchasing our software solutions. These larger competitors often have broader product lines and market focus, and are in a better position to withstand any significant reduction in capital spending by end-customers in these markets. Therefore, these competitors will not be as susceptible to downturns in a particular market. Also, many of our smaller competitors that specialize in providing protection from a single type of security threat are often able to deliver these specialized security products to the market more quickly than we can.

Conditions in our markets could change rapidly and significantly as a result of technological advancements or continuing market consolidation. Our competitors and potential competitors may also be able to develop products or services, and leverage new business models, that are equal or superior to ours, achieve greater market acceptance of their products and services, disrupt our markets, and increase sales by utilizing different distribution channels than we do. In addition, current or potential competitors may be acquired by third parties with greater available resources, and new competitors may arise pursuant to acquisitions of network security companies or divisions. As a result of such acquisitions, competition in our market may continue to increase and our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products and services, initiate or withstand substantial price competition, take advantage of acquisition or other opportunities more readily, or develop and expand their product and service offerings more quickly than we do. In addition, our competitors may bundle products and services competitive with ours with other products and services. Customers may accept these bundled products and services rather than separately purchasing our software solutions and services. As our customers refresh the security products bought in prior years, they may seek to consolidate vendors, which may result in current customers choosing to purchase products from our competitors on an ongoing basis. Due to budget constraints or economic downturns, organizations may be more willing to incrementally add solutions to their existing network security infrastructure from competitors than to replace it with our solutions. These competitive pressures in our market or our failure to compete effectively may result in price reductions, fewer customer orders, reduced revenue and gross margins and loss of market share.

If our new software solutions and enhancements do not achieve sufficient market acceptance, our results of operations and competitive position will suffer.

We spend substantial amounts of time and money to internally develop software solutions and enhance versions of our software in order to incorporate additional features, improved functionality or other enhancements in order to meet our customers' rapidly evolving demands for network security in our highly competitive industry. When we develop a software solution, or an enhanced version of an existing software, we typically incur expenses and expend resources upfront to market, promote and sell the new offering. Therefore, when we develop and introduce new or enhanced software solutions, they must achieve high levels of market acceptance in order to justify the amount of our investment in developing and bringing them to market.

Our new hardware, software solutions or enhancements could fail to attain sufficient market acceptance for many reasons, including:

- delays in releasing our new hardware, software solutions or enhancements to the market;
- failure to accurately predict market demand in terms of hardware and software functionality and to supply hardware and software solutions that meet this demand in a timely fashion;
- failure to have the appropriate R&D expertise and focus to make our top strategic software solutions successful;
- failure of our sales force and partners to focus on selling new hardware and software solutions;
- inability to interoperate effectively with the networks or applications of our prospective end-customers;
- inability to protect against new types of attacks or techniques used by hackers;
- actual or perceived defects, vulnerabilities, errors or failures;
- negative publicity about their performance or effectiveness;
- introduction or anticipated introduction of competing products and services by our competitors;
- poor business conditions for our end-customers, causing them to delay IT purchases;
- changes to the regulatory requirements around security; and
- reluctance of customers to purchase software solutions that incorporate open-source software.

If our new hardware, software solutions or enhancements do not achieve adequate acceptance in the market, our competitive position will be impaired, our revenue will be diminished and the effect on our operating results may be particularly acute because of the significant research, development, marketing, sales and other expenses we incurred in connection with our offerings.

Demand for our software solutions may be limited by market perception that individual software solutions from one vendor that provide multiple layers of security protection in one offering are inferior to point solution network security solutions from multiple vendors.

Sales of many of our software solutions depend on increased demand for incorporating broad security functionality into one application. If the market for these solutions fails to grow as we anticipate, our business will be negatively impacted. Target customers may view "all-in-one" network security solutions as inferior to security solutions from multiple vendors based on their perception that security functions from one vendor restrict users from choosing amongst the wide range of dedicated security applications available. Target customers might also perceive that, by combining multiple security functions into a single platform, our solutions create a "single point of failure" in their networks, which means that an error, vulnerability or failure of our offerings may place the entire network at risk. In addition, the market perception that "all-in-one" solutions may be suitable only for small and medium-sized businesses because such solution lacks the performance capabilities and functionality of other solutions may harm our sales to large businesses, service provider and government organization end-customers. If the foregoing concerns and perceptions become prevalent, even if there is no factual basis for these concerns and perceptions, or if other issues arise with our market in general, demand for multi-security functionality software solutions could be severely limited, which would limit our growth and harm our business, financial condition and results of operations. Further, a successful and publicized targeted attack against us, exposing a "single point of failure", could significantly increase these concerns and perceptions and may harm our business and results of operations.

If functionality similar to that offered by our software solutions is incorporated into our competitors' existing network infrastructure products, our customers may decide against adding our appliances to their network, which would have an adverse effect on our business.

Large, well-established providers of networking equipment and may continue to introduce, network security features that compete with our software solutions, either in standalone security products or as additional features in their network infrastructure products. The inclusion of, or the announcement of an intent to include, functionality perceived to be similar to that offered by our security solutions that are already generally accepted as necessary components of network architecture may have an adverse effect on our ability to market and sell our software solutions. Furthermore, even if the functionality offered by network infrastructure providers is more limited than our software solutions, a significant number of customers may elect to accept such limited functionality in lieu of adding appliances from an additional vendor such as us. Many organizations have invested substantial personnel and financial resources to design and operate their networks and have established deep relationships with other providers of networking products, which may make them reluctant to add new components to their networks, particularly from other vendors such as us. If organizations are reluctant to add additional network infrastructure from new vendors or otherwise decide to work with their existing vendors, our business, financial condition and results of operations will be adversely affected.

Because some of the key components in our hardware come from limited sources of supply, we are susceptible to supply shortages, long or uncertain lead times for components, and supply changes, each of which could disrupt or delay our scheduled software deliveries to our customers, result in inventory shortage, cause loss of sales and customers or increase component costs resulting in lower gross margins and free cash flow.

Our contract manufacturers currently purchase several key parts and components for our hardware from limited sources of supply. We are therefore subject to the risk of shortages or uncertain lead times in the supply of these components and the risk that component suppliers may discontinue or modify components used in our software. We have in the past experienced uncertain lead times for certain components. The introduction by component suppliers of new versions of their products, particularly if not anticipated by us or our contract manufacturers, could require us to expend significant resources to incorporate these new components into our solutions. In addition, if these suppliers were to discontinue production of a necessary part or component, we would be required to expend significant resources and time in locating and integrating replacement parts or components from another vendor. Qualifying additional suppliers for limited source parts or components can be time-consuming and expensive.

If we are unable to obtain sufficient quantities of hardware, we may have to find alternate sources. This could result in a delay and cancellation of orders, lost sales, reduced gross margins or damage to our end-customer relationships, which would adversely impact our business, financial condition, results of operations and prospects. Additionally, if actual demand does not directly match with our demand forecasts, due to our purchase order commitments, we could be required to accept or pay for components and finished goods. This may result in us discounting our hardware or excess or obsolete inventory, which we would be required to write down to its estimated realizable value, which in turn could result in lower gross margins. Our reliance on a limited number of suppliers involves several additional risks, including:

- a potential inability to obtain an adequate supply of required parts or components when required;
- financial or other difficulties faced by our suppliers;
- infringement or misappropriation of our intellectual property ("IP");
- price increases;
- failure of a component to meet environmental or other regulatory requirements;
- failure to meet delivery obligations in a timely fashion;
- failure in component quality; and
- inability to deliver software on a timely basis.

The occurrence of any of these events would be disruptive to us and could seriously harm our business. Any interruption or delay in the supply of any of these parts or components, or the inability to obtain these parts or components from alternate sources at acceptable prices and within a reasonable amount of time, would harm our ability to meet our scheduled hardware deliveries to our distributors, resellers and end-customers. This could harm our relationships with our channel partners and end-customers and could cause delays in the installation of our software solutions and adversely affect our results of operations. In addition, increased component costs could result in lower gross margins.

The sales prices of our hardware and software solutions may decrease, which may reduce our gross profits and operating margin and may adversely impact our financial results and the trading price of our common stock.

The sales prices for our software solutions may decline for a variety of reasons or the mix of our offerings may change, resulting in lower growth and margins based on a number of factors, including competitive pricing pressures, discounts or promotional programs we offer, a change in our available offerings and anticipation of the introduction of new software solutions. We have recently conducted such price decreases. Competition continues to increase in the market segments in which we participate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse product offerings may reduce the price of products and services that compete with ours in order to promote the sale of other products or services or may bundle them with other products or services. Additionally, although we price our software solutions and services worldwide in U.S. dollars, currency fluctuations in certain countries and regions have in the past, and may in the future, negatively impact actual prices that partners and customers are willing to pay in those countries and regions. Furthermore, we anticipate that the sales prices and gross profits for our hardware and software solutions will decrease over product life cycles. We cannot ensure that we will be successful in developing and introducing new offerings with enhanced functionality on a timely basis, or that those offerings, if introduced, will enable us to maintain our prices, gross profits and operating margin at levels that will allow us to maintain profitability.

The network security market is rapidly evolving and the complex technology incorporated in our software solutions make them difficult to develop. If we do not accurately predict, prepare for and respond promptly to technological and market developments and changing end-customer needs, our competitive position and prospects may be harmed.

The network security market is expected to continue to evolve rapidly. Moreover, many of our end-customers operate in markets characterized by rapidly changing technologies and business plans, which require them to add numerous network access points and adapt increasingly complex networks, incorporating a variety of hardware, software applications, operating systems and networking protocols. In addition, computer hackers and others who try to attack networks employ increasingly sophisticated techniques to gain access to and attack systems and networks. The technology in our software solutions is especially complex because it needs to effectively identify and respond to new and increasingly sophisticated methods of attack, while minimizing the impact on network performance. Additionally, some of our new offerings and enhancements may require us to develop new hardware architectures that involve complex, expensive and time-consuming R&D processes. Although the market expects rapid introduction of new software solutions and to respond to new threats, the development of these solutions is difficult, the timetable for their commercial release and availability is uncertain, and there can be long time periods between releases and availability of new software solutions. We have in the past and may in the future experience unanticipated delays in the availability of new offerings and fail to meet previously announced timetables for such availability. If we do not quickly respond to the rapidly changing and rigorous needs of our end-customers by developing, releasing and making available on a timely basis new software solutions or enhancements that can respond adequately to new security threats, our competitive position and business prospects may be harmed.

Our ability to sell our software solutions is dependent on our quality control processes and the quality of our technical support services, and our failure to offer high-quality technical support services could have a material adverse effect on our sales and results of operations.

Once our software solutions are deployed within our end-customers' networks, our end-customers depend on our technical support services, as well as the support of our partners and other third parties, to resolve any issues relating to our software. If we, our partners, or other third-parties do not effectively assist our customers in planning, deploying and operating our software, successfully help our customers resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional software solutions to existing customers may be adversely affected and our reputation with potential customers could be damaged. Many large end-customers, and service providers or government organization end-customers, require higher levels of support than smaller end-customers because of their more complex deployments and more demanding environments and business models. If we, our channel partners or other third parties fail to meet the requirements of our larger end-customers, it may be more difficult to execute on our strategy to increase our penetration with large businesses, service providers and government organizations. Our failure to maintain high-quality support services could have a material adverse effect on our business, financial condition and results of operations and may subject us to litigation, reputational damage, loss of customers and additional costs.

Our business is subject to the risks of warranty claims, product returns, product liability and software defects.

Our software solutions are complex and, despite testing prior to their release, have contained and may contain undetected defects or errors, especially when first introduced or when new versions are released. Software errors have affected the performance and effectiveness of our software solutions and could delay the development or release of new offerings or new versions of our software. This may adversely affect our reputation and our end-customers' willingness to buy software from us, result in litigation and disputes with customers, and adversely affect market acceptance or perception of our software solutions. Any such errors or delays in releasing new software solutions or new versions of our software or allegations of unsatisfactory performance could cause us to lose revenue or market share, increase our service costs, cause us to incur substantial costs in redesigning our software, cause us to lose significant end-customers, subject us to litigation, litigation costs and liability for damages and divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations and financial condition. Our software solutions must successfully interoperate with products from other vendors. As a result, when problems occur in a network, it may be difficult to identify the sources of these problems. The occurrence of hardware and software errors, whether or not caused by our offerings, could delay or reduce market acceptance of our software solutions and have an adverse effect on our business and financial performance, and any necessary revisions may cause us to incur significant expenses. The occurrence of any such problems could harm our business, financial condition, and results of operations.

Although we generally have limitation of liability provisions in our standard terms and conditions of sale and back-to-back warranty from our hardware vendors, they may not fully or effectively protect us from claims if exceptions apply or if the provisions are deemed unenforceable, and in some circumstances, we may be required to indemnify a customer in full, without limitation, for certain liabilities, including liabilities that are not contractually limited. The sale and support of our software solutions also entail the risk of product liability claims. We maintain insurance to protect against certain claims associated with the use of our software, but our insurance coverage may not adequately cover any claim asserted against us, if at all, and in some instances may subject us to potential liability that is not contractually limited. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation and divert management's time and other resources.

Our historical financial information may not be representative of our results as a public company.

The historical combined financial information included in this prospectus may not necessarily reflect our results of operations, financial position, and cash flows in the future or what they would have been had we been a public company during the fiscal years presented. Our historical financial data presented in this prospectus includes costs of our business, which may not, however, reflect the expenses we would have incurred as a public company for the fiscal years presented. Actual costs that may have been incurred if we had operated as a public company would depend on a number of factors, including the chosen organizational structure, the outsourcing of certain functions, and other strategic decisions.

Risks Related to Our Systems and Technology

If our internal enterprise IT networks, on which we conduct internal business and interface externally, our operational networks, through which we connect to customers, vendors and partners systems and provide services, or our research and development networks, our back-end labs and cloud stacks hosted in our data centers, colocation vendors or public cloud providers, through which we research, develop and host software solutions are compromised, public perception of our offerings may be harmed, our customers may be breached and harmed, we may become subject to liability, and our business, operating results and stock price may be adversely impacted.

Our success depends on the market's confidence in our ability to provide effective network security protection. Despite our efforts and processes to prevent breaches of our internal networks, systems and websites, we are still vulnerable to computer viruses, break-ins, phishing attacks, ransomware attacks, attempts to overload our servers with denial-of-service, vulnerabilities in vendor hardware and software that we leverage, advanced persistent threats from sophisticated actors and other cyber-attacks and similar disruptions from unauthorized access to our internal networks, systems or websites. Our security measures may also be breached due to employee error, malfeasance or otherwise, which breaches may be more difficult to detect than outsider threats, and the existing programs and trainings we have in place to prevent such insider threats may not be effective or sufficient. Third parties may also attempt to fraudulently induce our employees to transfer funds or disclose information in order to gain access to our networks and confidential information. Third parties may also send our customers or others malware or malicious emails that falsely indicate that we are the source, potentially causing lost confidence in us and reputational harm. We cannot guarantee that the measures we have taken to protect our networks, systems and websites will provide adequate security. Moreover, because we provide network security software, we may be a more attractive target for attacks by computer hackers and any security breaches and other security incidents involving us may result in more harm to our reputation and brand than companies that do not sell network security solutions. Hackers and malicious parties may be able to develop and deploy viruses, worms, ransomware and other malicious software programs that attack our software and customers' data and privacy, that impersonate our update servers in an effort to access customer networks and negatively impact customers, or otherwise exploit any security vulnerabilities of our software, or attempt to fraudulently induce our employees, customers or others to disclose passwords or other sensitive information or unwittingly provide access to our internal networks, systems or data.

Although we take numerous measures and implement multiple layers of security to protect our networks, we cannot guarantee that our security software, processes and services will secure against all threats. Further, we cannot be sure that third parties have not been, or will not in the future be, successful in improperly accessing our systems and our customers' systems, which could negatively impact us and our customers. An actual breach could significantly harm us and our customers, and an actual or perceived breach, or any other actual or perceived data security incident, threat or vulnerability, that involves our supply chains, networks, systems or websites and/or our customers' supply chains, networks, systems or websites could adversely affect the market perception of our software and services and investor confidence in our company. We could also be subject to liability and litigation and reputational harm and our partners and end-customers may be harmed, lose confidence in us and decrease or cease using our software solutions and services. Any breach of our internal networks, systems or websites could have an adverse effect on our business, operating results and stock price.

Our business and operations have experienced growth in recent periods, and if we do not effectively manage any future growth or are unable to improve our systems, processes, and controls, our operating results could be adversely affected.

We have experienced growth and increased demand for our software solutions and subscriptions since 2020. As we have grown, our number of end-customers has increased, and we have managed more complex deployments of our software solutions and subscriptions with larger end-customers. The growth and expansion of our business and software, subscriptions, and support offerings places a significant strain on our management, operational, and financial resources. To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital, and processes in an efficient manner.

We may not be able to successfully implement, scale, or manage improvements to our systems, processes, and controls in an efficient or timely manner, which could result in material disruptions of our operations and business. In addition, our existing systems, processes, and controls may not prevent or detect all errors, omissions, or fraud. We may also experience difficulties in managing improvements to our systems, processes, and controls, or in connection with third-party software licensed to help us with such improvements. Any future growth would add complexity to our organization and require effective coordination throughout our organization. Failure to manage any future growth effectively could result in increased costs, disrupt our existing end-customer relationships, reduce demand for or limit us to smaller deployments of our software, or materially harm our business performance and operating results.

Risks Related to Our Intellectual Property

Our proprietary rights may be difficult to enforce and we may be subject to claims by others that we infringe their propriety technology.

We rely primarily on patent, trademark, copyright and trade secrets laws and confidentiality procedures and contractual provisions to protect our technology. Valid patents may not issue from our pending applications, and the claims eventually allowed on any patents may not be sufficiently broad to protect our technology or software. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Patent applications in the United States are typically not published until at least 18 months after filing, or, in some cases, not at all, and publications of discoveries in industry-related literature lag behind actual discoveries. We cannot be certain that we were the first to make the inventions claimed in our pending patent applications or that we were the first to file for patent protection. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, recent changes to the patent laws in the United States may bring into question the validity of certain software patents and may make it more difficult and costly to prosecute patent applications. As a result, we may not be able to obtain adequate patent protection or effectively enforce our issued patents.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our software or obtain and use information that we regard as proprietary. We generally enter into confidentiality or license agreements with our employees, consultants, vendors and customers, and generally limit access to and distribution of our proprietary information. However, we cannot guarantee that the steps taken by us will prevent misappropriation of our technology. Policing unauthorized use of our technology or software is difficult. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States. From time to time, legal action by us may be necessary to enforce our patents and other IP rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, operating results and financial condition. If we are unable to protect our proprietary rights (including aspects of our software protected other than by patent rights), we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create the innovative software that have enabled us to be successful to date.

Further, our ability to compete effectively depends in part on our ability to develop and maintain the proprietary aspects of our technology. Our policy is to obtain appropriate proprietary rights protection for any potentially significant new technology acquired or developed by us. We hold 13 U.S. patents, and provisional patent filings.

In addition to patent laws, we rely on copyright and trade secret laws to protect our proprietary rights. We attempt to protect our trade secrets and other proprietary information through agreements with channel partners, distributors, other customers and suppliers, proprietary information agreements with our employees and consultants, and other similar measures. Our primary trademarks are for our name and software names. We cannot be certain that we will be successful in protecting our proprietary rights. While we believe our patents, patent applications, software and other proprietary know-how have value, changing technology makes our future success dependent principally upon our ability to successfully achieve continuing innovation.

Litigation may be necessary in the future to enforce our proprietary rights, to determine the validity and scope of the proprietary rights of others, or to defend us against claims of infringement or invalidity by others. An adverse outcome in such litigation or similar proceedings could subject us to significant liabilities to third parties, require disputed rights to be licensed from others or require us to cease marketing or using certain software, any of which could have a material adverse effect on our business, financial condition, and results of operations. In addition, the cost of addressing any IP litigation claim, both in legal fees and expenses, as well as from the diversion of management's resources, regardless of whether the claim is valid, could be significant and could have a material adverse effect on our business, financial condition, and results of operations.

Claims by others that we infringe their proprietary technology or other litigation matters could harm our business.

Patent and other IP disputes are common in the software related technology industry. As the number of products and competitors in our market increases and overlaps occur, infringement claims may increase. Any claim of infringement by a third party, even those without merit, could cause us to incur substantial costs defending against the claim and could distract our management from our business. In addition, litigation may involve patent holding companies, non-practicing entities or other adverse patent owners who have no relevant product revenue and against whom our own patents may therefore provide little or no deterrence or protection.

Although third parties may offer a license to their technology, the terms of any offered license may not be acceptable, and the failure to obtain a license or the costs associated with any license could cause our business, financial condition and results of operations to be materially and adversely affected. In addition, some licenses may be non-exclusive and, therefore, our competitors may have access to the same technology licensed to us.

Alternatively, we may be required to develop non-infringing technology, which could require significant time, effort and expense, and may ultimately not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from providing certain software solutions that requires us to pay substantial damages (including treble damages if we are found to have willfully infringed such claimant's patents or copyrights), royalties or other fees. Any of these events could seriously harm our business, financial condition and results of operations.

Other Risks Related to Our Business and Financial Position

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose end-customers in the public sector or negatively impact our ability to contract with the public sector.

Our business is subject to regulation by various federal, state, regional, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, environmental laws, consumer protection laws, anti-bribery laws, data privacy laws, import and export controls, federal securities laws and tax laws and regulations. In certain jurisdictions, these regulatory requirements may vary from those in the United States. Non-compliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages and civil and criminal penalties or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results and financial condition could be adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

Selling our solutions to the U.S. government, whether directly or through channel partners, also subjects us to certain regulatory and contractual requirements, government permit and clearance requirements and other risks. Failure to comply with these requirements or to obtain and maintain government permits and clearances required to do certain business, by either us or our channel partners, could subject us to investigations, fines, suspension, limitations on business or debarment from doing business with the U.S. government or one of its divisions, as well as other penalties, damages and reputational harms, which could have an adverse effect on our business, operating results, financial condition and prospects. Any violations of regulatory and contractual requirements could result in us being suspended or debarred from future government contracting. Any of these outcomes could have an adverse effect on our revenue, operating results, financial condition and prospects.

These laws, regulations and other requirements impose added costs on our business, and failure to comply with these or other applicable regulations and requirements, including non-compliance in the past, could lead to claims for damages from our channel partners, penalties, termination of contracts, loss of exclusive rights in our IP and temporary suspension, permanent debarment from government contracting, or other limitations on doing business. Any such damages, penalties, disruptions or limitations in our ability to do business with the public sector could have an adverse effect on our business and operating results.

We are subject to governmental export and import controls that could subject us to liability or restrictions on sales, and that could impair our ability to compete in international markets.

Because we incorporate encryption technology into our software solutions, certain of our software are subject to U.S. export controls and may be exported outside the United States only with the required export license or through an export license exception, or may be prohibited altogether from export to certain countries. If we were to fail to comply with U.S. export laws, U.S. Customs regulations and import regulations, U.S. economic sanctions and other countries' import and export laws, we could be subject to substantial civil and criminal penalties, including fines for the company and incarceration for responsible employees and managers, and the possible loss of export or import privileges. In addition, if our partners fail to obtain appropriate import, export or re-export licenses or permits (e.g., for stocking orders placed by our partners), we may also be adversely affected through reputational harm and penalties and we may not be able to provide support related to appliances shipped pursuant to such orders. Obtaining the necessary export license for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products to U.S. embargoed or sanctioned countries, governments and persons, such as the sanctions and trade restrictions that have been implemented against Russia and Belarus. Even though we take precautions to prevent our hardware from being shipped to U.S. sanctioned targets, our hardware could be shipped to those targets by our partners, despite such precautions. Any such shipment could have negative consequences including government investigations and penalties and reputational harm. In addition, various countries regulate the import of certain encryption technology, including import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our software or could limit our customers' ability to implement our software solutions in those countries. Changes in our hardware and software or changes in export and import regulations may create delays in the introduction of our hardware and software solutions in international markets, or, in some cases, prevent the export or import of our software to certain countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our software solutions by, or in our decreased ability to export or sell our software solutions to, existing or potential customers with international operations. Any decreased use of our hardware and software or limitation on our ability to export or sell our hardware and software would likely adversely affect our business, financial condition and results of operations.

Investors' expectations of our performance relating to environmental, social and governance factors may impose additional costs and expose us to new risks.

There is an increasing focus from certain investors, employees, customers and other stakeholders concerning corporate responsibility, specifically related to ESG matters. Some investors may use these non-financial performance factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies and actions relating to corporate responsibility are inadequate. The growing investor demand for measurement of non-financial performance is addressed by third-party providers of sustainability assessment and ratings on companies. The criteria by which our corporate responsibility practices are assessed may change due to the constant evolution of the sustainability landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. If we elect not to or are unable to satisfy such new criteria, investors may conclude that our policies and/or actions with respect to corporate social responsibility are inadequate. We may face reputational damage in the event that we do not meet the ESG standards set by various constituencies.

If we fail to satisfy the expectations of investors, customers, employees, and other stakeholders or our initiatives are not executed as planned, our reputation and business, operating results and financial condition could be adversely impacted. In addition, the SEC has also proposed a draft rule that requires climate disclosures in financial filings. To the extent the SEC proposal becomes effective for our Company, we will be required to establish additional internal controls, engage additional consultants and incur additional costs related to evaluating, managing and reporting on our environmental impact and climate-related risks and opportunities. If we fail to implement sufficient oversight or accurately capture and disclose on environmental matters, our reputation, business, operating results and financial condition may be materially adversely affected.

We have incurred indebtedness and may incur other debt in the future, which may adversely affect our financial condition and future financial results.

As of March 31, 2026, we incurred an aggregate of $4.6 million of indebtedness outstanding under the Fortis Bank replacement loan.

Under the agreements governing our indebtedness, we are permitted to incur additional debt. This debt, and any debt that we may incur in the future, may adversely affect our financial condition and future financial results by, among other things:

- increasing our vulnerability to downturns in our business, competitive pressures, and adverse economic and industry conditions;
- requiring the dedication of a portion of our expected cash from operations to service our indebtedness, thereby reducing the amount of expected cash flow available for other purposes, including capital expenditures, share repurchases and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our businesses and our industries;

If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required, among other things, to seek additional financing in the debt or equity markets, refinance or restructure all or a portion of our indebtedness, sell selected assets or reduce or delay planned capital, operating or investment expenditures. Such measures may not be sufficient to enable us to service our debt.

The repayment obligations under the outstanding debt may have the effect of discouraging, delaying or preventing a takeover of our company. If we were required to pay the note prior to their scheduled maturity, it could have a negative impact on our cash position and liquidity and impair our ability to invest financial resources in other strategic initiatives.

In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of our debt, as well as affect our ability to obtain additional financing in the future and may negatively impact the terms of any such financing.

Risks Related to Finance, Accounting and Tax Matters

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates." Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in our stock price. Significant assumptions and estimates used in preparing our condensed consolidated financial statements include those related to revenue recognition, deferred contract costs and commission expense, accounting for business combinations, contingent liabilities and accounting for income taxes.

We are affected by fluctuations in currency exchange rates, including those in connection with recent inflationary trends in the United States.

We are exposed to both adverse and advantageous movements in currency exchange rates. Our functional currency is the U.S. dollar, and we incur financial expenses in connection with fluctuations in value due to foreign exchange differences between our monetary assets and liabilities denominated in United States dollars and, to a much lesser extent, the Indian Rupee, and other currencies. Although most of our sales occur in U.S. dollars, and our financial results are reported in U.S. dollars, a portion of our payroll and other operating expenses are accrued in Indian Rupees. An increase in the value of the dollar will increase the real cost to our customers of our solutions in those markets outside the U.S. where we sell in dollars. Changes in exchange rates would adversely affect our business, results of operations, and financial condition.

We could be subject to changes in our tax rates, the adoption of new U.S. or international tax legislation, exposure to additional tax liabilities or impacts from the timing of tax payments.

We are subject to taxes in the United States and other foreign jurisdictions. Our provision for income taxes is subject to volatility and could be adversely affected by several factors, many of which are outside of our control. These include:

- the mix of earnings in countries with differing statutory tax rates or withholding taxes;
- changes in the valuation of our deferred tax assets and liabilities;
- transfer pricing adjustments;
- increases to corporate tax rates;
- changes in availability of tax credits and/or tax deductions;
- the timing of tax payments;
- tax costs related to intercompany realignments;
- tax assessments resulting from income tax audits or any related tax interest or penalties that could significantly affect our provision for income taxes for the period in which the settlement takes place; and
- changes in accounting principles, court decisions, tax rulings, and interpretations of or changes to tax laws, and regulations by international, federal or local governmental authorities.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between our forecasted and actual tax rates.

Forecasts of our income tax position and effective tax rate are complex, subject to uncertainty and periodic updates because our income tax position for each year combines the effects of a mix of profits earned and losses incurred by us in various tax jurisdictions with a broad range of income tax rates, as well as changes in the valuation of deferred tax assets and liabilities, the impact of various accounting rules and changes to these rules and tax laws, the results of examinations by various tax authorities, and the impact of any acquisition, business combination or other reorganization or financing transaction. To forecast our global tax rate, we estimate our pre-tax profits and losses by jurisdiction and forecast our tax expense by jurisdiction. If the mix of profits and losses, our ability to use tax credits or our effective tax rate in a given jurisdiction differs from our estimate, our actual tax rate could be materially different than forecasted, which could have a material impact on our results of business, financial condition and results of operations. Additionally, our actual tax rate may be subject to further uncertainty due to potential changes in U.S. and foreign tax rules.

The Organization for Economic Co-operation and Development (the "OECD"), an international association comprised of 38 countries, including the United States, has issued and continues to issue guidelines and proposals that change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. Due to our extensive international business activities, any changes in the taxation of such activities could increase our tax obligations in many countries and may increase our worldwide effective tax rate.

Risks Related to Ownership of Our Common Stock

As a public company, we are subject to compliance initiatives that will require substantial time from our management and result in significantly increased costs that may adversely affect our operating results and financial condition.

The Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), Dodd-Frank and other rules implemented by the SEC and The Nasdaq Stock Market impose various requirements on public companies, including requiring changes in corporate governance practices. These requirements, as well as proposed corporate governance laws and regulations under consideration, may further increase our compliance costs. If compliance with these various legal and regulatory requirements diverts our management's attention from other business concerns, it could have a material adverse effect on our business, financial condition and results of operations. Sarbanes-Oxley requires, among other things, that we assess the effectiveness of our internal control over financial reporting annually, and of our disclosure controls and procedures quarterly. Although our most recent assessment, testing and evaluation resulted in our conclusion that, as of March 31, 2024, our internal controls over financial reporting were effective, we cannot predict the outcome of our testing in 2025 or future periods and there can be no assurance that, in the future, our internal controls over financial reporting will be effective or deemed effective. The Company has put in place internal procedures to conduct secondary reviews of financial statements and enhanced internal controls. We may incur additional expenses and commitment of management's time in connection with further evaluations, both of which could materially increase our operating expenses and accordingly reduce our operating results.

If securities or industry analysts stop publishing research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If we do not maintain adequate research coverage, if one or more of the analysts who cover us downgrades our stock or publishes inaccurate or unfavorable research about our business or if our results or forecasts fail to meet the expectations of research analysts and investors, our stock price could decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline. If securities analysts publish inaccurate positive information, stockholders could buy our stock and the stock price may later decline.

General Risks

Global economic uncertainty, an economic downturn, the possibility of a recession, inflation, rising interest rates, weakening product demand caused by political instability, changes in trade agreements and conflicts such as the war in Ukraine, could adversely affect our business and financial performance.

Economic uncertainty in various global markets caused by political instability and conflict, such as the war in Ukraine, and economic challenges caused by the economic downturn, any resulting recession, inflation or rise in interest rates has resulted, and may continue to result, in weakened demand for our software solutions and difficulty in forecasting our financial results. Political developments impacting government spending and international trade, including potential government shutdowns and trade disputes and tariffs may negatively impact markets and cause weaker macroeconomic conditions. The effects of these events may continue due to potential U.S. government shutdowns and the transition in administrations, and the United States' ongoing trade disputes with Russia, China and other countries. The continuing effect of any or all of these events could adversely impact demand for our software solutions, harm our operations and weaken our financial results.

In addition, the U.S. capital markets have experienced and continue to experience extreme volatility and disruption. Inflation rates in the United States significantly increased in 2023 resulting in federal action to increase interest rates, adversely affecting capital markets activity. Further deterioration of the macroeconomic environment and regulatory action may adversely affect our business, operating results and financial condition. Moreover, there has been recent turmoil in the global banking system. For example, in March 2023, Silicon Valley Bank ("SVB") was put into receivership by the Federal Deposit Insurance Corporation and subsequently sold. Other banks at risk of failure have been subsequently sold, including First Republic Bank in May 2023, and there is concern that more banks could be at risk of the same fate. Continued instability in the global banking system may negatively impact us or our customers, including our customers' ability to pay for our platform, and adversely impact our business and financial condition. Moreover, events such as the closure of SVB, in addition to global macroeconomic conditions discussed above, may cause further turbulence and uncertainty in the capital markets and economy.

Changes in financial accounting standards may cause adverse unexpected fluctuations and affect our reported results of operations.

A change in accounting standards or practices, and varying interpretations of existing or new accounting pronouncements, as well as significant costs incurred or that may be incurred to adopt and to comply with these new pronouncements, could have a significant effect on our reported financial results or the way we conduct our business. If we do not ensure that our systems and processes are aligned with the new standards, we could encounter difficulties generating quarterly and annual financial statements in a timely manner, which could have an adverse effect on our business, our ability to meet our reporting obligations and compliance with internal control requirements.

Management will continue to make judgments and assumptions based on our interpretation of new standards. If our circumstances change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. Further, marketable equity investments are required to be measured at fair value (with subsequent changes in fair value recognized in net income), which may increase the volatility of our earnings.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

FatPipe operates in the network and cybersecurity software industry, and the integrity, confidentiality, and availability of our information systems and the networks of our customers are critical to our business. We have processes in place for assessing, identifying, and managing material risks from cybersecurity threats, including risks that could materially adversely affect our business strategy, results of operations, or financial condition. These processes are designed to be integrated with our broader enterprise risk management framework and are administered under the supervision of our Chief Executive Officer and our Chief Financial Officer, with technical leadership provided by our internal information technology and engineering teams.

Our cybersecurity risk management program includes the following elements: (i) risk assessment processes designed to identify and evaluate cybersecurity threats and vulnerabilities; (ii) implementation of administrative, technical, and physical controls intended to safeguard our information systems and the data we process; (iii) ongoing monitoring of network activity and security events; (iv) an incident response program designed to detect, respond to, and recover from cybersecurity incidents; and (v) employee training on data protection and information security practices.

As both a developer and user of cybersecurity technology, we apply our internal cybersecurity capabilities to monitor and protect our own enterprise IT environment, including the systems used to develop and deliver our software solutions. We engage third-party providers from time to time to support our cybersecurity activities, including security testing, vulnerability assessments, and threat monitoring. We also assess cybersecurity risks associated with our use of third-party service providers and the components and software incorporated into our solutions.

To date, we are not aware of any cybersecurity incidents that have materially affected, or are reasonably likely to materially affect, our business strategy, results of operations, or financial condition. However, we cannot eliminate cybersecurity risk, and despite our efforts, our information systems and the systems we deliver to customers may be subject to attempted breaches, denial-of-service attacks, malware, or other intrusions, any of which could result in business interruption, reputational harm, regulatory exposure, or financial loss.

Governance

Our Board of Directors has overall responsibility for risk oversight and has delegated oversight of cybersecurity risk to the Audit and Finance Committee, which is comprised entirely of independent directors. The Audit and Finance Committee receives periodic updates from management on the Company’s cybersecurity risk profile, the status of significant security initiatives, and any material cybersecurity incidents. Management, including the Chief Executive Officer and the Chief Financial Officer, together with our internal technical teams, is responsible for day-to-day implementation of the Company’s cybersecurity program. Our internal technical leadership has many years of experience designing, developing, and operating network and security software systems, including the cybersecurity capabilities incorporated within our products and services.

ITEM 2. PROPERTIES

Our principal executive offices are located at 392 East Winchester Street, Fifth Floor, Salt Lake City, Utah, where we lease approximately 7,400 square feet of office space pursuant to a lease that runs through November 30, 2028. FatPipe Networks Private Limited leases office space in Chennai, India under leases with our related party, Back Office Xtensions India Pvt. Ltd. See Note 9 to the consolidated financial statements for additional information regarding our related-party leases. We also maintain a smaller engineering presence in the Philippines.

We believe that our existing facilities are adequate for our current needs and that suitable additional or substitute space will be available on commercially reasonable terms as needed.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, we may become a party to lawsuits involving various matters. The impact and outcome of litigation, if any, is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We believe the ultimate resolution of any such current proceeding will not have a material adverse effect on our continued financial position, results of operations or cash flows. However, assessment of any current litigation or other legal claims could change in light of the discovery of facts not presently known to the Company or by judges, juries or other finders of fact, which are not in accord with management’s evaluation of the possible liability or outcome of such litigation or claims.

As of the date of this Annual Report, we are not a party to any legal proceedings that are expected, individually or in the aggregate, to have a material adverse impact on our financial position or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Common Stock

Our common stock is listed on The Nasdaq Capital Market under the symbol "FATN." Our common stock began trading on Nasdaq on April 8, 2025. Prior to that date, there was no public market for our common stock.

Common Stock Outstanding and Holders of Record

As of May 18, 2026, there were approximately 117 stockholders of record holding 14,024,468 shares of our common stock. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to our common stock.

The number of stockholders of record does not reflect the number of beneficial owners of our common stock whose shares are held in the names of various securities brokers, dealers, and registered clearing agencies.

Dividend Policy

We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our Board deems relevant. Our ability to pay cash dividends is subject to limitations imposed by applicable federal and state law, as well as the Celtic Promissory Note (as defined below).

Additionally, in accordance with the promissory note (the "Celtic Promissory Note") between Celtic Bank Corporation ("Celtic") and the Company in the amount of $5,000,000 entered into on January 25, 2023, with a maturity date of January 31, 2026, there are certain restrictions on the Company's ability to pay any dividends on the Company's stock (other than dividends payable in its stock), provided, that notwithstanding the foregoing, but only so long as no Event of Default (as defined in the Celtic Promissory Note) has occurred and is continuing or would result from the payment of dividends, if the Company is a "Subchapter S Corporation" (as defined in the Internal Revenue Code of 1986, as amended), the Company may pay cash dividends on its stock to its shareholders from time to time in amounts necessary to enable the shareholders to pay income taxes and make estimated income tax payments to satisfy their liabilities under federal and state law which arise solely from their status as Shareholders of a Subchapter S Corporation because of their ownership of shares of the Company's stock, or purchase or retire any of the Company's outstanding shares or alter or amend the Company's capital structure.

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding compensation plans under which equity securities may be issued is included in Item 12 of Part III of this Annual Report.

Use of Proceeds from Initial Public Offering

On April 7, 2025, we entered into an Underwriting Agreement with D. Boral Capital LLC, as representative of the underwriters, pursuant to which the Company agreed to sell to the underwriters, in a firm commitment initial public offering, an aggregate of 695,656 shares of the Company's common stock, no par value per share, at an initial public offering price of $5.75 per share. The Common Stock was offered pursuant to a registration statement on Form S-1, as amended (File No. 333-280925), declared effective by the SEC on February 12, 2025, and a post-effective amendment thereto declared effective on March 17, 2025.

On April 9, 2025, we closed the Offering and, including partial exercise of the underwriters' over-allotment option, issued and sold an aggregate of 800,004 shares of common stock. Gross proceeds were approximately $4,600,023, and net proceeds, after deducting underwriting discounts and offering expenses, were approximately $3,935,522.

From the closing of the Offering through May 18, 2026, we have used the net proceeds for general working capital purposes consistent with the use-of-proceeds disclosure in our final prospectus dated April 7, 2025. There has been no material change in the planned use of proceeds described in our final prospectus.

Recent Sales of Unregistered Securities

During the fiscal year ended March 31, 2026, the Company issued an aggregate of 198,000 shares of common stock to consultants and employees as consideration for cash and services rendered. The aggregate fair value of the shares, determined based on the market price of the Company's common stock on the date of issuance, totaled $853,220, of which $83,000 was received in cash. The Company recognized total stock-based compensation expense of $770,220 in connection with these issuances and stock options exercised by directors and officers during the fourth quarter of the fiscal year, which was recorded within general and administrative expenses. These issuances were made in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended, or Rule 701 promulgated thereunder, as transactions by an issuer not involving a public offering or pursuant to compensatory benefit plans approved by the Company's Board of Directors.

Issuer Purchases of Equity Securities

We did not purchase any of our equity securities during the fiscal year ended March 31, 2026.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Annual Report. This discussion contains forward-looking statements that relate to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, among others, those listed under "Special Note Regarding Forward-Looking Statements" and "Risk Factors" and those included elsewhere in this Annual Report.

Overview

FatPipe is a pioneer in enterprise-grade, application-aware, secure SD-WAN solutions for organizations, including enterprises, communication service providers, security service providers, government organizations, and other middle-market companies. FatPipe also develops FatPipe Total Security 360, a comprehensive cybersecurity and Security Information and Event Management product. We sell our software solutions to a diverse group of end-users predominately on a subscription basis, and rely on our network of distributors, value-added resellers, ISPs, and other third parties for distribution. We typically maintain a contractual relationship directly with the end-user customer and provide product deployment and ongoing support. We sell our products in the U.S. and South Asia.

FatPipe's fiscal year ends March 31. The fiscal year ended March 31, 2026 ("FY2026") was our first full fiscal year as a publicly traded company, having completed our initial public offering on April 9, 2025.

Since our initial public offering, we have continued to expand our software platform and our sales organization. We introduced an integrated single-stack architecture that combines our networking, security, and monitoring functionality within a unified software platform, and we expanded our cybersecurity capabilities. In addition, we have approximately doubled the headcount of our sales organization, contributing to growth in our sales pipeline.

Components of Results of Operations

Revenue

FatPipe derives its revenues from the sale of its software solutions and services, which include an integrated suite of SD-WAN, security and network management capabilities. These solutions are delivered to customers on commodity network servers, or virtually for deployment in public, private or hybrid cloud environments. Revenues are reported net of marketing development funds provided to our distribution partners for sales and marketing support. FatPipe Technologies, our consulting subsidiary, generally provides consulting, staffing, and engineering services on a project basis.

Our customer contracts generally range from 36 to 60 months and are typically billed on a monthly basis; however, the accounting treatment varies based on the nature of the service. The majority of our revenue is recognized at a point-in-time once the software solution has been delivered or ownership has been transferred, and our performance obligations have been satisfied. The Company delivers software licenses that are valid for the duration of the contract term (i.e., 36-60 months) along with the product. Therefore, the Company recognizes the software license revenue at the time of delivery or transfer of control. The contract value is recorded as contracts receivable and is transferred to accounts receivable upon invoicing the customer. The remaining obligation of the contract value is recorded as contract liability. Our deferred revenue consists of the amounts from the service portion of the contract and is amortized pro-rata over the term of the service agreement. For further details on our revenue recognition policies, please refer to Note 1 to the consolidated financial statements.

Cost of Revenue

The cost of revenue includes all costs associated with the network server components, as well as the costs of cloud hosting services used for the delivery of our software solutions and services.

Gross Profit

Gross profit represents the difference between revenue and cost of revenue. Cost of revenue primarily includes the cost of the network server hardware that is used in certain instances to deliver our software solutions. Gross profit is impacted by our software solutions' average selling price and the revenue mix between solutions and services. We do not use custom hardware and historically have not been constrained by access to adequate supplies of hardware required to support our sales. The costs of revenue include all costs associated with network server components as well as costs associated with providing services to our customers, including costs associated with hosting our services through Amazon Web Services.

Operating Expenses

Our operating expenses consist of sales and marketing ("S&M") expense, general and administrative ("G&A") expense, product development expense, and employee cost. Historically, we have not capitalized any material portion of our product development expense. The Company's 2024 Equity Incentive Plan was adopted by the Board in connection with our initial public offering and provides for stock-based compensation.

Sales and Marketing Expense

Sales and marketing expenses include the costs associated with our sales and product marketing professionals and marketing expenses in support of our distribution partners and direct sales efforts. We incur expenses for such activities as co-marketing, trade show support, travel, promotional materials, and product training. Following our initial public offering, we have substantially expanded our sales organization, which has driven incremental sales and marketing expense in the current fiscal year.

General and Administrative Expense

Our G&A expenses primarily include the direct costs associated with corporate functions such as accounting, human resources, administrative support, legal and professional fees, and rent and provisions for bad debt. Additionally, intangible charges, such as depreciation and amortization expenses, are included in G&A. Depreciation and amortization expenses are primarily related to the amortization of our intellectual property and capitalized leases. Following our initial public offering, we have incurred increased G&A expenses associated with operating as a public company, including legal, audit, investor relations, listing, transfer agent, and director and officer insurance costs.

Product Development Expense

FatPipe invests in ongoing research and development as a core component of its product innovation. These expenses consist primarily of the direct costs of engineers and technicians who design and test our highly complex software solutions. We record all research and development expenses as incurred. Our research and development teams are primarily located at our main offices in Salt Lake City, Utah and Chennai, India.

Employee Cost

Employee cost reflects the cost of personnel related to our consulting services delivery as well as certain shared service personnel. Employee cost in the current fiscal year reflects continued investment in our personnel base to support both core software solution delivery and consulting engagements.

Operating Results

Operating results reflect the income from operations derived from the sale of our software solutions and services with adjustments for non-operating income and expenses such as interest expense, interest income, and foreign exchange losses/gains resulting from our India operations.

Results of Operations

For the years ended March 31, 2026 and March 31, 2025

The following table sets forth our results of operations for the years ended March 31, 2026 and 2025:

FatPipe Inc and Subsidiaries

Consolidated Statement of Operations and Comprehensive Income

	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenues	$ 19,208,294	$ 16,288,881
Cost of revenues	1,728,384	1,061,647
Gross profit	17,479,910	15,227,234
Operating expenses:		
Sales and marketing	4,791,906	3,753,948
General and administrative	4,759,653	3,422,596
Product development	1,905,042	1,787,128
Employee cost	2,433,939	2,791,816
Total operating expenses	13,890,540	11,755,488
Income (loss) from operations	3,589,370	3,471,746
Other income (expense), net:		
Interest income	125,185	42,688
Other Income	-	1,831
Foreign exchange gain/(loss)	246,874	101,383
Interest expense	(475,071)	(329,892)
Total other income (expense), net	(103,012)	(183,990)
Income (loss) before benefit/(provision) for taxes	3,486,358	3,287,756
Income tax benefit/(provision)	1,483,603	(1,294,312)
Deferred tax asset / (liability)	-	(40,550)
Net income	4,969,961	1,952,894
Less: Net loss attributable to non-controlling interests	-	(13,514)
Net income attributable to stockholders	$ 4,969,961	$ 1,966,408
Net income per common share - basic	$ 0.36	$ 0.15
Net income per common share - diluted	$ 0.35	$ 0.15
Weighted average common shares outstanding – basic	13,882,787	12,858,852
Weighted average common shares outstanding - diluted	14,006,392	12,858,852
Net income	$ 4,969,961	$ 1,952,894
Other comprehensive income (loss):		
Foreign currency translation adjustment	(192,030)	(153,822)
Total other comprehensive income, net of tax	(192,030)	(153,822)
Comprehensive income (loss)	4,777,931	1,799,072
Less: Comprehensive loss attributable to non-controlling interests	-	(13,139)
Comprehensive income attributable to stockholders	$ 4,777,931	$ 1,812,211

Comparison of the Years Ended March 31, 2026 and 2025

Revenue

In the fiscal year ended March 31, 2026, net revenue was $19,208,294, an increase of $2,919,413, or 17.9%, from the prior fiscal year ended March 31, 2025. The increase in revenue was primarily driven by the expansion of our sales organization following our initial public offering and continued growth in recurring billings from new and existing customers, including the contribution from our cybersecurity offerings introduced during the period.

Cost of Revenue

In the fiscal year ended March 31, 2026, our cost of revenue was $1,728,384, an increase of $666,737, or 62.8%, from the fiscal year ended March 31, 2025. The increase in cost of revenue reflects higher variable hardware costs associated with increased product unit shipments to support the expansion of our customer base, as well as additional personnel costs in our customer support and implementation organizations.

Gross Profit and Gross Margin

In the fiscal year ended March 31, 2026, our gross profit was $17,479,910, an increase of $2,252,676, or 14.8%, from the fiscal year ended March 31, 2025. Gross margin was approximately 91.0% in the current fiscal year compared to 93.5% in the prior fiscal year. The decrease in gross margin reflects the higher proportion of cost of revenue relative to revenue growth, primarily attributable to product mix and increased customer support headcount.

Sales and Marketing Expense

Sales and marketing expense in the fiscal year ended March 31, 2026 was $4,791,906, an increase of $1,037,958, or 27.6%, compared to the prior fiscal year. The increase reflects continued investment in our sales organization, including a substantially expanded sales team, in support of pipeline growth following our initial public offering.

General and Administrative Expense

General and administrative expense in the fiscal year ended March 31, 2026 was $4,759,653, an increase of $1,337,057, or 39.1%, compared to the prior fiscal year. The change reflects increased costs of operating as a public company, including the recognition of $770,220 of stock-based compensation expense and Impairment of contract assets of $664,217, professional fees, and ongoing public-company compliance costs, partially offset by a decrease in IPO-related expenses incurred in the prior year.

Impairment of Contract Assets Impairment of contract assets in the fiscal year ended March 31, 2026 was $916,419, compared to $292,810 in the prior fiscal year. The charge reflects a reserve on expected collections on certain specific long-duration contracts and was recorded in accordance with ASC 326. The Company continues to monitor the credit quality of its contracts receivable portfolio.

Product Development Expense

Product development expense in the fiscal year ended March 31, 2026 was $1,905,042, an increase of $117,914, or 6.6%, compared to the prior fiscal year, as the Company continued its development plans for its cybersecurity products and platform integration features.

Employee Cost

Employee cost in the fiscal year ended March 31, 2026 was $2,433,939, a decrease of $357,877, or 12.8%, compared to the prior fiscal year. The decrease primarily reflects shifts in the allocation of personnel costs across functional categories and a reduced headcount in certain support functions following the completion of public-company readiness activities in the prior year.

Depreciation and Amortization Expense

Depreciation and amortization expense in the fiscal year ended March 31, 2026 was $369,249, a decrease of $176,460, or 32.3%, compared to $545,709 in the prior fiscal year. The decrease primarily reflects the continued amortization of patent costs against a smaller remaining basis. These expenses are categorized within general and administrative expenses.

Non-operating Income (Expenses)

Interest income during the fiscal year ended March 31, 2026 was $125,185, compared to $42,688 in the prior fiscal year, primarily reflecting interest earned on the Company's expanded cash balances following the initial public offering.

Other income during the fiscal year ended March 31, 2026 was nil, compared to $1,831 in the prior fiscal year.

Interest expense during the fiscal year ended March 31, 2026 was $475,071, compared to $329,892 in the prior fiscal year. The increase reflects a full year of interest on the Fortis Bank term loan obtained in March 2025, which carries a Prime Rate plus 1% interest rate.

The foreign exchange gain in the fiscal year ended March 31, 2026 was $246,874, compared to $101,383 in the prior fiscal year, and results from currency conversion from U.S. dollars to Indian rupees and is associated with our India subsidiary.

Income Tax Benefit

We recorded an income tax benefit of $1,483,603 for the fiscal year ended March 31, 2026, compared to an income tax provision of $1,294,312 in the prior fiscal year. The income tax benefit in the current fiscal year reflects (i) substantial utilization of net operating loss carryforwards against current-year U.S. taxable income, (ii) the partial reversal of approximately 50% of a $2,967,305 prior-period accrued income tax payable balance, recognized as a change in accounting estimate, (iii) utilization of general business credit carryforwards, and (iv) the foreign rate differential associated with losses generated by our Indian subsidiary. We expect to recognize the remaining ~50% of the prior-period accrual as a benefit in fiscal year 2027, subject to that year's operating results. See Note 10 to the consolidated financial statements for additional information.

Liquidity and Capital Resources

We believe we have sufficient sources of funding to meet our business requirements and plans for the next 12 months and in the longer term. Cash generated by operations, our cash balances (which were materially increased by net proceeds of approximately $3,935,522 received in our April 2025 initial public offering, including partial exercise of the underwriters' over-allotment option), and the Fortis Bank term loan, are our primary sources of liquidity for funding our strategic business requirements.

To fund our cash requirements in the ordinary course of business, we anticipate that we will continue to primarily rely on operating cash flows, supplemented by our total cash and cash equivalents. Our capital requirements, including but not limited to, servicing our lease obligations and fixed asset purchases, will depend on many factors, including our growth rate and the timing and extent of operating expenses.

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements involving commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, results of operations, liquidity, cash requirements or capital resources.

As the Company expands in the India and South Asian market, the Company can expect a lower gross margin from sales in that cost-sensitive region. Further, the impact on margins will be offset by lower costs of sales, as wages in that region are lower than in the U.S. As the Company exhausts its U.S. net operating losses from prior periods, it expects to begin paying additional U.S. income taxes in future periods.

Debt

On January 25, 2023, the Company entered into a three-year term loan with Celtic Bank Corporation that was secured by substantially all assets of the Company, with a corporate guarantee given by our subsidiary FatPipe Networks Private Limited. The Company received $2.5 million of the $5 million loan sanctioned by the bank. In November 2024, the Company received an additional $500,000 in proceeds under that arrangement. In March 2025, the Company obtained a $5 million term loan from Fortis Bank, of which $3 million was used to repay the outstanding Celtic loan. The Fortis Bank loan is repayable in 120 equal monthly installments commencing March 1, 2025 and bears interest at the Prime Rate plus 1%. The interest rate is adjusted every calendar quarter beginning April 1, 2025. The loan is secured by substantially all of the Company's assets, certain personal property of directors of the Company, a personal guarantee given by them, and a Trust where directors are trustees. During the year ended March 31, 2026, the Company made principal payments totaling $347,083.

Future maturities of long-term debt are as follows:

Year Ended March 31,		**Amount**
2026		391,397
2027		422,007
2028		456,724
2029		493,404
2030		533,031
Thereafter		2,327,720
Total principal repayments		4,624,283
Less: Current portion		391,397
Long-term portion of notes payable	$	4,232,886

Interest expense was $474,116 and $329,892 for the years ended March 31, 2026 and 2025, respectively.

Short Term Debt

On June 15, 2023, the Company received an interest-free loan of $120,000 from Stay in Business Inc., a related party, repayable on demand. During the year ended March 31, 2025, the Company received an additional $13,652 under the same arrangement. During the fiscal year ended March 31, 2026, the Company repaid the entire outstanding balance of $133,652 under this arrangement, and no balance was outstanding as of March 31, 2026.

Cash Flows

The following table sets forth our cash flow activities for the years ended March 31, 2026 and 2025:

	Year Ended March 31,			
	2026		**2025**	
Net cash used in operating activities	$	(780,393)	$	(504,124)
Net cash used in investing activities		(52,483)		(19,762)
Net cash provided by financing activities		3,319,131		2,485,739
Effect of exchange rate changes on cash and cash equivalents		(192,030)		(153,822)
Net change in cash and cash equivalents		2,294,225		1,808,031
Cash and cash equivalents, beginning of year		2,920,550		1,112,519
Cash and cash equivalents, end of year	$	5,214,775	$	2,920,550

Operating Activities

Net cash used in operating activities in the fiscal year ended March 31, 2026 was $780,393, compared to net cash used of $504,124 in the prior fiscal year. The change was primarily driven by significant growth in contracts receivable (a use of $5,687,438) reflecting expansion of multi-year customer contracts billed monthly, partially offset by higher net income of $4,969,961 (compared to $1,952,894), the recognition of $770,220 of stock-based compensation, and changes in working capital, including a decrease in accrued expenses and other current liabilities ($2,308,279 use) primarily reflecting the partial reversal of accrued income tax payable.

Investing Activities

Net cash used in investing activities in the fiscal year ended March 31, 2026 was $52,483, compared to $19,762 in the prior fiscal year. The change reflects increased purchases of computer equipment and office equipment to support headcount growth following the initial public offering.

Financing Activities

Net cash provided by financing activities in the fiscal year ended March 31, 2026 was $3,319,131, compared to net cash provided of $2,485,739 in the prior fiscal year. Financing activities in the current fiscal year reflect approximately $3,659,162 of net proceeds from our initial public offering completed on April 9, 2025, including partial exercise of the underwriters' over-allotment option, and $83,000 of cash received in connection with the issuance of common stock to consultants and employees, partially offset by $347,803 of scheduled principal payments on the Fortis Bank term loan and the repayment in full of the $133,652 short-term related party loan from Stay in Business Inc.

Non-GAAP Financial Measures

In addition to our financial results determined in accordance with the generally accepted accounting principles in the United States ("GAAP"), our management uses earnings before interest, taxes, depreciation, and amortization ("EBITDA"), adjusted EBITDA, Non-GAAP Net Income, and Non-GAAP Earnings Per Share, non-GAAP measures, as key measures in operating our business. We use these measures to make strategic decisions, establish business plans and forecasts, identify trends affecting our business, and evaluate performance. EBITDA, adjusted EBITDA, Non-GAAP Net Income, and Non-GAAP Earnings Per Share are presented for supplemental informational purposes only, should not be considered a substitute for, or a more meaningful measure than, financial information presented in accordance with GAAP, and may be different from similarly titled non-GAAP measures used by other companies. A reconciliation is provided below for adjusted EBITDA, Non-GAAP Net Income, and Non-GAAP Net Income Per Share to the most directly comparable financial measure presented in accordance with GAAP.

	Year Ended March 31, 2026	Year Ended March 31, 2025
Net income	$ 4,969,961	$ 1,952,895
Impairment of contract assets	664,217	-
Stock-based compensation	770,220	-
Non-GAAP Net Income	**6,404,398**	**1,952,895**
Depreciation and amortization	369,249	545,709
Other income	-	(1,831)
Income tax benefit/(provision)	(1,483,603)	1,294,312
Deferred tax liability / (asset)	-	40,550
Interest expense	475,071	329,892
Foreign exchange gain/(loss)	(246,874)	(101,383)
Interest income	(125,185)	(42,688)
Adjusted EBITDA	**$ 5,393,056**	**$ 4,017,456**

In the fiscal year ended March 31, 2026, our adjusted EBITDA increased by approximately $1,375,601, or 34.2%, compared to the prior fiscal year, primarily due to revenue growth of approximately 18% combined with disciplined operating expense management, partially offset by increased operating expenses related to public company costs and sales organization expansion.

	Year Ended March 31, 2026	Year Ended March 31, 2025
Net income attributable to stockholders	$ 4,969,961	$ 1,966,408
Impairment of contract assets	664,217	-

Stock-based compensation	770,220	-
Non-GAAP Net Income	**6,404,398**	**1,952,895**
Weighted-average shares of common stock outstanding - basic	13,882,787	12,858,852
Effect of dilutive securities	123,605	-
Weighted-average shares of common stock outstanding - diluted	14,006,392	12,858,852
Non-GAAP Earnings per share - basic	$ 0.46	$ 0.15
Non-GAAP Earnings per share - diluted	$ 0.46	$ 0.15

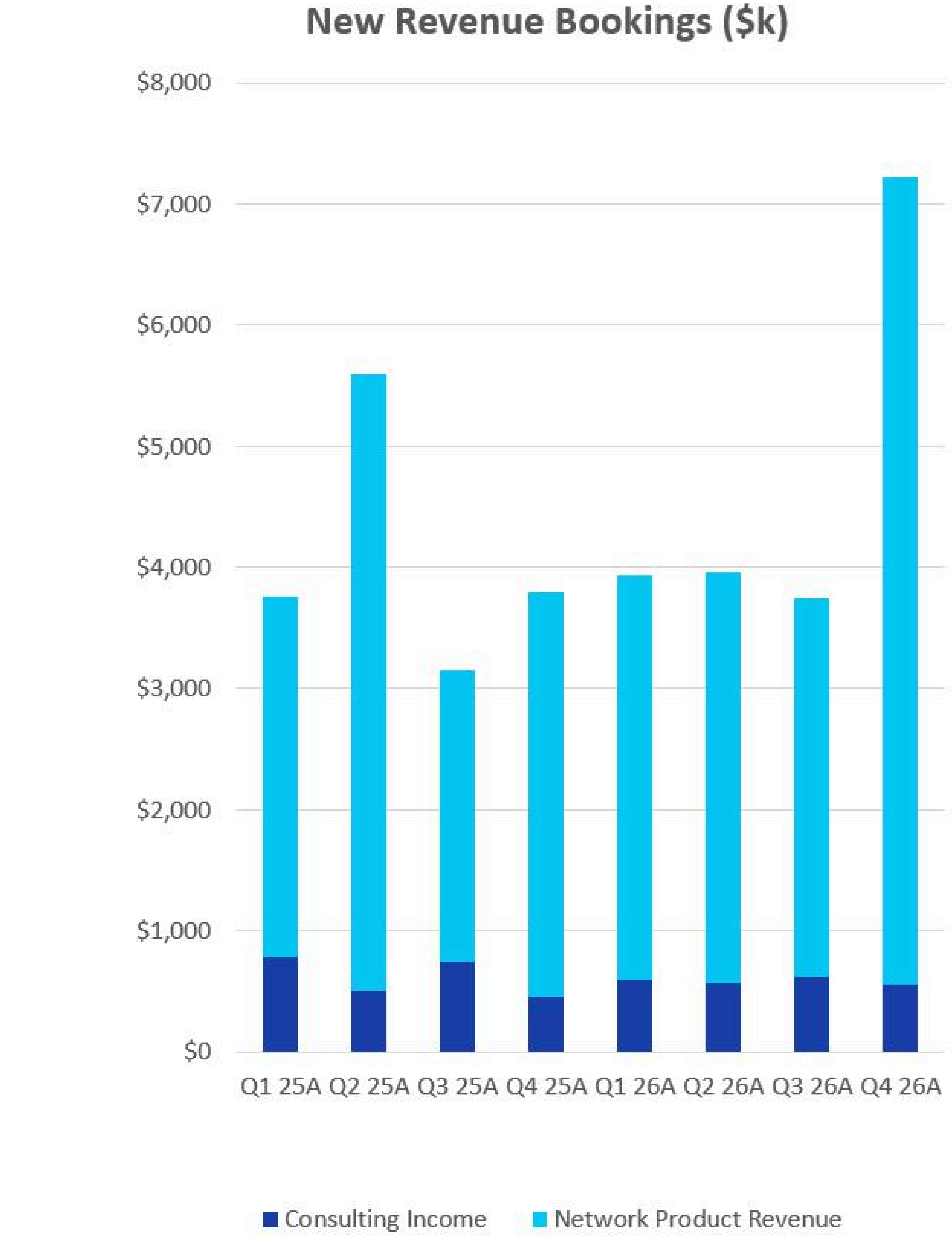
In the fiscal year ended March 31, 2026, our Non-GAAP Net Income increased by approximately $4,451,503, or 228%, compared to the prior fiscal year.

Recurring Billings from Monthly and Annual Subscriptions

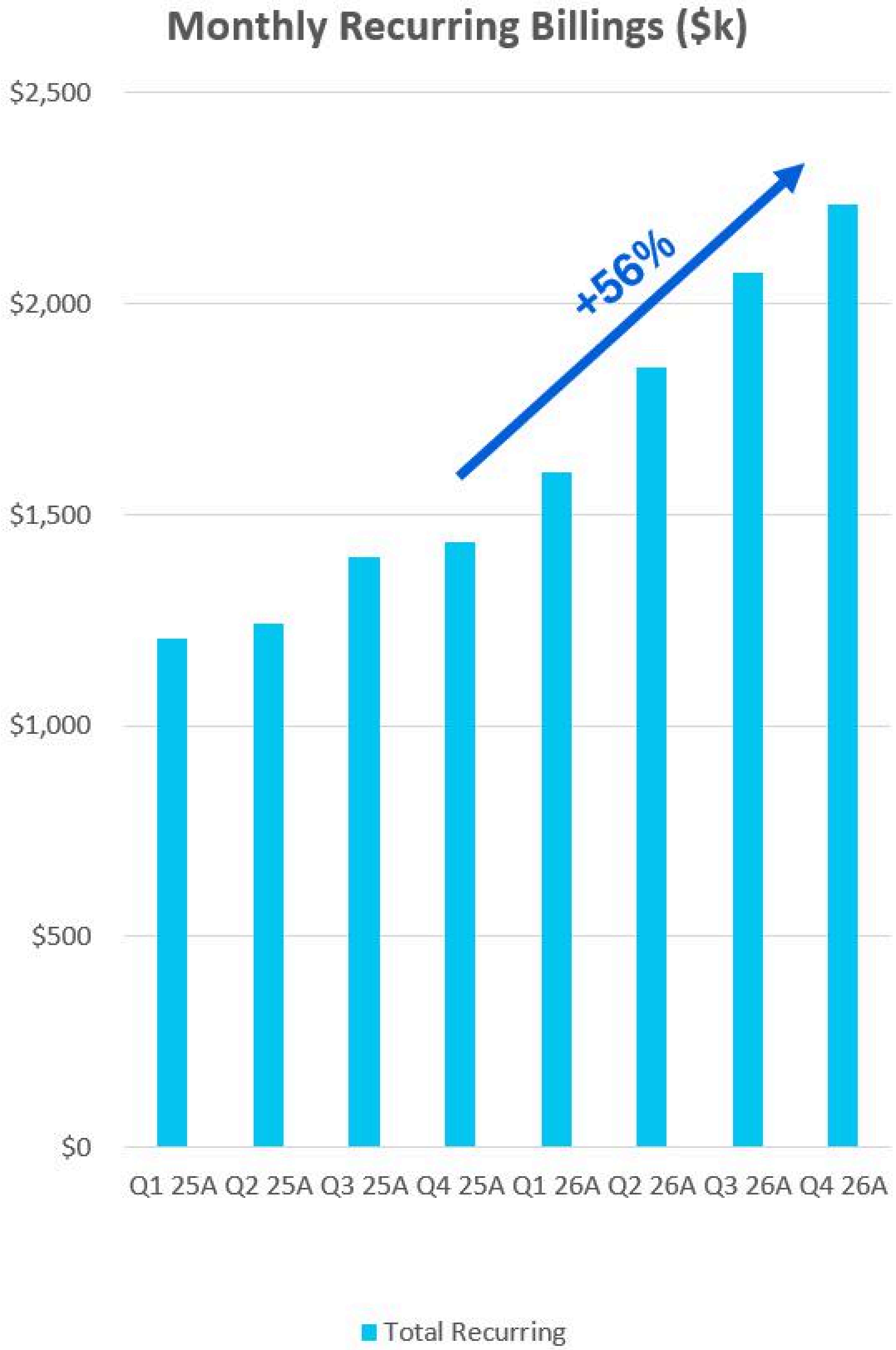
FatPipe annual and monthly recurring billings from products and services in fiscal year 2026, excluding consulting services, increased by approximately 14% compared to the prior fiscal year. This reflects continuing billings for existing customers as well as new business. We expect this growth in recurring billings to continue as our sales staff, including newly added headcount, continue to book new contracts as well as renewals of 36-month contracts coming due, and as our newly introduced cybersecurity offerings contribute to recurring billings going forward.

FatPipe GAAP revenue is aligned to new bookings of contracts. Billings follow customer deployments. New bookings have remained consistent quarter over quarter as the business scales. As booked revenue converts to billings, FatPipe has experienced strong growth on billings, with monthly recurring billings increasing materially year-over-year. As this faster-growing revenue segment scales, it represents a larger portion of FatPipe's total revenues.

Please refer to the following table:


New Revenue Bookings ($k)
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
Q1 25A
Q2 25A
Q3 25A
Q4 25A
Q1 26A
Q2 26A
Q3 26A
Q4 26A
Consulting Income
Network Product Revenue


Total Quarterly Billings ($k)
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
+24%
Q1 25A
Q2 25A
Q3 25A
Q4 25A
Q1 26A
Q2 26A
Q3 26A
Q4 26A
Total Billings incl. Hardware Replacement and Consulting Income



Off-Balance Sheet Arrangements

During the years presented, we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Critical Accounting Policies and Estimates

The application of our accounting policies may require us to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue and expense, and the accompanying disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time the estimate was made.

On an ongoing basis, management evaluates its estimates, including those related to revenue recognition, allowance for credit losses on accounts receivable and contracts receivable, intangible assets, defined benefit obligations, and deferred taxes. We base our estimates, assumptions and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from the results implied by these estimates and judgments under different assumptions or conditions.

Revenue Recognition

As described in Note 1 to the consolidated financial statements, we recognize revenue under ASC 606, Revenue from Contracts with Customers, which establishes a five-step model for recognizing revenue. We apply judgment in identifying contractual terms and determining the transaction price, particularly in connection with contracts that contain multiple performance obligations (delivery of software license; technical support, including implementation, configuration, and training) where standalone selling prices are required to be allocated. We selected the cost of technical support personnel plus a 20% margin for support services, and the balance contract value as the standalone selling price for delivery of product and software license, applied consistently across periods. The software license revenue in our product arrangements is recognized at a point-in-time when the software solution has been delivered or ownership has been transferred. Service and support revenue is recognized over the term of the contract, with imputed interest recognized on a cumulative basis using the interest method.

Allowance for Credit Losses on Receivables

We record allowances for credit losses on accounts receivable and contracts receivable based on management's assessment of historical experience, current market trends, customer-specific risk indicators, and forecasts of future economic conditions. Past due balances and other higher-risk amounts are reviewed individually for collectability. Changes in our assessment may result in increases or decreases in the allowance in future periods.

Intangible Assets

Our financial statements include IP-related intangible assets consisting primarily of legal and related costs associated with our patents and capitalized lease obligations adjusted by accumulated amortization. The identification and recognition of those intangible assets involve significant judgments, relating to, among other things, the projected cash flows attributable to these intangible assets and the estimated useful lives of these intangible assets. We amortize intangible assets that are subject to amortization over their estimated useful lives. The useful lives are determined by management at the time of creation of the intangible assets and based on historical experience and the economic life of the underlying technology and are regularly reviewed for appropriateness. We perform a quarterly review of significant finitely lived identified intangible assets to make a judgement on whether facts and circumstances indicate that the carrying amount may not be recoverable and an impairment may be required.

Defined Benefit Plan

We provide a defined benefit gratuity plan to eligible employees of FatPipe Networks Private Limited ("FP India") in accordance with applicable labor laws of India. The benefit obligation is determined using the projected unit credit method based on annual actuarial valuations performed by independent actuaries. The valuation requires the use of significant assumptions, including the discount rate, salary growth rate, and employee turnover rate. Actual results may differ from these assumptions, and changes in assumptions can result in significant changes in the benefit obligation and the related net periodic benefit cost recorded in the consolidated statements of operations.

Income Taxes and Deferred Taxes

Deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. The need to establish valuation allowances for deferred tax assets is continually assessed based on a more-likely-than-not realization threshold.

In the current fiscal year, we recognized a partial reversal of $1,483,653 of accrued income tax payable from prior periods as a change in accounting estimate. The original accrual had been computed using a flat-rate methodology that did not give effect to available net operating loss carryforwards. Following the filing of the FY2025 federal and state returns and completion of the related ASC 740 computation, management determined that, after applying available carryforwards, the prior accrual was materially overstated. Considering the magnitude of the adjustment and forecasting uncertainty, management elected to recognize the reversal ratably over fiscal years 2026 and 2027. See Note 10 to the consolidated financial statements for additional information, including the deferred tax asset and valuation allowance assessment.

Implications of being an Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not "emerging growth companies" including, but not limited to:

- being permitted to present only two years of audited financial statements and only two years of related disclosure in "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- being permitted to provide less extensive narrative disclosure than other public companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements;
- being permitted to utilize exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved;
- being permitted to defer complying with certain changes in accounting standards; and
- being permitted to use test-the-waters communications with qualified institutional buyers and institutional accredited investors.

We intend to take advantage of these and other exemptions available to "emerging growth companies." We could remain an "emerging growth company" until the earliest of (i) the last day of our fiscal year following the fifth anniversary of the closing of our initial public offering, (ii) the last day of the first fiscal year in which our annual gross revenues exceed $1.235 billion, (iii) the last day of our fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which would occur if the market value of our equity securities that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter), or (iv) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

The JOBS Act permits an "emerging growth company" like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. We have elected to delay such adoption of new or revised accounting standards.

Smaller Reporting Company

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates is less than $700 million as of the last trading day of our second quarter and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250 million as of the last trading day of our second quarter or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million as of the last trading day of our second quarter. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Pursuant to Item 305(e) of Regulation S-K (§229.305(e)), the Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined by Rule 229.10(f)(1).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Consolidated Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of FatPipe, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of FatPipe, Inc. and its subsidiaries (the "Company") as of March 31, 2026 and 2025, the related consolidated statements of operations and comprehensive income, statements of stockholders' equity, and statements of cash flows, for each of the two fiscal years in the period ended March 31, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for each of the two fiscal years in the period ended March 31, 2026, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Suri & Co., Chartered Accountants

We have served as the Company's auditors since 2022.

Place: Chennai, India
Date: May 18, 2026

FatPipe Inc and Subsidiaries

Consolidated Balance Sheets

	March 31, 2026		March 31, 2025	
ASSETS				
Current assets:				
Cash	$	5,214,775	$	2,920,550
Accounts receivable, net		4,295,370		3,764,945
Inventory		445,842		419,677
Other current assets		125,271		666,376
Contracts receivable - current, net		6,375,651		5,191,136
Total current assets		16,456,909		12,962,684
Property and equipment, net		95,506		57,844
Intangible assets, net		694,192		1,048,620
Operating lease right of use assets, net		1,042,476		1,455,373
Contracts receivable - non current, net		15,784,746		12,307,266
Other assets		372,353		379,077
Deferred tax asset		76,905		76,905
Total assets	$	34,523,087	$	28,287,769
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	390,174	$	437,253
Accrued expenses and other current liabilities		1,993,899		3,863,096
Deferred revenue		1,093,440		1,358,632
Operating lease liabilities, current		401,406		366,677
Notes payable, current		391,397		463,422
Total current liabilities		4,270,316		6,489,080
Notes payable, non-current		4,232,886		4,642,317
Operating lease liabilities, non-current		682,437		1,114,067
Other non-current liabilities		121,818		116,988
Total liabilities		9,307,457		12,362,452
Commitments and contingencies (Note 9)				
Stockholders' equity:				
Common stock, $0.01 par value; 50,000,000 shares authorized, 14,024,468 and 13,026,464 shares of common stock issued and outstanding as of March 31, 2026 and March 31, 2025, respectively		132,245		130,265
Additional paid-in capital		6,098,507		1,588,105
Retained earnings		16,076,024		11,106,063
Accumulated other comprehensive income		2,908,854		3,100,884
Total stockholders' equity		25,215,630		15,925,317
Total liabilities and stockholders' equity	$	34,523,087	$	28,287,769

FatPipe Inc and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income

	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenues	$ 19,208,294	$ 16,288,881
Cost of revenues	1,728,384	1,061,647
Gross profit	17,479,910	15,227,234
Operating expenses:		
Sales and marketing	4,791,906	3,753,948
General and administrative	4,759,653	3,422,596
Product development	1,905,042	1,787,128
Employee cost	2,433,939	2,791,816
Total operating expenses	13,890,540	11,755,488
Income (loss) from operations	3,589,370	3,471,746
Other income (expense), net:		
Interest income	125,185	42,688
Other Income	-	1,831
Foreign exchange gain/(loss)	246,874	101,383
Interest expense	(475,071)	(329,892)
Total other income (expense), net	(103,012)	(183,990)
Income (loss) before benefit/(provision) for taxes	3,486,358	3,287,756
Income tax benefit/(provision)	1,483,603	(1,294,312)
Deferred tax asset / (liability)	-	(40,550)
Net income	4,969,961	1,952,894
Less: Net loss attributable to non-controlling interests	-	(13,514)
Net income attributable to stockholders	$ 4,969,961	$ 1,966,408
Net income per common share - basic	$ 0.36	$ 0.15
Net income per common share - diluted	$ 0.35	$ 0.15
Weighted average common shares outstanding - basic	13,882,787	12,858,852
Weighted average common shares outstanding - diluted	14,006,392	12,858,852
Net income	$ 4,969,961	$ 1,952,894
Other comprehensive income (loss):		
Foreign currency translation adjustment	(192,030)	(153,822)
Total other comprehensive income, net of tax	(192,030)	(153,822)
Comprehensive income (loss)	4,777,931	1,799,072
Less: Comprehensive loss attributable to non-controlling interests	-	(13,139)
Comprehensive income attributable to stockholders	$ 4,777,931	$ 1,812,211

FatPipe Inc and Subsidiaries
Consolidated Statements of Stockholders' Equity
Years Ended March 31, 2026 and 2025

	Common stock		Additional paid	Retained	Accumulated Other Comprehensive	Total Fatpipe Stockholders'	Non-controlling	Total
	Shares	Amount	in capital	Earnings	Income	Equity	Interests	Equity
Balance as of March 31, 2024	12,449,308	$124,493	$1,517,753	$ 9,040,515	$ 3,254,706	$ 13,937,467	$ 112,654	$14,050,121
Net income (loss)	-	-	-	1,966,408	-	1,966,408	(13,514)	1,952,894
Other comprehensive income (loss)	-	-	-	-	(154,197)	(154,197)	375	(153,822)
Issuance of shares for purchase of non-controlling interest	577,156	5,772	70,352	99,140	375	175,639	(99,515)	76,124
Balance as of March 31, 2025	13,026,464	130,265	1,588,105	11,106,063	3,100,884	15,925,317	-	15,925,317
Issuance of shares pursuant to initial public offering	800,004	-	3,935,522	-	-	3,935,522	-	3,935,522
Shares issued for cash and services	198,000	1,980	851,240	-	-	853,220	-	853,220
Offering costs	-	-	(276,360)	-	-	(276,360)	-	(276,360)
Net income	-	-	-	4,969,961	-	4,969,961	-	4,969,961
Other comprehensive loss	-	-	-	-	(192,030)	(192,030)	-	(192,030)
Balance as of March 31, 2026	14,024,468	$132,245	$6,098,507	$16,076,024	$ 2,908,854	$ 25,215,630	$ -	$25,215,630

FatPipe Inc and Subsidiaries
Consolidated Statements of Cash Flows

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash Flows From Operating Activities		
Net income	$ 4,969,961	$ 1,952,894
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	369,249	545,709
Allowance for contract receivables	916,419	272,057
Stock based compensation	770,220	-
Allowance for accounts receivables	132,308	443,804
Bad debts written off during the year	57,167	52,942
Changes in operating assets and liabilities:		
Accounts receivable	(719,900)	(1,098,120)
Contracts receivable	(5,578,414)	(3,447,334)
Inventories	(26,165)	(306,155)
Right of use assets	-	-
Other current assets	541,105	(83,984)
Other assets	6,724	(192,171)
Accounts payable	(47,079)	19,726
Accrued expenses and other current liabilities	(1,869,197)	1,480,674
Deferred revenue	(265,192)	(160,780)
Other non current liabilities	(53,595)	981
Operating lease liability, net	15,996	15,633
Net cash used in operating activities	(780,393)	(504,124)
Cash Flows From Investing Activities		
Purchase of equipment	(52,483)	(19,762)
Net cash used in investing activities	(52,483)	(19,762)
Cash Flows From Financing Activities		
Net repayment of debt	(423,031)	(3,027,913)
Proceeds from debt	-	5,513,652
Issuance of shares pursuant to initial public offering	3,659,162	-
Proceeds from issuance of common stock for cash	83,000	-
Net cash provided by (used in) financing activities	3,319,131	2,485,739
Effect of exchange rate changes on cash and cash equivalents	(192,030)	(153,822)
Net change in cash and cash equivalents	2,294,225	1,808,031
Cash and cash equivalents:		
Beginning of the period	2,920,550	1,112,519
End of the period	$ 5,214,775	$ 2,920,550
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 475,071	$ 329,892
Cash paid for income taxes	$ -	$ -
Supplemental Disclosure of Non-Cash Investing Activities and Financing Activities:		
Right of use assets obtained in exchange of lease liabilities	$ -	$ 1,319,422
Issuance of shares for purchase of non-controlling interest	$ -	$ 17,124

NOTE 1: SUMMARY OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Company Overview and Significant Accounting Policies

(A) Company Overview

FatPipe, Inc. ("FatPipe," "the Company," "we," "us," or "our") was incorporated in Utah on October 14, 2009. FatPipe is a leading developer of enterprise-class, application-aware, secure software-defined wide area network ("SD-WAN") solutions and single stack cybersecurity solutions for organizations, including enterprises, communication service providers, security service providers, government organizations, and other middle-market companies.

FatPipe holds thirteen software and technology patents, which it leverages through an integrated suite of software solutions to offer our customers a reliable, accelerated, and secure platform to support mission-critical applications running on cloud, hybrid cloud, and on-premises networks. Its core offerings include SD-WAN, secure access service edge ("SASE"), single stack cybersecurity ("Cybersecurity"), and network monitoring service ("NMS") software solutions, each of which is typically offered to customers as a subscription service. These solutions address a broad set of network management needs and include an integrated set of capabilities designed to manage multi-line network traffic and routing.

FatPipe sells in geographies around the world, with its largest customer populations located in the United States and South Asia. It plans to continue expanding its presence throughout North America and parts of Southeast Asia.

FatPipe operates through its wholly owned subsidiaries, FatPipe Technologies, Inc. ("FT"), a Delaware corporation, and FatPipe Networks Private Limited ("FP India"), an Indian private limited company. FT and FP India provide consulting and engineering services and product development support to FatPipe.

Initial Public Offering

On April 7, 2025, we entered into an underwriting agreement (the "Underwriting Agreement") with D. Boral Capital LLC, as representative (the "Representative") of the underwriters named therein (the "Underwriters"), pursuant to which the Company agreed to sell to the Underwriters, in a firm commitment initial public offering (the "Offering"), an aggregate of 695,656 shares of the Company's common stock, no par value per share (the "Common Stock"), at an initial public offering price of $5.75 per share. The Common Stock was offered pursuant to a registration statement on Form S-1, as amended (File No. 333-280925), originally filed with the U.S. Securities and Exchange Commission (the "Commission") on July 19, 2024, as amended, and which was declared effective by the Commission on February 12, 2025. A post-effective amendment to the registration statement related to the Offering was filed with the Commission on March 11, 2025, and was declared effective by the Commission on March 17, 2025.

On April 9, 2025, the Company closed the Offering and, including partial exercise of the underwriters' over-allotment option, issued and sold an aggregate of 800,004 shares of common stock. Gross proceeds were approximately $4,600,023, and net proceeds, after deducting underwriting discounts and offering expenses, were approximately $3,935,522.

A final prospectus relating to the Offering was filed with the Commission on April 7, 2025. The Common Stock was previously approved for listing on The Nasdaq Capital Market and commenced trading under the ticker symbol "FATN" on April 8, 2025.

(B) Significant Accounting Policies

Basis of Preparation of Financial Statements

This summary of significant accounting policies of FatPipe is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") and have been consistently applied in the preparation of the financial statements.

Use of Estimates

The preparation of the Company's consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates are based upon information available through the date of the issuance of the financial statements, and actual results could differ from those estimates. Areas requiring significant estimates and assumptions by the Company include, but are not limited to:

- Fair value of long-term debt and notes receivable;
- Recognition of revenue;
- Credit loss on trade receivables and contract receivables;
- Valuation of inventory;
- Recoverability of long-lived assets including intangible assets and their related estimated lives;
- Accruals for estimated liabilities such as property tax accruals and litigation settlement accruals;
- Accruals for income tax and deferred tax;
- Determination of standalone selling price of performance obligations for revenue contracts with multiple performance obligations;
- Actuarial assumptions for the Indian gratuity defined benefit plan, including discount rate, salary growth rate, and employee turnover rate.

Actual results could differ from these estimates. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, which form the basis for making judgments about the carrying values of assets and liabilities.

Principles of Consolidation

These financial statements include the accounts of FatPipe, Inc. and its wholly owned subsidiaries, FT and FP India. All significant intercompany transactions and balances have been eliminated.

As of March 31, 2024, the Company owned 95.6% of the outstanding shares of capital stock of FP India, and the remaining 4.4% of the outstanding shares of capital stock of FP India were owned by certain individual stockholders (collectively, the "Limited non-controlling interests"). In July 2024, pursuant to the terms of a stock purchase and sale agreement, the Company issued an aggregate of 577,156 shares of common stock in exchange for the Limited non-controlling interests. As of March 31, 2026 and March 31, 2025, FP India was a wholly owned subsidiary of the Company.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported total assets, total liabilities, total stockholders' equity, net income, or cash flows.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income, which includes foreign currency translation adjustments related to the Company's Indian subsidiary. The functional currency of FP India is the Indian rupee. Assets and liabilities of FP India are translated into U.S. dollars at the exchange rate in effect at the consolidated balance sheet date. Revenues and expenses are translated using average exchange rates during the period. Translation adjustments are recorded in accumulated other comprehensive income, a separate component of stockholders' equity.

Segment Reporting

In accordance with ASC 280, Segment Reporting (“ASC 280”), we identify our operating segments according to how our business activities are managed and evaluated. The Company’s chief operating decision-maker is its Chief Executive Officer, who makes resource allocation decisions and assesses performance based on financial information presented on an aggregate basis. There are no segment managers who are held accountable by the chief operating decision-maker, or anyone else, for any planning, strategy and key decision-making regarding operations. We have determined that each of our products and services share similar economic and other qualitative characteristics, and therefore the results of our operating businesses are aggregated into one reportable segment. All of the operating businesses have met the aggregation criteria and have been aggregated and are presented as one reportable segment, as permitted by ASC 280. We continually monitor and review our segment reporting structure in accordance with authoritative guidance to determine whether any changes have occurred that would impact our reportable segments.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“ASC 606”). The core principle of ASC 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies a five-step model: (1) identify the contract 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; and (5) recognize revenue when (or as) the entity satisfies the performance obligations.

The Company derives its revenue from three primary sources, each of which is delivered through subscription-based or service contracts:

Software product and license revenue. Software product and license revenue is generated through the sale of perpetual licenses for our proprietary SD-WAN, SASE, NMS, and cybersecurity software, including delivery of the related network server hardware components, where applicable. The Company has determined that delivery of the software license, including any related network server hardware, represents a single performance obligation that is satisfied at a point in time when control of the product transfers to the customer. Accordingly, the Company recognizes software product and license revenue at the point of delivery or transfer of control.

Service and support revenue. Service and support revenue is generated through the provision of technical support, software updates, monitoring services, and other ongoing services associated with the customer’s subscription. The Company has determined that these services represent a single performance obligation satisfied over time. Service and support revenue is recognized ratably over the contractual term of the customer’s subscription, which generally ranges from 36 to 60 months.

Consulting and other revenue. Consulting and other revenue is generated primarily through FT, which provides networking, programming, and professional services on a project basis. Revenue from these arrangements is recognized over time, as services are rendered, in accordance with the terms of the underlying customer contract.

Customer contracts may contain multiple performance obligations, including the delivery of software licenses, technical support, implementation, configuration, and training services. The Company allocates the transaction price to each performance obligation based on the relative standalone selling price of each obligation. The Company has selected the cost of technical support personnel plus a 20% margin as the standalone selling price for service and support, with the residual contract value allocated to software product and license delivery. The Company has consistently applied this methodology across all periods presented.

Customer contracts are typically billed monthly. Amounts billed in advance of revenue recognition are recorded as deferred revenue. Amounts representing the future contractual rights to consideration in exchange for delivered software products and licenses are recorded as contracts receivable.

Remaining Performance Obligations

Remaining performance obligations represent contracted revenue that has not yet been recognized as the related performance obligations have not been satisfied. The Company's remaining performance obligations as of March 31, 2026 and 2025 consisted of the following:

	March 31,	
	2026	**2025**
Product	$ 3,120,564	$ 776,426
Service	1,520,941	2,294,906
Total	4,641,505	3,071,332
Short Term – RPO – within 12 months	2,902,049	1,358,632
Long Term – RPO – from 13 to 36 months	761,128	729,037
Long Term RPO (37 month to 60 months)	978,328	983,663
Total	$ 4,641,505	$ 3,071,332

Deferred Revenue

Deferred revenue represents amounts billed to customers for which revenue has not yet been recognized. Deferred revenue is recognized as revenue ratably over the underlying contract term as the Company satisfies the related performance obligation.

	March 31,	
	2026	**2025**
Product	$ -	$ -
Service	1,093,440	1,358,632
Total	$ 1,093,440	$ 1,358,632

All deferred revenue at March 31, 2026 and 2025 is classified as current on the consolidated balance sheets.

Contract Balances

Contract assets primarily relate to the Company's rights to consideration for performance obligations that have been satisfied, but for which the right to consideration is conditional on something other than the passage of time. Contract liabilities consist of deferred revenue and customer prepayments. Contracts receivable represents amounts that are unconditionally due to be collected from customers based on satisfied performance obligations and are presented separately on the consolidated balance sheets, distinguished between current and non-current portions based on the timing of expected billings.

	Year Ended March 31,	
	2026	**2025**
Allowance for bad debts at the beginning of the year	$ (1,018,756)	$ (875,518)
(Provisions) / reversal	(957,424)	(143,238)
Recoveries	-	-
Allowance for bad debts at the end of the year	$ (1,976,180)	$ (1,018,756)

Disaggregated Revenue

The Company disaggregates revenue from contracts with customers by major revenue category and by geography. The following table presents revenue by major source for the fiscal years ended March 31, 2026 and 2025:

	Year Ended March 31,	
	2026	**2025**
Product revenue	$ 13,041,271	$ 10,706,169
Service revenue	3,768,998	3,110,230
Consulting revenue	2,398,025	2,472,482
Total	$ 19,208,294	$ 16,288,881

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short-term maturities of these financial instruments. The carrying amount of the Company's notes payable approximates fair value because the interest rate adjusts at quarterly intervals based on the Prime Rate, and accordingly the loan reprices to market rates.

ASC Topic 820, Fair Value Measurement, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels: Level 1 — quoted prices in active markets for identical assets or liabilities; Level 2 — inputs other than Level 1 that are observable, either directly or indirectly; and Level 3 — unobservable inputs that are significant to the fair value of the assets or liabilities. The Company did not have any assets or liabilities measured at fair value on a recurring basis as of March 31, 2026 or March 31, 2025.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents consist of cash deposited with financial institutions in the United States and India.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of amounts billed and currently due from customers. The Company maintains an allowance for credit losses, which represents the Company's best estimate of probable credit losses inherent in the accounts receivable balance. Management evaluates the adequacy of the allowance based on historical experience, current market and economic conditions, the customer's creditworthiness, and the aging of receivables. The company provides for any and all of the accounts receivable which are due over the period of one year if it meets the criteria for allowance estimated by the management. Accounts are charged off against the allowance after all reasonable means of collection have been exhausted and the potential for recovery is considered remote.

Contracts Receivable and Allowance for Credit Losses

Contracts receivable represent amounts contractually due from customers in connection with delivered software products and licenses, with collection scheduled in accordance with the underlying subscription billing terms (generally 36 to 60 months). The Company maintains an allowance for credit losses on contracts receivable, which is estimated based on historical loss experience, the aging of receivables, customer creditworthiness, and forward-looking economic conditions. The Company applies a provisioning rate of approximately 7% on its portfolio of contracts receivable, consistent with management's historical loss experience and current expected credit loss assessment.

During the fiscal year ended March 31, 2026, in connection with assessment under ASC 326, the Company recognized an impairment of contract assets of $916,419 reflecting a reserve on expected collections on overall contracts. The charge is presented within general and administrative line item within operating expenses in the consolidated statements of operations. $292,810 impairment was recognized in the fiscal year ended March 31, 2025.

Inventories

Inventories consist of network server hardware components used to deliver the Company's software solutions and are stated at the lower of cost (determined on a weighted average cost basis) or net realizable value. The Company periodically evaluates inventory for obsolescence and writes down the value of inventory items deemed unlikely to be sold or used in the foreseeable future.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally as follows:

Asset Category	Estimated Useful Life
Furniture and fixtures	5-10 years
Office equipment and computers	3-5 years

Repair and maintenance costs that do not extend the life of the asset are expensed as incurred. Upon retirement or disposal, the cost and related accumulated depreciation are removed from the consolidated balance sheets and any resulting gain or loss is recognized in the consolidated statements of operations.

Intangible Assets

Intangible assets consist primarily of legal and related costs associated with the Company's patents and capitalized product development assets. Intangible assets are amortized on a straight-line basis over their estimated useful lives, assumed as 15 years. The Company evaluates intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Long-Lived Assets

Long-lived assets, including property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount to the future undiscounted cash flows expected to be generated by the asset. If the carrying amount exceeds the undiscounted cash flows, an impairment charge is recognized in an amount equal to the excess of the carrying amount over the fair value of the asset. No impairment charges were recognized for the fiscal years ended March 31, 2026 or 2025.

Deferred Offering Costs

Direct, incremental costs incurred in connection with the Company's initial public offering, including legal, accounting, and other professional service fees, were deferred and capitalized prior to the consummation of the offering. Upon completion of the offering on April 9, 2025, deferred offering costs were reclassified to additional paid-in capital as a reduction of the proceeds received. As of March 31, 2026, no deferred offering costs remained on the consolidated balance sheets.

Defined Benefit Plan

The Company maintains a defined benefit gratuity plan for eligible employees of FP India in accordance with applicable Indian labor laws. The gratuity plan is accounted for in accordance with ASC 715, *Compensation—Retirement Benefits*. The Company's obligation under the gratuity plan is determined using the projected unit credit method based on annual actuarial valuations performed by an independent actuary. Actuarial gains and losses arising from changes in actuarial assumptions or differences between actual and expected experience are recognized in other comprehensive income in the period in which they arise. Service cost and interest cost are recognized in the consolidated statements of operations. Key assumptions used in the actuarial valuation include discount rate, salary growth rate, and employee turnover rates.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for operating loss, capital loss and tax credit carryforwards. 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 reverse. 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.

The Company assesses the realizability of its deferred tax assets in accordance with ASC 740-10-30. A valuation allowance is established when, based on the weight of available evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized. The Company evaluates uncertain tax positions in accordance with ASC 740-10-25 and recognizes the financial statement effect of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic 718, Compensation — Stock Compensation. Compensation expense for share-based awards is measured at fair value at the grant date and recognized as expense, net of estimated forfeitures, on a straight-line basis over the requisite service period. The Company adopted the FatPipe, Inc. 2024 Equity Incentive Plan in connection with the IPO. The Company recognized stock-based compensation expense of $770,220 during the fiscal year ended March 31, 2026, which is included within general and administrative expenses in the consolidated statements of operations. No stock-based compensation expense was recognized for the fiscal year ended March 31, 2025.

Warranties

The Company provides standard warranties for its software solutions and network server hardware. Warranty obligations have not historically been material, and no material warranty accruals have been recorded as of March 31, 2026 or March 31, 2025.

Leases

The Company accounts for leases in accordance with ASC Topic 842, Leases. The Company determines whether an arrangement is, or contains, a lease at inception. For leases with an initial term greater than 12 months, the Company recognizes a right-of-use ("ROU") asset and a lease liability based on the present value of the future lease payments over the lease term. The Company uses an estimated incremental borrowing rate to discount future lease payments, as the rates implicit in the leases are not readily determinable. The Company has elected the practical expedient to not separate lease and non-lease components for its real estate leases. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

Related Parties

The Company has identified related parties consisting of officers, directors, and entities under common control or significant influence. Related party transactions are described in Note 9.

Concentrations

The Company has no significant geographic concentrations in either trade accounts receivable or revenue.

Revenue by geography:

	Year Ended March 31, 2026	Year Ended March 31, 2025
US	$ 18,510,010	$ 15,404,512
Rest of the World	698,284	884,369
Total	$ 19,208,294	$ 16,288,881

At March 31, 2026, the carrying amount of cash was $5,214,775, only a portion of which is covered by federal depository insurance. At March 31, 2025, the carrying amount of cash was $2,920,550, only a portion of which is covered by federal depository insurance.

Concentrations of Credit Risk

The Company's financial instruments that may be exposed to concentrations of credit risk consist primarily of temporary cash investments and trade accounts receivable. The Company maintains its cash balances at financial institutions it believes to be financially sound. At times such balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk in cash.

We perform ongoing credit evaluations of our customers and, with the exception of certain financing transactions, do not require collateral from our customers.

Channel Partner Concentration

For the fiscal year ended March 31, 2026, three major channel partners accounted for approximately 64.59% of the Company's consolidated revenues, compared to two major channel partners that accounted for approximately 53.77% of consolidated revenues for the fiscal year ended March 31, 2025. The following tables present channel partner concentration for the fiscal years ended March 31, 2026 and 2025:

	Year Ended March 31,	
Partner	**2026**	**2025**
Partner A (%)	60.73%	47.34%
Partner B (%)	2.26%	3.39%
Partner C (%)	1.59%	3.04%
Total	64.59%	53.77%

	Year Ended March 31,	
Partner	**2026**	**2025**
Partner A (Revenue)	$ 11,665,341	$ 7,710,820
Partner B (Revenue)	434,522	552,941
Partner C (Revenue)	305,979	494,797
	$ 12,405,842	$ 8,758,558

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements. In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments require enhanced disclosures about significant segment expenses and other segment items, the title and position of the chief operating decision maker, and additional segment disclosures for entities with a single reportable segment. The Company adopted ASU 2023-07 effective for the fiscal year beginning April 1, 2025 on a retrospective basis. The Company's adoption did not have a material impact on its consolidated financial statements but resulted in additional disclosures about its single reportable segment, which are presented under "Segment Reporting" above.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments require disaggregated information about reconciling items in the rate reconciliation and additional disaggregation of income taxes paid by jurisdiction. The Company adopted ASU 2023-09 effective for the fiscal year beginning April 1, 2025 on a prospective basis. The Company's adoption did not have a material impact on its consolidated financial statements but resulted in additional disclosures, which are presented in Note 10.

Accounting Pronouncements Issued But Not Yet Adopted. In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. ASU 2024-03 requires public business entities to disclose, in a tabular format, additional information about specified categories of expenses included in each relevant expense caption presented on the face of the income statement. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that adoption of this standard will have on its consolidated financial statement disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendments modify the threshold and measurement guidance for capitalization of internal-use software development costs. The amendments are effective for annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that adoption of this standard will have on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements. The amendments include 33 narrow-scope improvements that, among other items, clarify the diluted earnings per share calculation when a loss from continuing operations exists. The amendments have varying effective dates and transition requirements. The Company is currently evaluating the impact that adoption of this standard will have on its consolidated financial statements.

Other accounting pronouncements that have been issued but are not yet effective are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

NOTE 2: PROPERTY AND EQUIPMENT, NET

The Company's property and equipment consist of the following:

	March 31, 2026	March 31, 2025
Furniture and fixtures	$ 269,079	$ 256,415
Office equipment and computers	512,416	493,873
	781,495	750,288
Less: Accumulated depreciation	(685,989)	(692,444)
	$ 95,506	$ 57,844

Depreciation expense for the fiscal years ended March 31, 2026 and 2025 amounted to $36,910 and $34,416, respectively.

NOTE 3: INTANGIBLE ASSETS, NET

The Company's intangible assets consist of the following:

	March 31, 2026	March 31, 2025
Product development	$ 218,383	$ 218,383
Patent costs	7,216,758	7,790,890
	7,435,141	8,009,273
Less: Accumulated amortization	(6,740,949)	(6,960,653)
	$ 694,192	$ 1,048,620

Amortization expense for the fiscal years ended March 31, 2026 and 2025 amounted to $332,339 and $511,293, respectively.

Future amortization of intangible assets as of March 31, 2026 is as follows:

Year ending March 31,	
2027	$ 230,007
2028	156,350
2029	102,283
2030	79,750
Thereafter	125,802
Total	$ 694,192

NOTE 4: DEFINED BENEFIT PLAN

The subsidiary company "FatPipe Networks Private Limited" provides a defined benefit gratuity plan to eligible employees in accordance with applicable labor laws of India. The gratuity benefit is payable upon separation from service and is based on the last drawn salary and years of credited service. The plan is unfunded, and the Company meets the liability as it becomes due.

The following is a summary of the Company's plan:

Reconciliation of Benefit Obligation

	March 31,	
	2026	**2025**
Beginning balance	$ 146,063	$ 121,392
Service cost	45,318	13,581
Interest cost	9,612	8,650
Actuarial (gain)/loss	(4,992)	7,535
Gross benefits paid	(13,459)	(1,592)
Exchange rate adjustment	(16,447)	(3,503)
Ending balance	$ 166,095	$ 146,063

Net Periodic Benefit Cost

	Year Ended March 31,	
	2026	**2025**
Service cost	$ 45,318	$ 13,581
Interest cost	9,612	8,650
Recognized net actuarial loss/(gain)	(4,992)	7,534
Net periodic benefit cost included in income from operations	$ 49,938	$ 29,765

Assumptions

The following assumptions, which are the weighted average for all plans, are used to calculate the benefit obligation at March 31 of each year and the net periodic benefit cost for the subsequent year.

	March 31,	
	2026	**2025**
Discount rate	7.30%	6.79%
Expected return on plan assets	NA	NA
Rate of compensation increase	7%	7%

The discount rate as of March 31, 2026 is based on 12 year government bond yields of India.

NOTE 5: NOTES PAYABLE

On January 25, 2023, the Company entered into a three-year term loan with Celtic Bank Corporation ("Celtic") in the amount of $5,000,000, secured by substantially all assets of the Company and a corporate guarantee given by FP India. The Company received $2,500,000 of the principal amount upon execution. In November 2024, the Company received an additional $500,000 in proceeds under the Celtic facility.

On March 1, 2025, the Company entered into a $5,000,000 term loan with Fortis Bank, of which approximately $3,000,000 was used to repay the outstanding balance under the Celtic loan. The Fortis Bank loan is repayable in 120 equal monthly installments commencing March 1, 2025, and bears interest at the Prime Rate plus 1%, adjusted at the beginning of each calendar quarter beginning April 1, 2025. The interest rate works out to 7.75% as on the reporting date The Fortis Bank loan is secured by substantially all of the Company's assets, certain personal property of directors of the Company, personal guarantees provided by such directors, and a Trust where directors are trustees.

During the fiscal year ended March 31, 2026, the Company made principal payments totaling $347,803 on the Fortis Bank loan. As of March 31, 2026, outstanding borrowings under the Fortis Bank loan totaled $4,624,283, of which $391,397 was classified as current and $4,232,886 was classified as non-current.

Future maturities of long-term debt as of March 31, 2026 are as follows:

Year Ended March 31,	**Amount**
2026	391,397
2027	422,007
2028	456,724
2029	493,404
2030	533,031
Thereafter	2,327,720
Total principal repayments	4,624,283
Less: Current portion	391,397
Long-term portion of notes payable	$ 4,232,886

Interest expense recognized on notes payable for the fiscal years ended March 31, 2026 and 2025 was $403,391 and $329,892, respectively.

Short-Term Note Payable to Related Party

On June 15, 2023, the Company received an interest-free demand loan of $120,000 from Stay in Business Inc., a related party controlled by the Company's Chief Executive Officer. During the fiscal year ended March 31, 2025, the Company received an additional $13,652 under this arrangement. During the fiscal year ended March 31, 2026, the Company repaid the entire outstanding balance of the loan, and accordingly there was no outstanding balance under this arrangement at March 31, 2026 (March 31, 2025: $133,652).

NOTE 6: STOCKHOLDERS' EQUITY

Authorized Capital Stock

On June 19, 2024, our Board of Directors and stockholders approved an increase in our authorized capital stock from 15,000,000 shares of common stock, no par value, to 50,000,000 shares of common stock, no par value. As of March 31, 2026 and March 31, 2025, there were 14,024,468 and 13,026,464 shares of common stock issued and outstanding, respectively.

Common Stock

We are authorized to issue up to a total of 50,000,000 shares of common stock, no par value per share. Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders, including the election of directors. Holders of our common stock have no cumulative voting rights. Further, holders of our common stock have no preemptive or conversion rights or other subscription rights.

Additionally, if a quorum is present, an action by stockholders entitled to vote on a matter is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action (other than the election of directors). The vote of a majority of the shares of our common stock held by stockholders present in person or represented by proxy and entitled to vote at a stockholder meeting will be sufficient to elect directors or to approve a proposal.

Initial Public Offering

During the fiscal year ended March 31, 2026, the Company issued an aggregate of 800,004 shares of common stock for total net proceeds of $3,935,522 pursuant to the April 2025 initial public offering, including the partial exercise of the underwriters' over-allotment option. The Company's common stock began trading on The Nasdaq Capital Market under the ticker symbol "FATN" on April 8, 2025.

Acquisition of Non-Controlling Interest

In July 2024, the Company acquired the remaining 4.4% non-controlling interest in FP India in exchange for 577,156 shares of common stock. As a result of this transaction, FP India became a wholly owned subsidiary of the Company, and there are no non-controlling interests as of March 31, 2026 or March 31, 2025.

Issuances to Consultants and Employees

During the fiscal year ended March 31, 2026, the Company issued an aggregate of 198,000 shares of common stock to consultants and employees as consideration for cash and services rendered. The aggregate fair value of the shares, determined based on the market price of the Company's common stock on the date of issuance, totaled $853,220, of which $83,000 was received in cash. The Company recognized total stock-based compensation expense of $770,220 during the fiscal year ended March 31, 2026, comprising $625,220 attributable to share issuances to consultants and employees and $145,000 attributable to stock options exercised by directors and officers during the fourth quarter of the fiscal year. Stock-based compensation expense is included within general and administrative expenses in the consolidated statements of operations.

Preferred Stock

The Company is not currently authorized to issue preferred stock under its Articles of Incorporation, but may choose to do so in the future.

Stock-Based Compensation

The Company adopted the FatPipe, Inc. 2024 Equity Incentive Plan (the "2024 Plan") in connection with the IPO. The 2024 Plan provides for the grant of stock options (both incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock awards, restricted stock units, performance awards, and other stock or cash awards to officers, directors, employees, and consultants of the Company and its affiliates. The 2024 Plan is administered by our Compensation Committee.

Stock-based compensation expense for the fiscal year ended March 31, 2026 was $770,220, all of which was recognized within general and administrative expenses. No stock-based compensation expense was recognized for the fiscal year ended March 31, 2025.

The maximum aggregate number of shares of common stock that may initially be issued under the 2024 Plan is 2,600,000 shares (the "Share Reserve"), representing approximately 5.2% of the Company's authorized common stock. The Share Reserve will automatically increase on the first day of each calendar year, beginning in 2024 and ending in (and including) 2034, by an amount equal to 3% of the total number of shares of capital stock outstanding on March 31 immediately preceding the applicable evergreen date, subject to the Board's discretion to provide for a lesser increase or no increase. During any fiscal year, no participant may receive awards covering more than 130,000 shares (combined across stock options, restricted stock, and restricted stock units). The maximum value of awards (and cash subject to cash-based awards) granted to any non-employee director during any fiscal year, taken together with cash fees paid to such director for service on the Board, may not exceed $500,000 in total value. Stock options have a maximum term of five years from the date of grant, and the per-share exercise price must be no less than 85% of the fair market value per share on the date of grant (or 100% of fair market value in the case of an incentive stock option granted to a holder of more than 10% of the voting power of the Company). The 2024 Plan has a term of 10 years from its effective date in 2024 and will continue in effect, unless terminated earlier, until 2034.

__Earnings Per Share__

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding for the period, increased to include all additional common shares that would have been outstanding had potentially dilutive common shares been issued. The following table presents the computation of basic and diluted earnings per share for the fiscal years ended March 31, 2026 and 2025:

	Year Ended March 31,	
	2026	**2025**
Net income attributable to stockholders	$ 4,969,961	$ 1,966,408
Weighted-average shares of common stock outstanding - basic	13,882,787	12,858,852
Effect of dilutive securities	123,605	-
Weighted-average shares of common stock outstanding - diluted	14,006,392	12,858,852
Earnings per share - basic	$ 0.36	$ 0.15
Earnings per share - diluted	$ 0.35	$ 0.15

NOTE 7: LEASES

The Company leases certain office space under operating leases. Lease commencement occurs on the date the Company takes possession or control of the property. The original terms for facility related leases are generally between three to five years. Some of the Company's leases also include rental escalation clauses and/or termination provisions. Renewal options and termination options are included in determining the lease payments when management determines the options are reasonably certain of exercise.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, substantially all of the Company's leases do not provide a readily determinable implicit rate. When the implicit rate is not determinable, the Company's estimated incremental borrowing rate is utilized, determined on a collateralized basis, to discount lease payments based on information available at lease commencement.

The Company's leases typically require payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Certain lease agreements also provide for variable rental payments based on sales performance in excess of specified minimums, usage measures, or changes in the consumer price index. Variable rent payments based on future performance, usage, or changes in indices were not significant for any of the periods presented. Variable lease costs are excluded from the present value of lease obligations. The Company's lease agreements do not contain any material restrictions, covenants, or any material residual value guarantees.

	Year Ended March 31, 2026	Year Ended March 31, 2025
Operating lease right of use assets, net	$ 1,042,476	$ 1,455,373
Operating lease liabilities — current	401,406	366,677
Operating lease liabilities — non-current	682,437	1,114,067
Total operating lease liabilities	$ 1,083,843	$ 1,480,744

	Year Ended March 31, 2026	Year Ended March 31, 2025
Operating lease expense:		
Operating lease cost	$ 468,763	$ 494,509
Short-term lease cost	30,047	60,105
Total operating lease expense	$ 498,810	$ 554,614

	Year Ended March 31, 2026	Year Ended March 31, 2025
Operating cash flows for operating leases	$ 445,028	$ 446,980
Right-of-use assets obtained in exchange for new lease liabilities	$ -	$ 1,319,422

Future minimum lease payments under non-cancellable operating leases as of March 31, 2026 are as follows:

Year Ended March 31,	**Operating leases**
2027	$ 462,098
2028	478,588
2029	183,512
2030	70,350
Total minimum lease payments	$ 1,194,548
Less: imputed interest	(110,705)
Total lease obligations	$ 1,083,843
Less: Current portion	401,406
Long-term portion of lease obligations	$ 682,437

NOTE 8: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

The following is a summary of accrued expenses and other current liabilities:

	March 31, 2026	March 31, 2025
Provision for tax	$ 1,483,701	$ 2,967,305
Accrued employer expenses	304,225	18,969
Credit card payables	54,287	352,792
Employee payables	30,545	429,366
Other current liabilities	117,342	91,669
Provisions	3,799	2,995
	$ 1,993,899	$ 3,863,096

The provision for tax decreased from $2,967,305 at March 31, 2025 to $1,483,701 at March 31, 2026, primarily reflecting the reversal of $1,483,653 of prior-period accrued income tax payable recognized as a change in accounting estimate during the fiscal year ended March 31, 2026, partially offset by the current-year tax provision. See Note 10 for additional information.

NOTE 9: RELATED PARTY TRANSACTIONS

The Company's related party transactions include the following:

Lease Arrangements with Back Office Xtensions India Pvt. Ltd.

FP India leases office space in Chennai, India from Back Office Xtensions India Pvt. Ltd. ("Back Office"), an entity owned and controlled by the Company's Chief Executive Officer and President. Lease payments under these arrangements are recorded as operating lease expense in accordance with ASC 842 (see Note 7). The arrangements include premises located on the first floor (commenced during the fiscal year ended March 31, 2026) and on the third floor of the leased property. Total lease payments amounted to $93,750 and $77,423 for the years ended March 31 2026 and 2025 respectively.

As of March 31, 2026, the right-of-use asset and lease liability associated with these related party arrangements totaled approximately $268,046 and $363,988, respectively. As of March 31, 2025, the corresponding amounts were approximately $285,089 and $371,400, respectively.

Short-Term Loan from Stay in Business Inc.

On June 15, 2023, the Company received an interest-free demand loan of $120,000 from Stay in Business Inc., an entity owned by the Company's Chief Executive Officer. During the fiscal year ended March 31, 2025, the Company received an additional $13,652 under the same arrangement. During the fiscal year ended March 31, 2026, the Company repaid the entire outstanding balance of $133,652. There was no outstanding balance under this arrangement as of March 31, 2026 (March 31, 2025: $133,652). See also Note 5.

Personal Guarantees and Property Pledged in Connection with Bank Debt

The Company's outstanding term loan with Fortis Bank is secured in part by certain personal property of directors of the Company, personal guarantees provided by such directors, and a Trust where directors are trustees, in addition to substantially all of the Company's assets. No fees or other consideration are paid by the Company in connection with these guarantees or pledges.

Other Related Party Matters

Routine compensation arrangements with executive officers and directors are governed by the Company's Compensation Committee. Information about director and officer compensation is provided in Item 11 of Part III of this Annual Report.

NOTE 10: INCOME TAXES

The Company accounts for income taxes in accordance with ASC 740, Income Taxes. The Company files a consolidated U.S. federal income tax return and an Arizona state return covering FatPipe, Inc. and FatPipe Technologies, Inc. The Company's wholly owned Indian subsidiary, FatPipe Networks Private Limited, files separate income tax returns in India.

Effective for fiscal years beginning after December 15, 2024, the Company adopted ASU 2023-09, Improvements to Income Tax Disclosures. The standard requires enhanced disaggregation of information presented in the rate reconciliation and disaggregation of income taxes paid by jurisdiction. The Company has applied the new requirements prospectively in this Note.

Income (Loss) Before Income Taxes

Income (loss) before income taxes for the years ended March 31 consisted of the following:

	Year Ended March 31,	
	2026	**2025**
United States	$ 4,802,182	$ 4,707,601
Foreign (India)	(1,315,824)	(1,419,845)
Total income before income taxes	$ 3,486,358	$ 3,287,756

Components of Provision (Benefit) for Income Taxes

The provision (benefit) for income taxes for the years ended March 31 consisted of the following:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Current:		
Federal	$ (1,483,653)	$ 1,030,279
State	50	264,033
Foreign	-	-
Total current	**$ (1,483,603)**	**$ 1,294,312**
Deferred:		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred	-	-
Total provision (benefit) for income taxes	**$ (1,483,603)**	**$ 1,294,312**

The current federal provision for the fiscal year ended March 31, 2026 reflects (i) a current-year tax provision of $24,027 calculated under ASC 740 after utilization of $4,896,738 of available net operating loss carryforwards, and (ii) a $1,483,653 reduction representing the partial reversal of prior-period accrued income tax payable, recognized as a change in accounting estimate. See "Change in Accounting Estimate" below for additional information.

Effective Income Tax Rate Reconciliation

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate, presented in accordance with ASU 2023-09, is as follows. Reconciling items are presented separately if they exceed 5% of the product of pre-tax income and the statutory rate.

	Year Ended March 31, 2026 Rate	Year Ended March 31, 2025 Rate
Federal statutory rate	21.00%	21.00%
State taxes, net of federal benefit	0.00%	5.11%
Stock-based compensation (permanent)	4.64%	0.00%
Foreign rate differential (India)	-1.57%	0.00%
NOL utilization	-29.01%	0.00%
Change in estimate — application of NOL carryforwards	-42.55%	0.00%
General business credit utilization	-3.02%	0.00%
Valuation allowance on impairment / other	7.96%	2.25%
Effective tax rate / Total provision (benefit)	-42.55%	28.36%

The Company's effective tax rate for FY2026 of (42.55%) differs from the U.S. federal statutory rate of 21.00% primarily because of (i) utilization of net operating loss carryforwards substantially eliminating current-year federal and state income tax, (ii) a change in accounting estimate associated with management's refinement of prior-period income tax obligations following completion of the Company's FY2025 tax return and the related application of available net operating loss carryforwards, (iii) utilization of general business credit carryforwards, and (iv) the foreign rate differential associated with losses generated by the Indian subsidiary.

Deferred Tax Assets and Valuation Allowance

Significant components of the Company's deferred tax assets, with the change for the year ended March 31, 2026, are presented below.

	Year Ended March 31, 2026	Year Ended March 31, 2025
Net operating loss carryforward	$ 1,370,031	$ 1,356,779
Temporary differences	549,341	207,352
Capital loss carryforward	316,239	393,528
General business credit	105,451	-
Total gross deferred tax asset	2,341,062	1,957,659
Less: Valuation allowance	(2,264,157)	(1,880,754)
Net deferred tax asset	$ 76,905	$ 76,905

The Company has no deferred tax liabilities as of March 31, 2026 or March 31, 2025.

Valuation Allowance Assessment

In assessing the realizability of deferred tax assets in accordance with ASC 740-10-30-17 through 30-25, the Company considers all available positive and negative evidence to determine whether it is more likely than not that some portion or all of its deferred tax assets will be realized. The weight given to potential evidence is commensurate with the extent to which it can be objectively verified.

Positive evidence

- Three consecutive years of U.S. profitability (fiscal years 2024, 2025, and 2026)
- Existing customer contracts providing future revenue visibility
- Demonstrated utilization of net operating loss carryforwards in the current fiscal year

Negative evidence

- Cumulative loss history in periods prior to fiscal year 2024
- Continuing losses generated by the Indian subsidiary
- Risk that capital loss carryforwards may expire prior to generation of offsetting capital gains

Based on the weight of available evidence, the Company has concluded that it is not more likely than not that deferred tax assets in excess of $76,905 will be realized. Accordingly, a valuation allowance of $2,264,157 has been maintained at March 31, 2026 ($1,880,754 at March 31, 2025). The Company will reassess this conclusion in future periods; partial release of the valuation allowance will be considered upon completion of a fourth consecutive profitable fiscal year.

Net Operating Loss Carryforwards

At March 31, 2026, the Company had U.S. federal net operating loss carryforwards of $6,523,957 available to offset future taxable income. The composition by vintage is as follows:

Tax Year of Origination	**Beginning Balance**	**Ending Balance**
Pre-2018 vintages	$ 3,334,752	-
Post-2017 vintages	8,004,879	6,523,957
Total US federal NOL carryforward	$ 11,339,631	$ 6,523,957
India loss carryforward	$ -	$ 2,582,089

Net operating losses generated in tax years prior to 2018 are not subject to the 80% taxable income limitation and have no expiration date. Net operating losses generated in tax years after 2017 are subject to the 80% taxable income limitation under IRC §172(a)(2) and have an indefinite carryforward period. During FY2026, the Company applied $3,334,752 of pre-2018 net operating losses at the 100% offset and $2,465,289 of post-2017 net operating losses subject to the 80% limitation, totaling $4,896,738 of utilization.

The Indian subsidiary has unused tax losses of approximately $2,582,089 carried forward under Indian local tax law for which no deferred tax asset has been recognized in the consolidated financial statements. See "Foreign Subsidiary Losses" below.

Capital Loss Carryforwards

At March 31, 2026, the Company had a capital loss carryforward of $1,505,901 (deferred tax asset of $316,239), which is available only to offset future capital gains. Under IRC §1212(a), capital loss carryforwards have a five-year carryforward period.

A full valuation allowance has been recorded against the deferred tax asset associated with the capital loss carryforward, reflecting management's assessment that it is not more likely than not that sufficient capital gains will be generated within the carryforward period to absorb the loss.

Income Taxes Paid (ASU 2023-09)

Income taxes paid, net of refunds received, disaggregated by jurisdiction in accordance with ASU 2023-09, is as follows:

	March 31,	
Jurisdiction	**FY2026**	**FY2025**
U.S. Federal	—	—
State — Arizona	—	—
Foreign — India	-	-
Total income taxes paid, net of refunds	**—**	**—**

No individual jurisdiction within "State" exceeds 5% of total income taxes paid; accordingly, separate disaggregation by individual state is not required.

Foreign Subsidiary Losses

FatPipe India Private Limited has generated tax losses in the current and prior fiscal years that are available for carryforward under Indian local tax law. At March 31, 2026, the Indian subsidiary had unused tax losses of approximately $2,582,089. The comparable amount at March 31, 2025 was $1,352,277.

No deferred tax asset has been recognized in respect of these unused tax losses, as management has determined it is not more likely than not that sufficient future taxable income will be available in India against which the losses can be utilized within the applicable local-law carryforward period. The cumulative unrecognized deferred tax asset at the applicable Indian statutory rate of 25.17% is approximately $649,912 at March 31, 2026.

Change in Accounting Estimate

During the fiscal year ended March 31, 2026, in connection with the preparation and filing of the Company's FY2025 federal and state income tax returns, management refined its estimate of the income tax obligation associated with prior fiscal years. The previously recorded accrued income tax payable balance of $2,967,305 at March 31, 2025 was based on a flat-rate estimation methodology that did not give effect to the Company's available net operating loss carryforwards. Upon completion of the FY2025 tax filings and the related ASC 740 computation, management determined that, after application of available net operating loss carryforwards, no material federal or state income tax was due for FY2025.

Considering the magnitude of the adjustment relative to FY2026 consolidated pre-tax income, and forecasting uncertainty regarding future U.S. taxable income, management elected to recognize the reversal of the prior over-accrual ratably over fiscal years 2026 and 2027 rather than in a single period. During FY2026, the Company reversed $1,483,653 (approximately 50%) of the $2,967,305 prior balance. The remaining $1,483,652 has been retained as accrued income tax payable at March 31, 2026 and is expected to be released in FY2027 as part of the ongoing tax provision process.

In accordance with ASC 250-10-45-17 and ASC 740-10-45-25, the refinement has been accounted for as a change in accounting estimate and recognized in the period of change. The effect of the change for the fiscal year ended March 31, 2026 was an increase in income tax benefit of $1,483,653, an increase in net income of $1,483,653, and an increase in basic and diluted earnings per share of $0.11 in accordance with the disclosure requirements of ASC 250-10-50-4.

Uncertain Tax Positions

The Company evaluates uncertain tax positions in accordance with ASC 740-10-25 and the related measurement, recognition, and disclosure provisions of ASC 740-10-50-15. As of March 31, 2026 and March 31, 2025, the Company has not identified any tax positions for which it is not more likely than not that the position would be sustained upon examination by the relevant taxing authorities. Accordingly, no liability for unrecognized tax benefits has been recorded, and there are no related accruals for interest or penalties.

The Company's U.S. federal and state income tax returns generally remain subject to examination for the three most recent tax years under the applicable statutes of limitation, which corresponds to fiscal years ended March 31, 2024 through March 31, 2026. Tax returns of the Indian subsidiary remain subject to examination by Indian tax authorities for assessment years 2024-25 through 2026-27 in accordance with applicable Indian tax law.

Recently Adopted Accounting Pronouncements — ASU 2023-09

In December 2023, the Financial Accounting Standards Board issued ASU 2023-09, Improvements to Income Tax Disclosures, which requires public business entities to disclose specific categories within the rate reconciliation, additional information for reconciling items meeting a quantitative threshold, and disaggregation of income taxes paid by jurisdiction. The Company adopted ASU 2023-09 effective for the fiscal year beginning April 1, 2025 on a prospective basis. Adoption of the standard did not have a material effect on the Company's consolidated financial position, results of operations, or cash flows; the impact is limited to the additional disclosures presented in this Note.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Commitments

The Company's commitments primarily relate to (i) operating lease arrangements (see Note 7) and (ii) repayment of outstanding bank debt (see Note 5). The Company has no other material commitments outstanding as of March 31, 2026.

Contingencies

From time to time, the Company is involved in various legal proceedings and claims arising in the ordinary course of business. As of the date of this Annual Report, the Company is not a party to any pending legal proceedings the outcome of which would, in the opinion of management, be expected to have a material adverse effect on its consolidated financial position, results of operations, or cash flows. Where loss contingencies are considered probable and reasonably estimable, the Company accrues an amount equal to its best estimate of the loss in accordance with ASC 450, Contingencies.

NOTE 12: SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 18, 2026, the date these consolidated financial statements were available to be issued.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2026. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2026.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and our Board of Directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2026, based on the criteria set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that assessment, management concluded that our internal control over financial reporting was effective as of March 31, 2026.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting because, as an emerging growth company, we are not required to provide such report under Section 404(b) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements

During the fiscal quarter ended March 31, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth information about our directors and executive officers as of the date of this Annual Report:

Name	Age	Position(s)
Ragula Bhaskar, Ph.D.	66	Chief Executive Officer and Chairman of the Board
Sanchaita Datta	62	President, Chief Technology Officer and Director
Eric Sherb	39	Chief Financial Officer and Principal Accounting Officer
I. Bobby Majumder	58	Director (Independent)
Ajay Tandon	67	Director (Independent)
Jean Turgeon	62	Director (Independent)

Biographical Information

Executive Officers

Ragula Bhaskar, Ph.D. — Chief Executive Officer and Chairman of the Board

Dr. Bhaskar co-founded FatPipe in 2002 and has served as our Chief Executive Officer and Chairman of the Board since our inception. Dr. Bhaskar holds a Ph.D. in Engineering from The Pennsylvania State University, an M.S. in Engineering from The Pennsylvania State University, and a Bachelor of Engineering from Bangalore University. Dr. Bhaskar is an inventor on multiple patents covering networking, routing and security technologies that form the foundation of FatPipe's product portfolio. The Board has determined that Dr. Bhaskar's extensive industry experience, technical leadership, and intimate knowledge of FatPipe and its operations qualify him to serve as Chief Executive Officer and Chairman of the Board.

Sanchaita Datta — President, Chief Technology Officer and Director

Ms. Datta co-founded FatPipe in 2002 and has served as our President and Chief Technology Officer since our inception, and as a director since FatPipe became a publicly traded company in connection with our initial public offering in April 2025. Ms. Datta holds an M.B.A. from the University of Utah, an M.S. in Computer Science from The Pennsylvania State University, and a Bachelor of Engineering from Bangalore University. Ms. Datta is an inventor on multiple patents covering FatPipe's networking and security technologies. The Board has determined that Ms. Datta's extensive industry experience, technical leadership, and intimate knowledge of FatPipe and its operations qualify her to serve as a director.

Eric Sherb — Chief Financial Officer and Principal Accounting Officer

Mr. Sherb has served as our Chief Financial Officer and Principal Accounting Officer since April 24, 2025. Mr. Sherb is a Certified Public Accountant licensed in the State of New York and serves as the principal of EMS Consulting Services, LLC, an external accounting consulting firm. Mr. Sherb holds a Bachelor of Science in Accounting from the University of Maryland and brings significant experience advising public companies on SEC reporting, technical accounting matters, audit response, and finance organization development. Prior to providing financial leadership services to FatPipe, Mr. Sherb served in finance leadership roles at multiple public and emerging growth companies.

Independent Directors

I. Bobby Majumder — Director (Independent)

Mr. Majumder has served as a director of the Company since FatPipe became a publicly traded company in connection with our initial public offering in April 2025. Mr. Majumder is an attorney with extensive experience in capital markets transactions, mergers and acquisitions, and corporate finance, and has served as a partner at multiple national law firms. Mr. Majumder is also an active board member with experience advising publicly traded companies on governance, capital markets, and related strategic matters. The Board has determined that Mr. Majumder's extensive legal, transactional, and capital markets experience qualify him to serve as an independent director.

Ajay Tandon — Director (Independent)

Mr. Tandon has served as a director of the Company since FatPipe became a publicly traded company in connection with our initial public offering in April 2025. Mr. Tandon brings extensive experience in technology, manufacturing and sales, including senior leadership and advisory roles with multiple companies. The Board has determined that Mr. Tandon's extensive industry experience and technical expertise qualify him to serve as an independent director.

Jean Turgeon — Director (Independent)

Mr. Turgeon has served as a director of the Company since FatPipe became a publicly traded company in connection with our initial public offering in April 2025. Mr. Turgeon has extensive experience in enterprise networking, software-defined networking, and cybersecurity, having held senior technical and product leadership positions at major networking and technology companies. The Board has determined that Mr. Turgeon's extensive industry experience and technical expertise qualify him to serve as an independent director.

Family Relationships

Dr. Ragula Bhaskar and Ms. Sanchaita Datta are married. Dr. Bhaskar serves as the Company's Chief Executive Officer and Chairman of the Board, and Ms. Datta serves as the Company's President, Chief Technology Officer, and a director. There are no other family relationships among the Company's directors or executive officers.

Director Independence

Our common stock is listed on The Nasdaq Capital Market. Under the listing standards of The Nasdaq Stock Market LLC (the "Nasdaq Listing Standards"), independent directors must comprise a majority of a listed company's board of directors. In addition, the Nasdaq Listing Standards require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent.

Our Board of Directors has reviewed the independence of each of our directors and has determined that Mr. Majumder, Mr. Tandon, and Mr. Turgeon each qualify as "independent" directors under the Nasdaq Listing Standards and the applicable rules and regulations of the SEC. Dr. Bhaskar and Ms. Datta do not qualify as independent directors due to their roles as executive officers of the Company.

Board Committees

Our Board of Directors has three standing committees: the Audit and Finance Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Each of these committees operates under a written charter that has been approved by our Board of Directors.

Audit and Finance Committee

The Audit and Finance Committee consists of Mr. Majumder, Mr. Tandon, and Mr. Turgeon, with Mr. Majumder serving as Chair. Our Board of Directors has determined that each of the members of our Audit and Finance Committee satisfies the requirements for independence and financial literacy under the Nasdaq Listing Standards and SEC rules. Our Board of Directors has further determined that Mr. Majumder is an "audit committee financial expert" as defined under the SEC rules.

The Audit and Finance Committee is responsible for, among other things: (i) selecting and overseeing our independent registered public accounting firm; (ii) reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly consolidated financial statements; (iii) overseeing our internal control over financial reporting; (iv) reviewing the Company's policies and processes with respect to risk management, including cybersecurity; (v) reviewing related party transactions; and (vi) approving any non-audit services performed by our independent registered public accounting firm.

Compensation Committee

The Compensation Committee consists of Mr. Majumder, Mr. Tandon, and Mr. Turgeon, with **[Confirm]** serving as Chair. Each of the members of the Compensation Committee satisfies the requirements for independence under the Nasdaq Listing Standards. The Compensation Committee is responsible for, among other things: (i) reviewing and approving the compensation of our executive officers; (ii) administering our equity-based compensation plans; (iii) reviewing director compensation; and (iv) reviewing our overall compensation philosophy and programs.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee consists of Mr. Majumder, Mr. Tandon, and Mr. Turgeon, with Mr. Turgeon serving as Chair. Each of the members of the Nominating and Corporate Governance Committee satisfies the requirements for independence under the Nasdaq Listing Standards. The Nominating and Corporate Governance Committee is responsible for, among other things: (i) identifying and recommending candidates for membership on our Board of Directors; (ii) reviewing and recommending corporate governance guidelines; (iii) overseeing the evaluation of our Board of Directors and management; and (iv) reviewing related party transactions for which the Audit and Finance Committee does not have primary responsibility.

Code of Business Conduct and Ethics

Our Board of Directors has adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers, and employees, including our Chief Executive Officer, Chief Financial Officer, and other senior financial officers. The Code of Business Conduct and Ethics is available on the Investor Relations section of our website at www.fatpipe.com. We will disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics applicable to our directors and executive officers to the extent required by applicable laws or regulations.

Insider Trading Policy

We have adopted an Insider Trading Policy governing the purchase, sale, and other dispositions of our securities by our directors, officers, employees, and certain other related persons. We believe that our Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules, and regulations, and the listing standards of The Nasdaq Stock Market LLC. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report.

Compensation Recovery Policy

In accordance with the requirements of Section 10D of the Exchange Act, Rule 10D-1 thereunder, and the related Nasdaq Listing Standards, our Board of Directors has adopted a Policy for the Recovery of Erroneously Awarded Compensation (the "Clawback Policy"). The Clawback Policy provides for the mandatory recovery, in the event of certain accounting restatements, of erroneously awarded incentive-based compensation received by our current and former executive officers. A copy of our Clawback Policy is filed as Exhibit 97.1 to this Annual Report.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our directors, executive officers, and beneficial owners of more than 10% of our common stock to file reports of beneficial ownership and changes in beneficial ownership of our common stock with the SEC. Based solely on a review of the copies of such reports furnished to us, We believe that all such reports were filed on a timely basis during the fiscal year ended March 31, 2026.

ITEM 11. EXECUTIVE COMPENSATION

As an emerging growth company and a smaller reporting company, we are providing scaled disclosure of executive compensation pursuant to Item 402(m) through (q) of Regulation S-K.

Summary Compensation Table

The following table sets forth information regarding compensation earned by or paid to our "named executive officers," consisting of our principal executive officer and our two other most highly compensated executive officers, for the fiscal years ended March 31, 2026 and 2025:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	All Other Comp ($)	Total ($)
Ragula Bhaskar, Ph.D.	2026	240,000	50,000	—	—	—	290,000
Chief Executive Officer	2025	230,000	—	—	—	—	230,000
Sanchaita Datta	2026	240,240	50,000	—	—	—	290,240
President and CTO	2025	261,089	—	—	—	—	261,089
Eric Sherb	2026	79,680	—	—	—	—	79,680
Chief Financial Officer	2025	—	—	—	—	—	—

[Footnotes: (1) Salary amounts reflect base salary earned during the fiscal year. (2) Stock Awards represent the aggregate grant-date fair value of awards granted under the FatPipe, Inc. 2024 Equity Incentive Plan, computed in accordance with ASC 718. (3) All Other Compensation includes [insert detail — e.g., 401(k) match, healthcare benefits, etc.]. *Update or remove footnotes consistent with actual amounts.]*

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of March 31, 2026: *[Insert table consistent with actual outstanding awards under the FatPipe, Inc. 2024 Equity Incentive Plan; if no equity awards are outstanding for an officer, indicate accordingly.]*

Employment Arrangements

We do not currently have written employment agreements with our co-founders, Dr. Bhaskar or Ms. Datta, or with our Chief Financial Officer, Mr. Sherb. Compensation for our named executive officers is determined by our Compensation Committee and our Board of Directors based on the factors discussed below.

Director Compensation

The following table sets forth information regarding compensation earned by or paid to our non-employee directors for the fiscal year ended March 31, 2026:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	All Other Compensation ($)	Total ($)
I. Bobby Majumder	$ 15,000	$ -	$ -	$ 15,000
Ajay Tandon	15,000	-	-	15,000
Jean Turgeon	15,000	-	-	15,000

Directors who are also executive officers of the Company (Dr. Bhaskar and Ms. Datta) do not receive additional compensation for their service as directors.

FatPipe, Inc. 2024 Equity Incentive Plan

In connection with our IPO, our Board of Directors adopted, and our stockholders approved, the FatPipe, Inc. 2024 Equity Incentive Plan (the "2024 Plan"). The 2024 Plan provides for the grant of stock options (both incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock awards, restricted stock units, performance awards, and other stock or cash awards to officers, directors, employees, and consultants of the Company and its affiliates. The 2024 Plan is administered by our Compensation Committee.

The maximum aggregate number of shares of common stock that may be issued under the 2024 Plan is 2,600,000. As of March 31, 2026, 198,000 shares of common stock had been issued and 0 unvested awards remained outstanding under the 2024 Plan, with

2,402,000 shares remaining available for future issuance.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 15, 2026, by (i) each person who is known by us to beneficially own more than 5% of our outstanding common stock, (ii) each of our directors and named executive officers, and (iii) all of our directors and executive officers as a group. Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act and includes voting and investment power with respect to the shares. Percentage ownership is based on 14,024,468 shares of our common stock outstanding as of May 18, 2026.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Outstanding Common Stock
5% Stockholders:		
Ragula Bhaskar, Ph.D. (1)(2)	3,876,283	27.64%
Sanchaita Datta (1)(2)	2,577,062	18.38%
Epic Ventures (Zions SBIC) (3)	1,243,694	8.87%
Directors and Officers (other than as listed above):		
Eric Sherb	-	-
I. Bobby Majumder	-	-
Ajay Tandon	-	-
Jean Turgeon	-	-
All directors and executive officers as a group (6 persons)	**-**	**-**

(1) Dr. Bhaskar and Ms. Datta are spouses. Each disclaims beneficial ownership of shares held by the other except to the extent of his or her pecuniary interest therein. The address for each of Dr. Bhaskar and Ms. Datta is c/o FatPipe, Inc., 392 East Winchester Street, Fifth Floor, Salt Lake City, Utah 84107.

(2) Includes shares held by the named individual directly and shares held indirectly through family trusts and entities under such individual's control, in each case as reflected on the Company's books and records as of the date of determination. *[Update consistent with actual Schedule 13G/13D and Form 3/4/5 filings.]*

(3) *[Insert address of Epic Ventures and reference to Schedule 13G filing.]*

Equity Compensation Plan Information

The following table provides information about our equity compensation plans as of March 31, 2026hi:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders — 2024 Equity Incentive Plan	—	—	2,402,000
Equity compensation plans not approved by security holders	—	—	—
Total	**—**	**—**	**2,402,000**

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding related party transactions is included in Note 9 to the consolidated financial statements included in Item 8 of this Annual Report and is incorporated by reference into this Item 13.

In addition, as described in Note 5 and Note 9, the Fortis Bank term loan is secured in part by certain personal property of directors of the Company, personal guarantees provided by such directors, and a Trust where directors are trustees. No fees or other consideration are paid by the Company in connection with these guarantees or pledges.

Related Party Transaction Approval Policy

Our Board of Directors has adopted a written Related Party Transactions Policy that provides for the review and, as appropriate, approval or ratification of all transactions, arrangements, or relationships in which the Company is a participant, the amount involved exceeds the threshold specified in Item 404(a) of Regulation S-K, and a related person has or will have a direct or indirect material interest. Under the policy, our Audit and Finance Committee reviews and approves or ratifies all related party transactions. In considering related party transactions, the Audit and Finance Committee considers, among other factors, whether the transaction is on terms no less favorable to the Company than those generally available from an unaffiliated third party under the same or similar circumstances.

Director Independence

Information regarding the independence of our directors is set forth in Item 10 of this Annual Report and is incorporated by reference into this Item 13.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Suri & Co., Chartered Accountants (PCAOB Firm ID: 6727), located in Chennai, India, has served as our independent registered public accounting firm since 2022. The following table sets forth fees billed to us by Suri & Co. for professional services rendered for the fiscal years ended March 31, 2026 and 2025:

	March 31,	
	2026	**2025**
Audit fees[1]	$ 33,750	$ 37,500
Audit-Related Fees	-	4,730
Tax Fees	-	-
All other fees	-	-
Total	$ 33,750	$ 42,230

Audit Fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements, the review of our consolidated quarterly financial statements, and services that are typically provided by an independent registered public accounting firm in connection with statutory and regulatory filings or engagements for the periods presented.

Audit-Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements that are not separately reported under "Audit Fees."

Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice, and tax planning, including, where applicable, fees related to the preparation of federal, state, and foreign tax returns and tax-related advisory services.

All Other Fees consist of fees billed for products and services that are not included in any of the above categories.

Audit and Finance Committee Pre-Approval Policies and Procedures

The Audit and Finance Committee has established a policy that all audit and permissible non-audit services to be performed by our independent registered public accounting firm must be pre-approved by the Audit and Finance Committee. All services described above were pre-approved by the Audit and Finance Committee in accordance with such policies.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents Filed as a Part of this Annual Report:

(1) Consolidated Financial Statements: See Item 8 — Financial Statements and Supplemental Data.

(2) Financial Statement Schedules: All financial statement schedules have been omitted because the information required to be set forth therein is not applicable, not material, or is shown in the consolidated financial statements or the notes thereto.

(3) Exhibits: The exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index below.

Exhibit Index

Exhibit Number	Description
1.1*	Form of Underwriting Agreement (incorporated by reference to Exhibit 1.1 to 10-K filed on June 30, 2025.)
3.1*	Articles of Incorporation of FatPipe, Inc., dated October 14, 2009 (incorporated by reference to Exhibit 3.1 to 10-K filed on June 30, 2025.)
3.2*	Amended and Restated Articles of Incorporation of FatPipe, Inc., dated October 14, 2010 (incorporated by reference to Exhibit 3.2 to 10-K filed on June 30, 2025.)
3.3*	Restated Articles of Incorporation of FatPipe, Inc., dated November 19, 2021 (incorporated by reference to Exhibit 3.3 to 10-K filed on June 30, 2025.)
3.4*	Certificate of Amendment to the Restated Certificate of Incorporation of FatPipe, Inc., dated June 20, 2024 (incorporated by reference to Exhibit 3.4 to 10-K filed on June 30, 2025.)
3.5*	Bylaws of FatPipe, Inc., dated October 14, 2010 (incorporated by reference to Exhibit 3.5 to 10-K filed on June 30, 2025.)
10.2*#	Form of Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to 10-K filed on June 30, 2025.)
10.3*	Business Loan Agreement, Commercial Security Agreement, Intellectual Property Security Agreement and Promissory Note, dated January 25, 2023 by and among Celtic Bank Corporation, FatPipe, Inc., and its subsidiaries named therein (incorporated by reference to Exhibit 10.3 to 10-K filed on June 30, 2025.)
10.4*	Office Lease, dated November 26, 2018, by and between WCF Mutual Insurance Company and Fat Pipe Networks, Inc. (incorporated by reference to Exhibit 10.4 to 10-K filed on June 30, 2025.)
10.5*	First Amendment to Office Lease, dated January 24, 2024, by and between WCF Mutual Insurance Company and FatPipe Networks, Inc. (incorporated by reference to Exhibit 10.5 to 10-K filed on June 30, 2025.)
10.6*	Lease Deed, dated January 1, 2018, by and between Back Office Xtensions India Pvt. Ltd. and FatPipe Networks Pvt., Ltd. (incorporated by reference to Exhibit 10.6 to 10-K filed on June 30, 2025.)
10.7*	Lease Deed, dated April 1, 2020, by and between Back Office Xtensions India Pvt. Ltd. and FatPipe Networks Pvt., Ltd. (incorporated by reference to Exhibit 10.7 to 10-K filed on June 30, 2025.)
21.1*	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to 10-K filed on June 30, 2025.)
24.1*	Powers of Attorney
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officers Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Audit Committee Charter (incorporated by reference to Exhibit 99.4 to 10-K filed on June 30, 2025.)
99.2*	Compensation Committee Charter (incorporated by reference to Exhibit 99.5 to 10-K filed on June 30, 2025.)
99.3*	Nominating and Corporate Governance Committee Charter (incorporated by reference to Exhibit 99.6 to 10-K filed on June 30, 2025.)
99.4*	Clawback Policy (incorporated by reference to Exhibit 99.7 to 10-K filed on June 30, 2025.)
99.5*	Whistleblower Policy (incorporated by reference to Exhibit 99.8 to 10-K filed on June 30, 2025.)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\# Management contract or compensatory plan, contract, or arrangement.
* Previously Filed
** To be filed by amendment.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FATPIPE, INC.

Date: May 18, 2026

By: */s/ Ragula Bhaskar, Ph.D.*
Name: Ragula Bhaskar, Ph.D.
Title: Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ragula Bhaskar, Ph.D. Ragula Bhaskar, Ph.D.	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	May 18, 2026
/s/ Sanchaita Datta Sanchaita Datta	President, Chief Technology Officer, and Director	May 18, 2026
/s/ Eric Sherb Eric Sherb	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 18, 2026
/s/ I. Bobby Majumder I. Bobby Majumder	Director	May 18, 2026
/s/ Ajay Tandon Ajay Tandon	Director	May 18, 2026
/s/ Jean Turgeon Jean Turgeon	Director	May 18, 2026