

PAKKA INC. & SUBSIDIARY

Consolidated Financial Statement as of September 30th, 2025
With the Independent Auditor's Report

October 29th, 2025
INFOSB25248



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of
PAKKA INC.

Opinion

We have audited the accompanying interim consolidated financial statements of **Pakka Inc. & Subsidiary**, (the "Companies"), which comprises the consolidated balance sheet as at September 30th, 2025, and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended. The comparative information for the statement of financial position as at March 31st, 2025 was audited by us, and the comparative information for the six-month period ended September 30th, 2024 has not been audited.

In our opinion the accompanying interim consolidated financial statements present fairly, in all material respects, the interim consolidated balance sheet of **Pakka Inc. & Subsidiary**, as of September 30th, 2025 and its financial performance and its consolidated cash flows for the six-month period then ended in accordance with International 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 Companies 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

As disclosed in Note (8) to the financial statements, the Companies are in the process of securing the financing required for the execution of the KAWOK Production Plant Project. Management has decided to divide the project into two phases. Phase 1 involves the construction of a 40-ton-per-day facility expected to begin operations in late 2026, with a total estimated cost of US\$50 million. The Parent Company has committed to provide US\$15 million in equity funding for this phase, of which US\$8 million has been invested as of the date of this report. Management anticipates that

completing its equity investment will facilitate the remaining financing process. The success of the construction of Phase 1 will depend on securing the required financing. Phase 2 will involve the construction of a flexible packaging facility expected to become operational in late 2028.

The 2024 consolidated figures have not been audited and are presented solely for comparative purposes with the 2025 interim consolidated financial information, in accordance with IFRS International Financial Reporting Standards (IFRS).

Pakka Inc. and its subsidiary are part of a Group of related Companies. As disclosed in Note (6) to the interim consolidated financial statements, the Companies engages 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.

Other matters

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

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

Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with International 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 interim 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 Companies or to cease operations, or has no realistic alternative but to do so.

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

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

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

A handwritten signature in black ink, appearing to read 'Ruddy Santos C.', written in a cursive style.

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

October 29th, 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 interim 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 Companies 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 Companies' 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 interim consolidated 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 Companies to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures and whether the interim 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 September 30th, 2025 and March 31st, 2025

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

	September 30th, 2025 (Interim)	March 31st, 2025
ASSETS		
Current		
Cash	\$ 187,766	\$ 216,666
Accounts receivable	49,580	-
Other accounts receivable (note 5)	-	5,297
Inventory in transit	55,959	-
	293,305	221,963
Non-current		
Other accounts receivable (note 5)	646,895	444,150
Taxes receivable (note 6)	64,857	42,474
Capital work in progress (note 7)	3,364,439	2,528,295
Computer and equipment	10,141	11,238
	4,086,332	3,026,157
TOTAL ASSETS	\$ 4,379,637	\$ 3,248,120

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

CONSOLIDATED BALANCE SHEETS

Pakka Inc. & Subsidiary

As of September 30th, 2025 and March 31st, 2025

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

	September 30th, 2025 (Interim)	March 31st, 2025
LIABILITIES		
Current		
Accounts payable (note 8)	\$ 11,880	\$ 153,801
Other current liabilities (note 9)	63,337	110,785
Customer advance payments	24,671	-
	99,888	264,586
Non-current		
Accounts payable (note 8)	20,298	26,311
Accounts payable to related companies (note 10)	524,660	3,917,660
	544,958	3,943,971
TOTAL LIABILITIES	644,846	4,208,557
SHAREHOLDERS EQUITY		
Paid-in capital (note 11)	8,095,692	2,500,000
Accumulated deficit	(4,360,901)	(3,460,437)
TOTAL SHAREHOLDERS EQUITY	3,734,791	(960,437)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 4,379,637	\$ 3,248,120

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

CONSOLIDATED INCOME STATEMENTS

Pakka Inc. & Subsidiary

For the six months ended of

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

	September 30th, 2025 (Interim)	September 30th, 2024 (Unaudited)
SALES	\$ 154,523	\$ -
Cost of Goods Sold	161,403	-
Gross loss on sales	(6,880)	-
OPERATING EXPENSES		
Administrative expenses (note 12)	974,837	823,750
Operating loss	(981,717)	(823,750)
OTHER INCOME AND (EXPENSES) - NET	82,230	(4,635)
Loss before income tax	(899,487)	(828,385)
Income tax (note 13)	-	-
Foreign currency translation adjustment	(977)	805
NET LOSS FOR THE PERIOD	\$ (900,464)	\$ (827,580)

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Pakka Inc. & Subsidiary

For the six months ended of

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

	Suscribed and paid- in capital	Accumulated deficit	Total
Balance as of March 31st, 2025	\$ 2,500,000	\$ (3,460,437)	\$ (960,437)
Paid capital	5,595,692	-	5,595,692
Net loss for the period	-	(900,464)	(900,464)
BALANCE AS OF SEPTEMBER 30th, 2025 (Interim)	\$ 8,095,692	\$ (4,360,901)	\$ 3,734,791

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Pakka Inc. & Subsidiary

For the six months ended of

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

	September 30th, 2025 (Interim)	September 30th, 2024 (Unaudited)
OPERATING ACTIVITIES		
Net loss	\$ (900,464)	\$ (827,580)
Adjustments to reconcile Net Loss to Net Cash provided by operations:		
Accounts Payable (A/P)	16,144	(25,314)
Other accounts receivable	(422,044)	-
Accounts Receivable (A/R)	(27,874)	-
Other current liabilities	(49,943)	92,064
Customer Advance Payments	24,671	-
Depreciation Reserve	1,791	532
Inventory in transit	(55,959)	-
Total for Adjustments to reconcile Net Income to Net Cash used in operations:	(513,214)	67,282
Net cash used in operating activities	(1,413,678)	(760,298)
INVESTING ACTIVITIES		
Computers & Office Equipment	(1,514)	(2,200)
Capital working progress	(3,456,431)	(2,580,888)
Investment:Land	(141,000)	-
Net cash used in investing activities	(3,598,945)	(2,583,088)
FINANCING ACTIVITIES		
Cash (paid) received from related companies	(2,946,678)	2,488,248
Loan Payables	(300,000)	300,000
Paid-in capital	7,595,437	-
Net cash provided by financing activities	4,348,759	2,788,248
NET CHANGE IN CASH	(663,864)	(555,138)
Cash at beginning of period	851,630	1,406,768
CASH AT END OF PERIOD	\$ 187,766	\$ 851,630

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

(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 Company") 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 company 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. The KAWOK project will be executed in two phases: Phase 1, moulded products plant; and Phase 2, pulp production and paper – derived products.

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 Companies have been prepared in accordance with Internacional Financial Reporting Standards - IFRS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

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 September 30th, 2025. In the consolidation process, the accounts and transactions carried out between the Group Companies 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 Companies obtains control over the subsidiary and ends when the Companies loses control. The assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

from the date on which the Companies 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 Companies. All assets, liabilities, equity, income, expenses and cash flows arising from transactions between Companies are eliminated in full in the consolidation process.

When the parent companies loses control of a subsidiary, it derecognizes related assets, related liabilities and other components of equity, recording any profit or loss.

a) Current versus non – current classification

The Companies 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

Or

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

The Companies classifies all other liabilities as non-current.

b) Basis of translation

The functional currency of the Companies 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 Companies 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 Companies generates and expends most of its cash flows.

As a result of the functional currency, the accompanying interim 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 period. Foreign currency differences arising from the translation process are recognized in profit or loss.

c) Capital work in progress

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

- 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.

d) Provision for severance payments

Severance payments accrued in favor of employees based on their length of service, in accordance with the provisions of the Labor Code, may be paid in the event of dismissal or to their beneficiaries in case of death. For this purpose, provisions are recorded in accordance with the Income Tax Law. The Companies' policy is to pay this benefit only in the event of dismissal.

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 Companies are accounts receivable and other accounts receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

Accounts receivable and 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.

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 Companies are accounts payable, other current liabilities (except taxes), customer advance payments and accounts payable to related Companies.

Accounts payable, other current liabilities (except taxes) and customer advance payments

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.

f) Revenue Recognition

The Companies recognizes revenue when control of the goods is transferred to the customer, which occurs upon delivery of the product to the agreed location, in accordance with the terms of sale. At that point, the customer assumes the risks and rewards of ownership, and the Companies has no further obligations related to the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary

As of September 30th, 2025

Revenue is measured at the transaction price, which is the amount of consideration to which the Companies expects to be entitled in exchange for transferring the goods. Any applicable discounts, rebates, or returns are deducted from revenue.

g) 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

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

h) 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.

i) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

(3) Risk management of financial instruments

Market:

Due to exchange rate fluctuations: The Companies 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 Companies receives customer advances prior to delivery.

Liquidity risk: Companies 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 Companies' functional currency, in accordance with Internacional Financial Reporting Standards - IFRS.

(5) Other accounts receivable

As of September 30th 2025 and March 31st 2025, they were comprised as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

	September 30th, 2025 (Interim)	March 31st, 2025
Yibin Changtai Engineering Corporation (CTE) <u>a/</u>	\$ 455,078	\$ 245,846
Agrícola La Guardianía, S.A. <u>b/</u>	141,000	141,000
Real estate broker fee	31,725	-
Employee advances	9,124	13,859
Grupo Manico, S.A.	-	44,023
Others minor items	9,968	4,719
	646,895	449,447
Current portion	-	5,297
Non-current portion	\$ 646,895	\$ 444,150

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

b/ Earnest money deposit for the acquisition of the land on which the “Kawok” project will be developed.

(6) Taxes receivable

As of September 30th and March 31st, they were comprised as follows:

	September 30th, 2025 (Interim)	March 31st, 2025
Value Added Tax credit	\$ 64,834	\$ 42,474
Income Tax	23	-
	\$ 64,857	\$ 42,474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

(7) Capital work in progress

As of September 30th and March 31st, they were comprised as follows:

	September 30th, 2025 (Interim)	March 31st, 2025
Wages and employee benefits	\$ 1,408,273	\$ 1,024,561
Engineering and construction consulting	751,143	512,547
Consulting services	390,972	315,823
Interest	394,499	340,894
Travel expenses	205,936	165,108
Legal fees	87,988	71,844
Professional services	41,565	41,565
Technical studies	19,766	19,766
Payroll expenses	14,580	14,580
Insurance	17,149	9,583
Depreciation of computer equipment	7,764	-
Studies and licences	4,990	4,990
Professional fees	4,347	4,347
Lease expenses	15,467	2,687
	\$ 3,364,439	\$ 2,528,295

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.

(8) Accounts payable

As of September 30th and March 31st, they were comprised as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

	September 30th, 2025 (Interim)	March 31st, 2025
Asociación Guatemalteca de Exportadores	\$ 20,298	\$ 26,351
Héctor Leonardo Quiej García	3,949	-
Grupo Manico, S.A.	1,679	-
KNAV	309	15,475
Rethink Events LTD	-	21,075
Kimberley McArthur	-	20,350
Chase Bank	-	6,973
Entrepreneurs' Organization	-	6,956
Crimson Capital	-	5,000
Moss Adams	-	2,550
Barracuda Agriservices, S.A.	-	13,187
FPC Portland	-	50,000
ZoomInfo Technology LLC	-	8,248
Other minor items	5,943	3,947
	32,178	180,112
Current portion	11,880	153,801
Non-current portion	\$ 20,298	\$ 26,311

(9) Other current liabilities

As of September 30th and March 31st, they were comprised as follows:

	September 30th, 2025 (Interim)	March 31st, 2025
Employee termination benefits	\$ 31,141	\$ -
Credit card	12,682	23,487
Local tax	6,714	1,337
Administrative bonus	6,526	6,536
Carried forward	57,063	31,360

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

Brought back	57,063	31,360
Vacation accrual	1,876	1,601
Annual bonus provision	1,686	20,869
Accrued salaries	-	38,772
Severance provision	-	5,923
Health insurance	-	9,121
Other minor items	2,712	3,139
	\$ 63,337	\$ 110,785

(10) Accounts payable to related Companies

The Companies are 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 September 30th and March 31st, 2025 are presented below:

Accounts payable:

	September 30th, 2025 (Interim)	March 31st, 2025
Pakka Limited		
Loan <u>a/</u>	\$ -	\$ 3,200,000
Interest (interest annual rate 7.05%) <u>a/</u>	-	340,895
Trade payables	296,835	148,754
Ved Krishna	227,825	228,011
	\$ 524,660	\$ 3,917,660

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.

a/ As described in Note 11, the loan and interest payable to Pakka Limited were capitalized as of June 30th, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

(11) Paid-in capital

As of September 30th, 2025, the Companies' paid-in capital is comprised of 8,095,692 shares with a par value of US\$10 each, of which 809,569 shares have been paid for, totaling US\$8,095,692.

As of the reporting date, Pakka Inc. capitalized an amount of US\$3,595,692 during the General Shareholders' Meeting in June 2025 in India, through the issuance of new shares to Pakka Limited.

(12) Administrative expenses

During the six-month period then ended September 30th, the following expenses were incurred:

	2025 (Interim)	2024
Wages and employee benefits	\$ 432,045	\$ 451,653
Professional and legal services	205,540	114,813
Travel expenses	103,845	-
Accounting services	61,422	-
Recruiting Fees	21,700	66,500
Conferences and seminars	20,107	9,138
Insurance	17,971	19,129
Rent and Lease	13,773	-
Legal fees	13,447	17,753
Advertising and marketing	11,358	729
General expenses	17,226	29,845
Taxes	9,430	27,215
Office supplies and software	7,776	3,008
Carried forward	935,640	739,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Pakka Inc and Subsidiary
As of September 30th, 2025

Brought back	935,640	739,783
Personnel recruitment	7,506	65,157
Utilities	7,248	5,006
Fees and subscriptions	11,795	1,893
Depreciation of computer equipment	465	877
Others	12,183	11,034
	\$ 974,837	\$ 823,750

(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 Companies' 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

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 Sheet Consolidation Sheet

As of September 30th, 2025 (Interim)

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

Description	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
Assets					
Current					
Cash	\$ 102,334	\$ 85,432	\$ 187,766	\$ -	\$ 187,766
Accounts Receivable	49,580	-	49,580	-	49,580
Inventory	55,959	-	55,959	-	55,959
Total current	207,873	85,432	293,305	-	293,305
No current					
Accounts receivable from related companies	-	91,779	91,779	(91,779)	-
Other accounts receivable	176,119	470,776	646,895	-	646,895
Taxes receivable	-	64,857	64,857	-	64,857
Capital work in progress	1,669,503	1,694,936	3,364,439	-	3,364,439
Computer and equipment	5,151	4,990	10,141	-	10,141
Investment	2,620,781	-	2,620,781	(2,620,781)	-
Total no current	4,471,554	2,327,338	6,798,892	(2,712,560)	4,086,332
TOTAL ASSETS	4,679,427	2,412,770	7,092,197	(2,712,560)	4,379,637
Liabilities and Shareholders Equity					
Current					
Accounts payable	2,539	9,341	11,880	-	11,880
Other current liabilities	15,434	47,903	63,337	-	63,337
Customer advance payments	24,671	-	24,671	-	24,671
Total no current	42,644	57,244	99,888	-	99,888
No current					
Accounts payable	-	20,298	20,298	-	20,298
Accounts payable to related companies	616,439	-	616,439	(91,779)	524,660
Total no current	616,439	20,298	636,737	(91,779)	544,958
TOTAL LIABILITIES	659,083	77,542	736,625	(91,779)	644,846
SHAREHOLDERS EQUITY					
Paid-in capital	8,095,692	1,576,781	9,672,473	(1,576,781)	8,095,692
Contributions for future share capital	-	1,044,000	1,044,000	(1,044,000)	-
Accumulated deficit	(4,075,348)	(285,553)	(4,360,901)	-	(4,360,901)
TOTAL SHAREHOLDERS EQUITY	4,020,344	2,335,228	6,355,572	(2,620,781)	3,734,791
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 4,679,427	\$ 2,412,770	\$ 7,092,197	\$ (2,712,560)	\$ 4,379,637

Pakka Inc. & Subsidiary

Consolidation Sheet of the Income Statement

For the six-month period then ended September 30 of 2025 (Interim)

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

Description	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
Sales	\$ 152,265	\$ 2,258	\$ 154,523	\$ -	\$ 154,523
Cost of Goods Sold	159,145	2,258	161,403	-	161,403
Gross loss on sales	(6,880)	-	(6,880)	-	(6,880)
OPERATING EXPENSES					
Administrative expenses	877,010	97,827	974,837	-	974,837
Operating loss	(883,890)	(97,827)	(981,717)	-	(981,717)
OTHER INCOME AND (EXPENSES) - NET	80,372	1,858	82,230	-	82,230
Loss before income tax	(803,518)	(95,969)	(899,487)	-	(899,487)
Foreign currency translation adjustment	-	(977)	(977)	-	(977)
Net loss for the period	\$ (803,518)	\$ (96,946)	\$ (900,464)	\$ -	\$ (900,464)