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PAKKA INC. & SUBSIDIARY

Consolidated Financial Statement as of March 31, 2025

With the Independent Auditor's Report

August 7th, 2025

INFOSB25210

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INDEPENDENT AUDITOR´S REPORT

To the Board of Directors and Stockholders of
PAKKA INC.

Opinion

We have audited the consolidated financial statements of **Pakka Inc. & Subsidiary**, (the "Company") which comprise the consolidated balance sheet as of March 31st, 2025 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Pakka Inc. & Subsidiary, as of March 31st, 2025 and its financial performance and its consolidated cash flows for the year then ended in accordance with Internacional Financial Reporting Standards - IFRS.

Basis for opinion

We conducted our audit in accordance with International Accounting Standards on Auditing - (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants - (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The 2024 financial information has not been consolidated, as Pakka Guatemala, S.A. commenced operations on April 1, 2024 and therefore did not meet the criteria for consolidation during that period. In addition, these figures were not audited by us and are included solely for comparative purposes with the 2025 financial information, in accordance with International Financial Reporting Standards (IFRS).

As disclosed in Note (11) to the consolidated financial statements, Pakka Inc. will capitalize its payable to Pakka Limited in the amount of US$3,594,487 during the General Shareholders' Meeting to be held in August 2025 in India. This transaction will change the equity position

presented as of the date of this report, correcting the negative balance reported. Our opinion is not modified in respect of this matter.

Pakka Inc. and its subsidiary are part of a Group of related Company. As disclosed in Note (5) to the consolidated financial statements, the Company engage in significant transactions with other entities within the Group. Due to the nature of these relationships, the terms of such transactions may differ from those that would have been negotiated with unrelated third parties.

As described in Note (8) to the financial statements, Pakka Guatemala, S.A. is currently undertaking a project to construct a food packaging production facility. To this end, it is in the process of raising capital and anticipates obtaining the necessary funding to continue with the development and future operation of the project. Significant progress has been made, including entering into an agreement with the firm responsible for detailed engineering, securing preliminary arrangements with key raw material suppliers, and engaging in advanced negotiations with potential customers. The project has also received formal approval from the parent company. Based on this progress, management believes it is probable that the project will be successfully executed. Our opinion is not modified in respect of this matter.

Other matters

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. Consolidation information for that period (Annexes I and II) is presented to facilitate further analysis of the consolidated financial statements and not to present the financial position and results of operations of the individual Company. The consolidated information has been subject to the audit procedures used in the audit of the consolidated financial statements as a whole and, in our opinion, this additional consolidation information is reasonably presented in all material respects in relation to the basic financial statements as a whole.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Internacional Financial Reporting Standards - IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company' financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing - (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on these consolidated financial statements. Annex A, an integral part of this report, includes a detailed description of our responsibilities as Independent Accountants.

Ruddy Santos C.
(Guatemalan) Certified Public Accountant
License No. 5154

August 7th, 2025

ANNEX A
TO THE REPORT ISSUED BY THE INDEPENDENT ACCOUNTANT

As part of an audit in accordance with International Standards on Auditing - ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CONSOLIDATED BALANCE SHEETS

Pakka Inc. & Subsidiary

As of March 31,

(Amounts expressed in Dollars of the United States of America)

		2025		Unaudited 2024
ASSETS				
Current				
Cash	$	216,666	$	186,858
Accounts receivable from related companies (note 5)		-		21,706
Other accounts receivable (note 6)		5,297		-
		221,963		208,564
Non-current				
Other accounts receivable (note 6)		444,150		-
Taxes receivable (note 7)		42,474		-
Capital work in progress (note 8)		2,528,295		1,040,679
Computer and equipment		11,238		3,133
		3,026,157		1,043,812
TOTAL ASSETS	$	3,248,120	$	1,252,376

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

CONSOLIDATED BALANCE SHEETS

Pakka Inc. & Subsidiary

As of March 31,

(Amounts expressed in Dollars of the United States of America)

	2025	Unaudited 2024
LIABILITIES		
Current		
Accounts payable (note 9)	$ 153,801	$ 36,095
Other current liabilities (note 10)	110,785	40,228
	264,586	76,323
Non-current		
Accounts payable (note 9)	26,311	-
Accounts payable to related companies (note 5)	3,917,660	2,357,775
	3,943,971	2,357,775
TOTAL LIABILITIES	4,208,557	2,434,098
SHAREHOLDERS EQUITY		
Paid-in capital (note 11)	2,500,000	500,000
Accumulated deficit	(3,460,437)	(1,681,722)
TOTAL SHAREHOLDERS EQUITY	(960,437)	(1,181,722)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 3,248,120	$ 1,252,376

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

CONSOLIDATED INCOME STATEMENTS

Pakka Inc. & Subsidiary

For the year ended March 31 of

(Amounts expressed in Dollars of the United States of America)

	2025	Unaudited 2024
OPERATING EXPENSES		
Administrative expenses (note 12)	$ 1,764,494	$ 783,444
Operating loss	(1,764,494)	(783,444)
OTHER INCOME AND (EXPENSES) - NET	10,673	(6,342)
Loss before income tax	(1,753,821)	(789,786)
Income tax (note 13)	-	-
Foreign currency translation adjustment	(24,894)	-
NET LOSS FOR THE YEAR	$ (1,778,715)	$ (789,786)

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Pakka Inc. & Subsidiary

For the years ended March 31,

(Amounts expressed in Dollars of the United States of America)

	Suscribed and paid-in capital	Accumulated deficit	Total
Balance as of March 31, 2024 - unaudited	$ 500,000	$ (1,681,722)	$ (1,181,722)
Paid capital	2,000,000	-	2,000,000
Net loss for the year		(1,778,715)	(1,778,715)
BALANCE AS OF MARCH 31, 2025	$ 2,500,000	$ (3,460,437)	$ (960,437)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Pakka Inc. & Subsidiary

For the years ended March 31 of

(Amounts expressed in Dollars of the United States of America)

	2025	Unaudited 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash paid to suppliers and employees	$ (1,449,072)	$ (773,465)
Taxes paid	(42,474)	-
Cash used in operating activities	**(1,491,546)**	**(773,465)**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash paid for construction work in progress	(1,487,616)	(762,170)
Acquisition of computer equipment	(8,105)	-
Cash used in investment activities	**(1,495,721)**	**(762,170)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Paid-in capital	2,000,000	-
Cash received from related companies	1,017,075	1,704,631
Cash provided by financial activities	**3,017,075**	**1,704,631**
Net change in cash	29,808	168,996
Effective at the beginning of the year	186,858	17,862
CASH AT THE END OF THE YEAR	**$ 216,666**	**$ 186,858**

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

(1) History and operations

Pakka Inc. was incorporated in the State of Delaware, USA on April 7, 2021. The Company is currently under project stage and after completion of project & commencement of manufacturing activity, the Company will mainly engage in business of manufacturing and dealing in paper & moulded products.

Pakka Inc. is a wholly owned subsidiary of Pakka Limited ('Parent Company' or 'Holding Company'), an India-incorporated publicly listed Company.

On April 10, 2024 the Company acquired 99.99% stake in Pakka Guatemala S.A (the "Subsidiary") a Company incorporated in Guatemala. It is currently in a pre-operational phase, as it is constructing facilities in Masagua, Escuintla, as well as those necessary for the production of flexible food packaging.

The main operations of the subsidiary are described below:

Pakka Guatemala, S.A.

Pakka Guatemala, S.A. is in a pre-operational phase and is in the process of raising capital to begin construction of the facilities where the production plant will be located. Management expects to complete the project within 22 months from the start to the end of construction. Management estimates that construction of the production plant will begin in March 2026.

The Company has made significant progress by signing an agreement with the Company that does detailed engineering, reaching agreements with key raw material suppliers for food packaging production, and maintaining active negotiations with potential customers. Likewise, the project has been formally approved by the parent company. Based on this progress, management considers it likely that the project will be carried out.

The Company will operate within a Free Trade Zone known as ZDEEP, benefiting from tax exemptions, including income tax, value-added tax, and other applicable duties.

(2) Summary of most significant accounting policies

Basis of accounting

The consolidated financial statements of the Company have been prepared in accordance with Internacional Financial Reporting Standards - IFRS.

The consolidated financial statements have been prepared on the historical cost basis.

The consolidated financial statements provide comparative information in respect of the previous period.

a) Principles of consolidation

The consolidated financial statements include the financial statements of the Pakka Inc. and its Subsidiary as of March 31, 2025 and 2024. In the consolidation process, the accounts and transactions carried out between the Company were eliminated. Control is obtained when the Group is entitled to variable returns derived from its involvement in a Subsidiary and has the possibility of influencing such returns through the exercise of its power over the Subsidiary. Specifically, the Group controls a Subsidiary if and only if, the Group has:

- Power over the Subsidiary (existing rights that give you the power to direct the relevant activities of the Subsidiary).
- Rights to variable returns derived from their involvement in the Subsidiary.
- It can influence such income by exercising its power over the Subsidiary.

Generally, there is a presumption that most voting rights are control. In support of this presumption and where the Group does not have a majority of the voting rights or similar rights of the Subsidiary, the Group considers all relevant facts and circumstances to assess whether it has power over the Subsidiary, including:

- Contractual agreements with other owners regarding the Subsidiary's voting rights.
- Rights arising from other contractual agreements.

The Parent Company assesses whether it has control over a subsidiary when facts and circumstances indicate that there have been changes in one or more of the elements that determine control. The consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company loses control. The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date on which the Company gains control until the date on which it ceases to control the subsidiary.

When deemed necessary, adjustments are made to the consolidated financial statements of the Subsidiary so that their accounting policies are consistent with those applied by the Company. All assets, liabilities, equity, income, expenses and cash flows arising from transactions between Company are eliminated in full in the consolidation process.

When the Parent Company loses control of a Subsidiary, it derecognizes related assets, related liabilities and other components of equity, recording any profit or loss.

b) Current versus non – current classification

The Company presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non - current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

c) Basis of translation

The functional currency of the Company is the United States dollar (USD), as it most accurately reflects the primary economic environment in which it operates. This determination is based on the following factors:

- Export activity: The Company will export the majority of its products, and transactions with its main customers will be conducted in United States dollars.
- Purchase of machinery and equipment: Significant acquisitions of non-current assets, including machinery and equipment, will be made in United States dollars.
- Pricing determination: Purchase prices of raw materials and the sale prices of products will be set and invoiced in United States dollars.

Based on these elements, management has concluded that the United States dollar appropriately represents the currency of the primary economic environment in which the Company generates and expends most of its cash flows.

As a result of the functional currency, the accompanying consolidated financial statements have been translated into United States dollars in accordance with the following basis: Monetary assets and liabilities were translated at the exchange rate at the reporting date. Non-monetary items are translated at historical exchange rates. Income and expenses were translated at average exchange rates for the year. Foreign currency differences arising from the translation process are recognized in profit or loss.

d) Capital work in progress

Company capitalizes all costs incurred that are directly related to the development and execution of construction projects. This includes, but is not limited to:

- Fees paid to engineers and consultants.
- Technical and legal advisory costs directly linked to the project.
- Salaries, employee benefits, and travel expenses of personnel involved in the supervision or management of the project.
- Technical studies required for the execution of the project.
- Interest in related-party loans is attributable to the financing of the project.

Capitalization of these costs continues until the asset is ready for its intended use or operation, in accordance with IAS 16 – Property, Plant and Equipment, and IAS 23 – Borrowing Costs.

e) Financial instruments

A financial instrument is any contract that allows the recognition of financial assets in an entity and financial liabilities or an equity instrument in another entity.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are recorded at the date of their initial recognition, at fair value.

Subsequent measurement

For purposes of subsequent measurement, the financial assets of the Company are other accounts receivable and accounts receivable from related Companies.

Other accounts receivable

Other accounts receivable are financial assets with payments of determined or determinable amounts. After initial valuation, these financial assets are measured at amortized cost.

Accounts receivable from related Companies

Accounts receivable from related Companies are financial assets with payments of a determined or determinable amount. After initial valuation, these financial assets are valued at amortized cost. The settlement of these balances is agreed with terms and agreements that are totally different from those that would be made with third parties.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are recorded at the date of their initial recognition, at fair value.

Subsequent measurement

For purposes of subsequent measurement, the financial liabilities of the Company are accounts payable, other current liabilities (except taxes) and accounts payable to related Companies.

Accounts payable and other current liabilities (except taxes)

After initial recognition these liabilities are measured at amortized cost.

Accounts payable to related Companies

Accounts payable to related Companies are financial liabilities with payments of a determined or determinable amount. After the initial valuation, these financial liabilities are measured at amortized cost. The settlement of these balances is agreed with terms and agreements that are totally different from those that would be made with third parties.

Derecognition

Liabilities are derecognized when the obligation is extinguished or canceled.

a) Revenue Recognition

The Company is in a pre-operational phase and, therefore, has not generated any revenue during the reporting periods.

b) Taxes

Value Added Tax – VAT

The amount of taxes on purchases, recoverable from or payable to the tax authorities, is included as part of accounts receivable or accounts payable in the consolidated balance sheets.

Current and Deferred Income Tax

Company does not recognize current or deferred taxes because they are in a pre-operational phase.

c) Estimates

The preparation of the consolidated financial statements is in accordance with Internacional Financial Reporting Standards - IFRS, which require management to make certain estimates and use certain assumptions to determine the valuation of some items included in the consolidated financial statements and to make the disclosures required in the accompanying notes. Although the final effect may differ, management believes that the estimates and assumptions used were appropriate under the circumstances.

d) Contingencies

Contingent liabilities are recognized in the consolidated financial statements only if it is certain that they will occur. If there is a possibility that they may occur, but uncertainty remains, they will be disclosed in the notes to the consolidated financial statements, unless the possibility of cash outflow is remote, in which case no disclosure is required.

(3) Risk management of financial instruments

Market:

Due to exchange rate fluctuations: The Company does not have a practice of acquiring financial derivatives to hedge against the risk of losses to which its local currency-denominated assets and liabilities—such as cash, accounts payable and other accounts receivable—are exposed due to significant exchange rate fluctuations.

Due to interest rate variations: There are no significant financial assets or liabilities subject to fair value losses related to changes in market interest rates.

Credit risk: No credit risk has been identified, as the Company has not yet had commercial operations.

Liquidity risk: Company covers its current liabilities through contributions from its shareholders.

(4) Currency and exchange rate

The consolidated financial statements are presented in Dollars of the United States of America, as this is the Company functional currency, in accordance with Internacional Financial Reporting Standards - IFRS.

(5) Accounts receivable and payable to related Companies

The Company is part of a group of related entities with which it engages in various transactions. The terms of these transactions may differ from those that would be established with unrelated third parties. Accounts payable do not bear interest. The balances of accounts payable as of March 31st, are presented below:

Accounts receivable:

	2025	2024
Ved Krishna	$ -	$ 21,706
	$ -	**$ 21,706**

Accounts payable:

	2025	2024
Pakka Limited		
Loan	$ 3,200,000	$ 2,200,000
Interest (interest annual rate 7.05%)	340,895	131,743
Trade payables	148,754	21,401
Ved Krishna	228,011	4,631
	$ 3,917,660	**$ 2,357,775**

The loan bears interest at a rate equal to the higher of (i) the 6-Month Secured Overnight Financing Rate (SOFR) plus 2.5% per annum, or (ii) the prevailing yield on a one-year Government Security with a tenor closest to that of the loan. In the year ended March 31, 2024, the Company received an additional unsecured loan of $2,200,000 from Pakka Limited under the same interest terms. During the current year ended March 31, 2025, the Company obtained a further unsecured loan of $1,000,000, also from Pakka Limited and under the same interest conditions. As disclosed in Note (11), the outstanding loan principal and accrued interest will be capitalized.

(6) Other accounts receivable

As of March 31, they were comprised as follows:

		2025		2024
Yibin Changtai Engineering Corporation (CTE) a/	$	245,846	$	-
Agrícola La Guardianía, S.A.		141,000		
Grupo Manico		44,023		-
Employee advances		13,859		-
Others minor items		4,719		-
		449,447		-
Current portion		5,297		-
Non-current portion	**$**	**444,150**	**$**	**-**

a/ Performs engineering work related to the pre-operational and design phases of the plant in Guatemala.

(7) Taxes receivable

As of March 31, they were comprised as follows:

		2025		2024
Value Added Tax credit	$	42,474	Q	-
	$	**42,474**	**Q**	**-**

(8) Capital work in progress

As of March 31, they were comprised as follows:

	2025	2024
Wages and employee benefits	$ 1,024,561	$ 366,666
Engineering and construction consulting	512,547	-
Consulting services	315,823	82,500
Interest	340,894	131,743
Travel expenses	165,108	72,268
Legal fees	71,844	55,000
Professional services	41,565	-
Technical studies	19,766	-
Payroll expenses	14,580	14,580
Insurance	9,583	-
Studies and licences	4,990	-
Professional fees	4,347	-
Lease expenses	2,687	-
Pakka Guatemala	-	317,922
	$ 2,528,295	**$ 1,040,679**

Pakka Guatemala, S.A. is in the pre-operating phase and is currently in the process of securing the necessary capital to begin construction of the facilities where the production plant will be located. To date, all costs directly related and necessary for the execution of the construction project have been accumulated.

(9) Accounts payable

As of March 31, they were comprised as follows:

	2025	2024
FPC Portland	$ 50,000	$ -
Asociación Guatemalteca de Exportadores	26,351	-
Rethink Events LTD	21,075	21,075
Kimberley McArthur	20,350	-
KNAV	15,475	-
Barracuda Agriservices, S.A.	13,187	-
ZoomInfo Technology LLC	8,248	-
Chase Bank	6,973	-
Entrepreneurs' Organization	6,956	6,956
Crimson Capital	5,000	5,000
Moss Adams	2,550	2,550
Other minor items	3,947	514
	180,112	36,095
Current portion	153,801	36,095
Non-current portion	**$ 26,311**	**$ -**

(10) Other current liabilities

As of March 31, they were comprised as follows:

	2025	2024
Accrued salaries	$ 38,772	$ 26,458
Credit card	23,487	9,514
Annual bonus provision	20,869	-
Health insurance	9,121	-
Severance provision	5,923	-
Administrative bonus	6,536	-
Vacation accrual	1,601	-
Local tax	1,337	3,981
Mariana Cordón Rosales	1,004	-
Other minor items	2,135	275
	$ 110,785	$ 40,228

(11) Subscribed and paid-in capital

As of March 31st, 2025, the Company paid-in capital is comprised of 2,500,000 shares with a par value of US$10 each, of which 250,000 shares have been paid for, totaling US$2,500,000.

As of the reporting date, Pakka Inc. is scheduled to capitalize an amount of US$3,594,487 during the General Shareholders' Meeting to be held in August 2025 in India, through the issuance of new shares to Pakka Limited. This capitalization of payable will directly affect the Company equity position by correcting the negative balance presented in these consolidated financial statements.

(12) Administrative expenses

During the years ended March 31st, the following expenses were incurred:

	2025	2024
Wages and employee benefits	$ 607,664	$ 217,421
Professional and legal services	381,780	218,937
Personnel recruitment	258,558	22,998
Taxes	113,613	38,658
Travel expenses	101,133	87,809
Conferences and seminars	63,940	26,937
Legal fees	45,470	-
General expenses	39,444	54,238
Accounting services	36,231	-
Office supplies and software	23,276	17,921
Fees and subscriptions	13,757	1,983
Utilities	13,288	5,612
Advertising and marketing	8,211	-
Goodwill impairment	6,395	-
Others	51,734	90,930
	$ 1,764,494	$ 783,444

(13) Income tax

Pakka Guatemala, S.A. is registered under the General Income Tax Regime of Guatemala, under this regime, the tax authorities recognize the operating result as the taxable base.

Pakka Inc. files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States. The tax years of 2022, 2023 and 2024 remain subject to examination by the tax authorities.

(14) Subsequent events

Except for the capitalization indicated in note (11) of the consolidated financial statements, there is no knowledge of any subsequent event occurring between the date of the consolidated financial statements and the date of their authorization by

Management, and even before the date of issuance of the Independent Auditor's Report, that would require modification of the figures presented in the authorized consolidated financial statements.

Pakka Inc. & Subsidiary

Balance Sheets Consolidation Sheet
As of March 31, 2025
(Amounts expressed in Dollars of the United States of America)

Drescription	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
Assets					
Current					
Cash	$ 135,736	$ 80,930	$ 216,666	$ -	$ 216,666
Accounts receivable from related companies	414,068	-	414,068	(414,068)	-
Other accounts receivable	4,800	497	5,297	-	5,297
Total current	554,604	81,427	636,031	(414,068)	221,963
No current					
Accounts receivable from related companies	1,576,781	-	1,576,781	(1,576,781)	-
Other accounts receivable	141,000	303,150	444,150	-	444,150
Taxes receivable	-	42,474	42,474	-	42,474
Capital work in progress	1,082,241	1,446,054	2,528,295	-	2,528,295
Computer and equipment	4,952	6,286	11,238	-	11,238
Total no current	2,804,974	1,797,964	4,602,938	(1,576,781)	3,026,157
Total assets	$ 3,359,578	$ 1,879,391	$ 5,238,969	-$ 1,990,849	$ 3,248,120
Liabilities and equity					
Current					
Accounts payable	138,896	14,905	153,801	-	153,801
Other current liabilities	74,852	35,933	110,785	-	110,785
Total no current	213,748	50,838	264,586	-	264,586
No current					
Accounts payable	-	26,311	26,311	-	26,311
Accounts payable to related companies	3,917,660	414,068	4,331,728	(414,068)	3,917,660
Total no current	3,917,660	440,379	4,358,039	(414,068)	3,943,971
TOTAL LIABILITIES	4,131,408	491,217	4,622,625	(414,068)	4,208,557
SHAREHOLDERS EQUITY					
Paid-in capital	2,500,000	255	2,500,255	(255)	2,500,000
Contributions for future share capital	-	1,576,526	1,576,526	(1,576,526)	-
Accumulated deficit	(3,271,830)	(188,607)	(3,460,437)	-	(3,460,437)
TOTAL SHAREHOLDERS EQUITY	(771,830)	1,388,174	616,344	(1,576,781)	(960,437)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 3,359,578	$ 1,879,391	$ 5,238,969	$ (1,990,849)	$ 3,248,120

Pakka Inc. & Subsidiary

Consolidation Sheet of the Income Statement
For the year ended March 31, 2025
(Amounts expressed in Dollars of the United States of America)

Drescription	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
OPERATING EXPENSES					
Administrative expenses	$ 1,585,847	$ 178,647	$ 1,764,494		$ 1,764,494
Operating loss	1,585,847	178,647	1,764,494	-	1,764,494
OTHER INCOME AND (EXPENSES) - NET	(4,261)	14,934	10,673		10,673
Loss before income tax	(1,590,108)	(163,713)	(1,753,821)	-	(1,753,821)
Foreign currency translation adjustment	-	(24,894)	(24,894)		(24,894)
NET LOSS FOR THE YEAR	**$ (1,590,108)**	**$ (188,607)**	**$ (1,778,715)**	**$ -**	**$ (1,778,715)**