PAKKA INC. & SUBSIDIARY
Consolidated Financial Statement as of March 31, 2026 and 2025
With the Independent Auditor's Report

INDEPENDENT AUDITOR´S REPORT

To the Board of Directors and Stockholders of
PAKKA INC.

Opinion

We were engaged to audit the accompanying consolidated financial statements of Pakka Inc. & Subsidiary (the "Companies"), which comprise the consolidated balance sheet as of March 31st, 2026, and the consolidated statement of income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, 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, 2026 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

As indicated in Note 7 to the consolidated financial statements, the Companies present a balance of US$3,614,024 recorded as Capital Work in Progress ("CWIP"), corresponding to costs capitalized during the pre-operating phase of Project Kawok. During the last quarter of the 2025-2026 period, management temporarily suspended the project's activities due to a lack of the necessary financing. Management is currently evaluating alternatives to secure additional equity contributions and other sources of funding to allow this phase to continue; however, as of the date of our report, such financing had not yet been obtained.

Key Audit Matters

Pakka Inc. and its subsidiary are part of a Group of related Companies. As disclosed in Note (10) to the consolidated financial statements, the Companies 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 disclosed in Note (14) to the consolidated financial statements, the Companies reported a working capital deficit of US$149,092 as of March 31, 2026, respectively. Management has indicated that the Companies rely on financial support from related parties and shareholders to settle their obligations.

The 2025 figures were audited by Santos, Barrera & Asociados, S.C., which issued an unmodified audit opinion dated August 7, 2025. In accordance with International Financial Reporting Standards (IFRS), these figures are presented for comparative purposes with the 2026 figures.

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 Companies.

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 Companies' 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 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.

We are independent of the Companies in accordance with the IESBA Code.

Erwin Fuentes Godínez
(Guatemalan) Certified Public Accountant
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July 31st, 2026

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:

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.

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.

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

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.

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)

	Note	2026	2025
ASSETS			
Current			
Cash		$ 1,925	$ 216,666
Accounts receivable		14,684	-
Other accounts receivable	5	-	5,297
Inventory in transit		273	-
		16,882	**221,963**
Non-current			
Other accounts receivable	5	670,123	444,150
Taxes receivable	6	74,799	42,474
Capital work in progress	7	3,614,024	2,528,295
Computer and equipment		8,883	11,238
		4,367,829	**3,026,157**
TOTAL ASSETS		**$ 4,384,711**	**$ 3,248,120**

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)

	Note	2026	2025
LIABILITIES			
Current			
Accounts payable	8	$ 57,679	$ 153,801
Other current liabilities	9	108,295	110,785
		165,974	**264,586**
Non-current			
Accounts payable	8	20,380	26,311
Accounts payable to related companies	10	669,424	3,917,660
		689,804	**3,943,971**
TOTAL LIABILITIES		**855,778**	**4,208,557**
SHAREHOLDERS EQUITY			
Paid-in capital	11	8,095,692	2,500,000
Accumulated deficit		(4,566,759)	(3,460,437)
TOTAL SHAREHOLDERS EQUITY		**3,528,933**	**(960,437)**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		**$ 4,384,711**	**$ 3,248,120**

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

CONSOLIDATED INCOME STATEMENTS

Pakka Inc. & Subsidiary

For the years ended March 31 of

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

	Note	2026	2025
SALES		$ 280,814	$ -
Cost of Goods Sold		224,903	-
Gross profit on sales		55,911	-
OPERATING EXPENSES			
Administrative expenses	12	1,206,606	1,764,494
Operating loss		(1,150,695)	(1,764,494)
OTHER INCOME AND (EXPENSES) - NET		46,897	10,673
Loss before income tax		(1,103,798)	(1,753,821)
Income tax	13	-	-
Foreign currency translation adjustment		(2,524)	(24,894)
NET LOSS FOR THE YEAR		**$ (1,106,322)**	**$ (1,778,715)**

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 of

(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)**
Paid capital	5,595,692	-	5,595,692
Net loss for the year	-	(1,106,322)	(1,106,322)
BALANCE AS OF MARCH 31, 2026	**$ 8,095,692**	**$ (4,566,759)**	**$ 3,528,933**

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)

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 310,503	$ -
Cash paid to suppliers and employees	(1,754,646)	(1,449,072)
Taxes paid	(32,325)	(42,474)
Net cash used in operating activities	**(1,476,468)**	**(1,491,546)**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Cash paid for construction work in progress	(1,085,729)	(1,487,616)
Acquisition of computer equipment	-	(8,105)
Cash used in investment activities	**(1,085,729)**	**(1,495,721)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Paid-in capital	2,000,000	2,000,000
Cash received from related companies	347,456	1,017,075
Cash provided by financial activities	**2,347,456**	**3,017,075**
Net change in cash	(214,741)	29,808
Effective at the beginning of the year	216,666	186,858
CASH AT THE END OF THE YEAR	**$ 1,925**	**$ 216,666**

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. The company, which was previously in a pre-operational phase, has temporarily suspended its activities pending the development of a revised business plan by management.

The main operations of the subsidiary are described below:

Pakka Guatemala, S.A.

Pakka Guatemala, S.A. is currently under temporary suspension while management evaluates alternatives to obtain the financing required to reactivate and continue the development of the Kawok Project.

The Kawok Project is expected to be executed in two phases: Phase 1, moulded products plant; and Phase 2, pulp production and paper-derived products.

As of March 31, 2026, the project has not continued as originally planned and its future development remains dependent upon obtaining financing, implementing a revised business strategy, securing long-term raw material supply arrangements, and executing commercial agreements. Management continues evaluating alternatives and believes that the carrying value of the project-related assets remains appropriate based on the information currently available.

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 by management in accordance with International Financial Reporting Standards – IFRS, as described in the notes to the financial statements.

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, 2026 and 2025. In the consolidation process, the accounts and transactions carried out between the Companies were eliminated. Control is obtained when the parent company 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 parent company controls a Subsidiary if and only if, the parent company 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 parent company does not have a majority of the voting rights or similar rights of the Subsidiary, the parent company 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 parent company obtains control over the subsidiary and ends when the parent company 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 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.

b) 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.

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.

c) 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 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.

d) 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:

- 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) 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.

f) 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.

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) 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.

g) Revenue Recognition

The Companies recognize 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.

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.

h) 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 do not recognize current or deferred taxes because they are in a pre-operational phase.

i) 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.

j) 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: Management does not currently 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: Management has not identified significant credit risk, as the Companies receives customer advances prior to delivery.

Liquidity risk: Management expects that the Companies will cover their current liabilities primarily through contributions from its shareholders.

(4) Currency and exchange rate

The consolidated financial statements are presented in United States Dollars, which management has determined to be the Companies' functional currency, in accordance with International Financial Reporting Standards - IFRS.

(5) Other accounts receivable

As of March 31, they were comprised as follows:

	2026	2025
Yibin Changtai Engineering Corporation (CTE) a/	$ 455,692	$ 245,846
Agrícola La Guardianía, S.A. b/	141,000	141,000
Real estate broker fee	31,725	-
Advance payment to suppliers	23,990	-
Employee advances	9,136	13,859
Grupo Manico, S.A.	-	44,023
Others minor items	8,580	4,719
	670,123	449,447
Current portion	-	5,297
Non-current portion	**$ 670,123**	**$ 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 March 31, they were comprised as follows:

	2026	2025
Value Added Tax credit	$ 74,349	$ 42,474
Income Tax	450	-
	$ 74,799	**$ 42,474**

(7) Capital work in progress

As of March 31, they were comprised as follows:

	2026	2025
Wages and employee benefits	$ 1,554,486	$ 1,024,561
Engineering and construction consulting	810,232	512,547
Consulting services	390,972	315,823
Interest	394,499	340,894
Travel expenses	227,931	165,108
Legal fees	94,893	71,844
Professional services	41,565	41,565
Technical studies	19,766	19,766
Payroll expenses	20,409	14,580
Insurance	18,118	9,583
Depreciation of computer equipment	7,886	-
Studies and licences	4,990	4,990
Professional fees	4,347	4,347
Lease expenses	23,930	2,687
	$ 3,614,024	**$ 2,528,295**

Pakka Guatemala, S.A. is currently under temporary suspension while evaluating alternatives to obtain the necessary capital to begin construction of the facilities where the production plant will be located. To date, costs incurred that are directly related to the planning and development phases of the project have been accumulated as capital work in progress.

(8) Accounts payable

As of March 31, they were comprised as follows:

	2026	2025
Asociación Guatemalteca de Exportadores	$ 20,380	$ 26,351
Víctor Hugo Alcantar	14,464	-
ZoomInfo Technology LLC	8,825	8,248
Santos, Barrera & Asociados, S.C.	5,600	-
QIL+4 Abogados, S.A.	5,041	-
Barracuda Agriservices, S.A.	4,306	13,187
Héctor Leonardo Quiej García	3,947	-
Centre Development Guatemala 01, S.A.	2,351	-
Oregon State University	2,260	-
Immix Law Group PC	1,590	-
Clarity Law	1,500	-
E-Satish ChamyVelumani	1,158	-
FPC Portland	-	50,000
Rethink Events LTD	-	21,075
Kimberley McArthur	-	20,350
KNAV	-	15,475
Chase Bank	-	6,973
Entrepreneurs' Organization	-	6,956
Crimson Capital	-	5,000
Moss Adams	-	2,550
Other minor items	6,637	3,947
	78,059	180,112
Current portion	57,679	153,801
Non-current portion	**$ 20,380**	**$ 26,311**

(9) Other current liabilities

As of March 31, they were comprised as follows:

		2026		2025
Accrued salaries	$	72,580	$	38,772
Credit card		30,314		23,487
Local tax		3,213		1,337
Administrative bonus		-		6,536
Severance provision		-		5,923
Annual bonus provision		-		20,869
Health insurance		-		9,121
Other minor items		2,188		4,740
	$	**108,295**	**$**	**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 March 31, are presented below:

Accounts payable:

		2026		2025
Pakka Limited				
Loan a/	$	-	$	3,200,000
Interest (interest annual rate 7.05%) a/		-		340,895
Trade payables		305,640		148,754
Ajay Poddar		273,063		-
Manas Kapoor b/		51,288		-
Sumat Mehra LLC b/		25,637		-
Ved Krishna		8,508		228,011
Satish		5,288		-
	$	**669,424**	**$**	**3,917,660**

a/ 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.

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

b/ As of March 31, 2025, the Companies have outstanding promissory notes payable for a total amount of USD 75,000. These notes were issued during December 2025, bear interest at an annual rate of 9%, and have maturities between February 28, 2026 and March 31, 2026. Both notes are unsecured, and the amount and accrued interest are payable in full at maturity.

Services received:

		2026	2025
Pakka Limited	Professional services	$ 84,832	$ 137,754
	Purchases of containers	111,312	-
	Other services	-	11,000
Manas Kapoor	Loan	51,288	-
Sumat Mehra LLC	Loan	25,637	-
Ajay Poddar	Loan	15,238	-
Ved Krishna	Loan	29,814	228,011
	Wages	148,748	-
Satish	Professional services	5,288	-
Kimberley McArthur	Consulting services	70,000	-
	Other services	16,507	-
		$ 558,664	**$ 376,765**

(11) Paid-in capital

As of March 31, 2026 and 2025, the Companies’ paid-in capital is comprised of 809,569 and 250,000 shares with a par value of US$10 each, of which 809,569 and 250,000 shares have been paid for, totaling US$8,095,692 and US$2,500,000.

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 years ended March 31, the following expenses were incurred:

	2026	2025
Wages and employee benefits	$ 498,427	$ 607,664
Professional and legal services	285,600	381,780
Travel expenses	117,589	101,133
Accounting services	108,411	36,231
Recruiting Fees	24,530	-
Conferences and seminars	22,729	63,940
Insurance	21,765	-
Rent and Lease	16,287	-
Legal fees	15,541	45,470
General expenses	17,276	39,444
Fees and subscriptions	13,649	13,757
Advertising and marketing	12,895	8,211
Taxes	11,732	113,613
Office supplies and software	10,829	23,276
Personnel recruitment	7,506	258,558
Utilities	7,354	13,288
Depreciation of computer equipment	1,097	-
Others	13,389	58,129
	$ 1,206,606	**$ 1,764,494**

(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 2023, 2024, 2025 and 2026 remain subject to examination by the tax authorities.

(14) Working capital deficit

As of March 31, 2026 and 2025, the Companies reported working capital deficits of US$149,092 and US$42,623, respectively. Management has indicated that the Companies rely on financial support from related parties and shareholders to settle their obligations.

(15) Subsequent events

Management is not aware of any subsequent events occurring between the date of the consolidated financial statements and the date of their authorization, and up to the date of issuance of the Independent Auditor's Report, that would require adjustment or disclosure in the accompanying consolidated financial statements.

Annex I

Pakka Inc. & Subsidiary

Balance Sheet Consolidation Sheet

As of March 31, 2026

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

Drescription	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
Assets					
Current					
Cash	$ 1,641	$ 284	$ 1,925	$ -	$ 1,925
Accounts Receivable	14,684	-	14,684	-	14,684
Inventory	273	-	273	-	273
Total current	**16,598**	**284**	**16,882**	**-**	**16,882**
No current					
Accounts receivable from related companies	-	101,583	101,583	(101,583)	-
Other accounts receivable	199,213	470,910	670,123	-	670,123
Taxes receivable	421	74,378	74,799	-	74,799
Capital work in progress	1,690,639	1,923,385	3,614,024	-	3,614,024
Computer and equipment	5,151	3,732	8,883	-	8,883
Investment	2,746,929	-	2,746,929	(2,746,929)	-
Total no current	**4,642,353**	**2,573,988**	**7,216,341**	**(2,848,512)**	**4,367,829**
TOTAL ASSETS	**4,658,951**	**2,574,272**	**7,233,223**	**(2,848,512)**	**4,384,711**
Liabilities and Shareholders Equity					
Current					
Accounts payable	15,640	42,039	57,679	-	57,679
Other current liabilities	27,831	80,464	108,295	-	108,295
Total no current	**43,471**	**122,503**	**165,974**	**-**	**165,974**
No current					
Accounts payable	-	20,380	20,380	-	20,380
Accounts payable to related companies	771,007	-	771,007	(101,583)	669,424
Total no current	**771,007**	**20,380**	**791,387**	**(101,583)**	**689,804**
TOTAL LIABILITIES	**814,478**	**142,883**	**957,361**	**(101,583)**	**855,778**
SHAREHOLDERS EQUITY					
Paid-in capital	8,095,692	2,620,766	10,716,458	(2,620,766)	8,095,692
Contributions for future share capital	-	126,163	126,163	(126,163)	-
Accumulated deficit	(4,251,219)	(315,540)	(4,566,759)	-	(4,566,759)
TOTAL SHAREHOLDERS EQUITY	3,844,473	2,431,389	6,275,862	(2,746,929)	3,528,933
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**$ 4,658,951**	**$ 2,574,272**	**$ 7,233,223**	**$ (2,848,512)**	**$ 4,384,711**

Pakka Inc. & Subsidiary

Consolidation Sheet of the Income Statement
For the year ended March 31 of 2026
(Amounts expressed in Dollars of the United States of America)

Drescription	Pakka Inc.	Pakka Guatemala, S.A.	Sub-total	Eliminations	Consolidated
Sales	$ 278,105	$ 2,709	$ 280,814	$ -	$ 280,814
Cost of Goods Sold	222,194	2,709	224,903	-	224,903
Gross loss on sales	55,911	-	55,911	-	55,911
OPERATING EXPENSES					
Administrative expenses	1,079,420	127,186	1,206,606	-	1,206,606
Operating loss	(1,023,509)	(127,186)	(1,150,695)	-	(1,150,695)
OTHER INCOME AND (EXPENSES) - NET	44,120	2,777	46,897	-	46,897
Loss before income tax	(979,389)	(124,409)	(1,103,798)	-	(1,103,798)
Income tax	-	-	-	-	-
Foreign currency translation adjustment	-	(2,524)	(2,524)	-	(2,524)
Net loss for the year	**$ (979,389)**	**$ (126,933)**	**$ (1,106,322)**	**$ -**	**$ (1,106,322)**