Phoenix DeVentures II Inc. d.b.a PDV Medtech
Morgan Hill California

Financial Statements

March 31, 2026

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GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Shareholder
Phoenix DeVentures II, Inc d.b.a PDV Medtech
Morgan Hill, California

Qualified Opinion

We have audited the accompanying financial statements of Phoenix DeVentures II, Inc., which comprise the balance sheets as of March 31, 2026, and the related statement of income, statement of changes in shareholder's equity, and statement of cash flows for the period from May 19, 2025 through March 31, 2026, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Phoenix DeVentures II, Inc. as of March 31, 2026, and the results of its operations and its cash flows for the period from May 19, 2025 through March 31, 2026, in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We were not engaged as auditors of the Company as of May 19, 2025 and, accordingly, we did not observe the physical inventory count at that date. We were unable to obtain sufficient appropriate evidence by alternative audit procedures concerning the quantities and valuation of inventory at May 19, 2025. Opening inventory affects the determination of beginning retained earnings as of May 19, 2025, cost of goods sold and net income for the period from May 19, 2025 through March 31, 2026, and the statement of cash flows.

The possible effects of this are material to the accompanying financial statements but not pervasive.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Phoenix DeVentures II, Inc. and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Phoenix DeVentures II, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of the 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 Phoenix DeVentures II, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Phoenix DeVentures II, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Gould Killian CPA Group, P.A.

Asheville, North Carolina
June 3, 2026

PHOENIX DEVENTURES II, INC.

Balance Sheet

March 31, 2026

		2026
Assets		
Current Assets:		
Cash and cash equivalents	$	150,212
Accounts receivable, net		906,175
Inventory		286,455
Prepaid expenses		100,335
Total current assets		1,443,177
Property and equipment, net		1,123,271
Other Assets:		
Right of use asset, net		6,434,138
Deferred tax asset - state		30,513
Deposits		78,863
Total other assets		6,543,514
Total assets	$	9,109,962
Liabilities and Shareholder's Equity		
Current Liabilities:		
Accounts payable	$	325,440
Accrued expenses		438,856
Customer deposits		668,544
Related party note payable		2,357,468
Operating lease liability, current portion		414,367
Total current liabilities		4,204,675
Long-term Liabilities:		
Operating lease liability, net of current portion		6,165,189
Deferred tax liability - federal		179,112
Total long-term liabilities		6,344,301
Shareholder's Equity:		
Common stock, no par value - 1,000,000 shares authorized		
no shares issued and outstanding		-
Additional paid in capital		919,440
Retained earnings		(2,358,454)
Total shareholder's equity		(1,439,014)
Total liabilities and shareholder's equity	$	9,109,962

The accompanying notes are an integral part of these financial statements.

PHOENIX DEVENTURES II, INC.

Statement of Income

For the period May 19, 2025 through March 31, 2026

		2026
Sales	$	6,696,076
Cost of goods sold		5,810,890
Gross profit		885,186
Selling, general, and administrative expenses		3,780,208
Operating loss		(2,895,022)
Other income (expense):		
Other income		4,796
Interest expense		(894)
Interest expense - related party		(67,768)
Gain on sale of equipment		60,607
Total other income (expense), net		(3,259)
Net loss	$	(2,898,281)

The accompanying notes are an integral part of these financial statements.

PHOENIX DEVENTURES II, INC.

Statement of Changes in Shareholder's Equity
For the period May 19, 2025 through March 31, 2026

	Common Stock				
	Number of Shares	Amount	Additional Paid In Capital	Retained Earnings	Total Shareholder's Equity
Balance at May 19, 2025	-	$ -	$ 919,440	$ 539,827	$ 1,459,267
Net loss (for the period May 19, 2025 through March 31, 2026)	-	-	-	(2,898,281)	(2,898,281)
Balance at March 31, 2026	-	$ -	$ 919,440	$ (2,358,454)	$ (1,439,014)

The accompanying notes are an integral part of these financial statements.

PHOENIX DEVENTURES II, INC.
Statement of Cash Flows
For the period May 19, 2025 through March 31, 2026

		2026
Cash Flows from Operating Activities:		
Net loss	$	(2,898,281)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation		172,463
Amortization of operating lease ROU assets		428,034
Gain on sale of equipment		(60,607)
Bad debt expense		66,653
Changes in operating assets and liabilities:		
Accounts receivable		564,862
Inventory		(74,897)
Prepaid expenses		(85,524)
Deposits		(56,275)
Accounts payable		(952,763)
Accrued expenses		120,458
Customer deposits		(140,611)
Operating lease liability		(325,824)
Net cash used for operating activities		(3,242,312)
Cash Flows from Investing Activities:		
Purchases of fixed assets		(38,798)
Proceeds from sale of equipment		70,500
Net cash provided by investing activities		31,702
Cash Flows from Financing Activities:		
Proceeds from related party loan		2,357,468
Collection of amount owed from previous owner/working capital infusion		919,440
Net cash provided by financing activities		3,276,908
Increase in cash		66,298
Cash, beginning of period		83,914
Cash, end of period	$	150,212

Supplemental Cash Flow Disclosures:		
Cash paid for amounts included in the measurement of operating lease liabilities	$	727,265

The accompanying notes are an integral part of these financial statements.

Note 1 - Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Phoenix DeVentures II, Inc. (the "Company") develops and manufactures medical device products, focusing on helping promising startups navigate the medical device design and development process to make their innovations a reality. The Company has been credited with more than 90 patents, all of which are owned by its clients. The Company's projects range from Class I products to Class III products, including, but not limited to, heart valve implants, dental devices, cancer treatment systems, patient monitoring wearables, diagnostic technology, and surgical tools.

The Company was formed in 2019 as a California corporation and is headquartered in the southern Silicon Valley, with satellite facilities in Utah and Colorado.

The stock of the Company was acquired by Indo-MIM Pvt. Ltd on May 19, 2025.

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the Company's financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of accounts receivable, the carrying amount of property and equipment, investments in equity securities, operating lease right-of-use asset and the related lease liability. Actual results could differ from those estimates.

Revenue Recognition

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company is required to recognize revenue from contracts with customers using a five-step model: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The majority of the Company's revenues result from providing contract engineering consulting services pursuant to a master services agreement (MSA) and a statement of work (SOW). These services generally involve the Company providing development and manufacturing support to a customer with a product invention. Among other terms, the MSA indicates that the customer may terminate the MSA or SOW for any reason upon 10 business days written notice, and in the event of a termination, the Company shall be entitled to full payment for services performed through the termination notice, along with a reasonable fee for time spent in terminating the services and transitioning work as requested by the customer.

The Company requires an upfront start-of-work deposit on most consulting contracts. The deposit is retained for payment in the event that the customer fails to pay invoices. Once the deposit is consumed by applying it to the customer account, work ceases until a deposit is paid again for retention against further cessation of payment.

For consulting services related to contract engineering, the Company's performance obligation is satisfied over time as the development of the product does not create an asset with alternative use to the Company because the product development relates to the facts and circumstances that are specific to the customer. In addition, the Company has an enforceable right to payment for its performance completed to date.

The FASB provided a practical expedient in ASC 606 for using an output method to measure progress toward completion of a performance obligation that is satisfied over time. If an entity demonstrates that the invoiced amount corresponds directly with the value to the customer of the entity's performance completed to date, the practical expedient allows an entity to recognize revenue in the amount for which it has the right to invoice. The Company has elected this practical expedient for its consulting contracts.

The upfront deposits represent a contract liability which is deferred upon receipt and recognized as revenue when the Company has rendered services. The upfront deposits amounted to $668,544 at March 31, 2026 and are included in customer deposits on the accompanying balance sheet. The deposits may be applied longer than one year if the project lasts more than a year. The upfront deposits amounted to $747,616 at May 19, 2025. Of this amount, approximately $148,000 was recognized as revenue during the period May 19, 2025 through March 31, 2026.

For certain customer contracts, the Company receives the entire transaction price upfront. Customer prepayments are deferred upon receipt and recognized as revenue over time as the Company renders services. Total prepayments amounted to $0 at March 31, 2026 and are included in customer deposits on the accompanying balance sheet. The Company has determined that there is no significant financing component in these customer contracts.

Gross accounts receivable related to customer contracts amounted to $947,479 at March 31, 2026.

Reimbursements for travel and other expenses are recognized as revenue when the related expenses are incurred.

For contracts where a third party (subcontractor) is involved in providing services to the customer, the Company reports the revenue and the related costs on a gross basis as it has determined that it is the principal in the transaction for the following reasons: (a) the Company is primarily responsible for fulfilling the promise to provide consulting services to its customers and (b) the Company has discretion in establishing the price for the consulting services and is able to direct the subcontractor to deliver services that the Company has agreed to provide to a customer. As the contract with a customer is typically for a single transaction or customer purchase order, the duration of the contract is one year or less.

The Company also generates revenue from contract manufacturing, generally for products developed by the Company. These contracts are supported by a supply agreement and/or a purchase order. Under these contracts, the Company promises to provide manufacturing services for medical device products and supply manufactured products to the customer. Revenue is recognized at a point in time when, or as, control of goods is transferred to the customer, upon shipment.

Certain customer contracts contain a bill-and-hold arrangement. The Company applies the guidance in ASC 606 in concluding that the customer has obtained control of the manufactured product in a bill-and-hold arrangement when all of the following criteria are met: (a) the reason for the bill-and-hold arrangement is substantive (for example, the customer has requested the arrangement), (b) the product has been identified separately as belonging to the customer, (c) the product is ready for physical transfer to the customer, and (d) the Company does not have the ability to use the product or to direct it to another customer. The Company provides storage services to customers under a bill-and-hold arrangement. Revenue from storage services is recognized over time on a monthly basis as the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs those services.

In addition, the Company generates revenue from mold-making and molding services. The Company applies the "right to invoice" practical expedient for its mold-making services similar to its contract engineering consulting services. Any upfront deposits received from the mold-making contracts are deferred upon receipt and recognized as revenue as the Company renders services. Revenue from molding services is recognized at a point in time when, or as, control of molds is transferred to the customer, upon shipment.

The Company accounts for incremental costs of obtaining contracts in accordance with *FASB ASC 340-40, Other Assets and Deferred Costs — Contracts with Customers.* Commissions paid to employees and third parties were expensed as incurred and were not significant.

Direct Cost of Contracts

Direct costs consist of labor, materials, supplies, and other expenses related to the Company's performance obligations related to consulting and manufacturing services.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Current Expected Credit Losses

Accounts receivable are customer obligations due under normal trade terms. Accounts receivable at March 31, 2026 are stated at amounts due from customers, net of an allowance for credit losses (ACL) in accordance with FASB ASC 326, *Financial Instruments — Credit Losses*. The ACL reflects management's best estimate of expected credit losses of the receivables determined on the basis of historical experience, current information, and forecasts of future economic conditions. In developing the estimate for credit losses, accounts receivable are segmented into pools of assets from which fixed percentages of expected credit losses are established and applied to each pool; these percentages are monitored and updated on a regular basis and at least annually. Accounts receivable are written off after all reasonable means to collect the full amount have been exhausted. As of March 31, 2026, the ACL amounted to $41,304, and is included within accounts receivable, net on the accompanying balance sheet.

In June 2016, the FASB issued new accounting guidance which replaced the incurred loss impairment methodology for measurement of credit losses on financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates (the current expected credit losses or CECL model). Under the CECL model, the allowance for losses on financial assets that are measured at amortized cost reflects management's estimate of credit losses over the remaining expected life of such assets.

The ACL is measured on a collective (pool) basis when similar risk characteristics exist. The Company has segregated its accounts receivable into two pools comprising the early-stage customers and the late-stage or manufacturing customers. An early-stage customer is either a startup or venture-backed company that is working on product design and development, while a late-stage customer is one that has moved further along in its life cycle, generally when they are ready to begin manufacturing. The Company utilizes an aging method and historical loss rates as a basis for estimating the ACL, with adjustments for current and future economic conditions.

Inventories

Inventory is stated at the lower of cost or net realizable value based on the specific identification cost method. Inventory at March 31, 2026 primarily consists of the Company-owned resins with other components purchased or manufactured to support customer orders. The Company provides comprehensive turnkey manufacturing solutions encompassing every stage of the process, which includes mold-making, injection molding, procurement, assembly, packaging, and distribution. Management determined that there was no significant work-in-progress or finished goods inventory at March 31, 2026 as substantially all customer orders had been processed. Management has determined that no inventory write-downs were necessary as of March 31, 2026.

Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the related assets for financial reporting purposes, generally over five years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related lease, unless the improvements are associated with common control leases, whereby they are amortized over the useful life of the improvements to the common control group, regardless of the lease term, as long as the Company controls the use of the leased asset through a lease.

Betterments, renewals, and extraordinary repairs that extend the life of the asset are capitalized. Repairs and maintenance expenditures that increase the efficiency of the assets are expensed as incurred. As assets are retired or sold, the cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss on disposition is recognized in the statement of income for that period.

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) (ASC 842). ASC 842 establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability, measured on a discounted basis, on the balance sheet for all leases with terms greater than twelve months. The ROU asset and lease liability represent the Company's right to use an underlying asset for the lease term and the Company's obligation to make lease payments arising from the lease, respectively. Under ASC 842, the Company determines if an arrangement is a lease at inception and requires leases to be classified as an operating or finance lease, with classification primarily affecting the pattern of expense recognition in the statement of income. A lease is a finance lease if any one of five criteria is met, each of which indicates that the lease, in effect, transfers control of the underlying asset to the lessee. If none of those five criteria are met, the lease is classified as an operating lease. The Company's three facility leases are treated as operating leases.

Lease expense under operating leases is recognized on a straight-line basis over the lease term and is included in selling, general, and administrative expenses in the accompanying statement of income.

The Company has elected to account for non-lease components as part of the lease component to which they relate, whereby the combined component is accounted for as a single lease component. All lease components, non-lease components, and non-component costs are accounted for as fixed or variable lease costs. Finally, the Company has elected the short-term lease exception policy, permitting the Company to exclude the recognition requirements for leases with terms of 12 months or less from lease inception.

Advertising

The Company expenses advertising costs as incurred. Advertising and marketing expense for the period May 19, 2025 through March 31, 2026 amounted to $96,429 and is included in selling, general and administrative expenses in the accompanying statement of income.

Income Taxes

The Company is a California corporation and is subject to all relevant tax requirements pursuant to the Internal Revenue Code (IRC). Federal and state tax provisions have not been made in the accompanying statement of income since management did not have the information available to do so as of the date of issuance of these financial statements.

The Company normally accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. Management has not updated or adjusted the deferred tax assets and liabilities subsequent to December 31, 2023 as the books have not been closed on a calendar year basis since that date.

The Company follows the provisions of uncertain tax positions as addressed in FASB ASC 740, Income Taxes, which provides guidance for how uncertain income tax positions should be recognized, measured, presented, and disclosed in the financial statements. The Company is required to evaluate the income tax positions taken or expected to be taken to determine whether they are “more-likely-than-not” to be sustained upon examination by the applicable tax authority. Management believes the Company does not have uncertain tax positions pursuant to ASC 740 and accordingly no accruals were made as of March 31, 2026.

The Company is generally subject to examination by U.S. federal tax authorities for returns filed for the prior three years and by state tax authorities for returns filed for the prior four years. The Company has not filed federal or state income tax returns subsequent to December 31, 2021. No tax years are currently under examination. Management expects years subsequent to December 31, 2021 to have a net loss for federal and state income tax purposes, however a $25,000 provision has been recorded as of May 19, 2025 to account for any tax liabilities that may arise; this balance is included in accrued expenses within the balance sheet as of March 31, 2026.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and accounts receivable.

The Company maintains cash balances that at times exceed amounts insured by the Federal Deposit Insurance Corporation. Cash accounts at financial institutions are insured by the Federal Deposit Insurance Company (FDIC) for up to $250,000. The Company has not experienced any losses in these accounts and believes it is not exposed to any credit risk in this area. At March 31, 2026 there was no amount held in excess of the insured limit.

The Company's accounts receivable, which are unsecured, expose the Company to credit risks such as collectability. The Company mitigates credit risk by investigating the creditworthiness of all customers prior to establishing relationships with them, performing periodic reviews of the credit activities of those customers during the course of the business relationship, regularly analyzing the collectability of accounts receivables, and recording allowances for credit losses.

Fair Value of Financial Instruments

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument. The recorded value of these financial instruments approximate fair value at March 31, 2026.

The Company also uses fair value measurements to measure, among other items, purchased assets.

Where available, fair value is based on observable market prices or parameters, or is derived from such prices or parameters. Where observable prices or inputs are not available, unobservable prices or inputs are used to estimate the fair value, often using external valuations. These valuation techniques involve some level of management estimation and judgement.

Subsequent Events

Management has evaluated subsequent events through June 3, 2026, the date the financial statements were available to be issued, and has determined that no events or transactions have occurred subsequent to March 31, 2026 that would require recognition or disclosure in the financial statements.

Note 2 - Property and Equipment

Major classifications of property and equipment at March 31, 2026 are summarized as follows:

	2026
Machinery and equipment	$ 4,276,413
Furniture and fixtures	55,934
Leasehold improvements	453,611
Construction in process	609,639
	5,395,597
Accumulated depreciation	(4,272,326)
Property and equipment, net	$ 1,123,271

Depreciation expense during the period May 19, 2025 through March 31, 2026 was $172,463. Construction in process consists of certain sterilizing equipment being produced in-house. It is expected to be available for service in June 2026.

Note 3 - Leases

The Company leases its premises in Morgan Hill, California, Lehi, Utah, and Golden, Colorado, under long-term lease arrangements with unrelated parties. The three leases expire on March 31, 2040, October 31, 2027, and September 30, 2027, respectively. Monthly rent ranges from $50,000 for the California lease, $14,199 on the Utah lease, $4,995 for the Colorado lease, and is subject to pre-determined rent escalations.

Rent expense amounted to approximately $904,000 for the period May 19, 2025 through March 31, 2026. Of this amount, approximately $727,000 was operating lease cost. Additional rent related to real estate taxes and the expenses for operating, maintaining, and repairing the premises are treated as variable costs under the lease and amounted to $177,000.

The following table represents the weighted average remaining lease term and discount rate for the operating leases:

For the period ended March 31, 2026	
Weighted average remaining lease term	11.96 years
Weighted average discount rate	7.33%

As of March 31, 2026, the Company's operating lease liabilities were $6,579,556 and the corresponding right-of-use assets were $6,434,138. Of the lease liabilities, $414,367 is reported as current and $6,165,189 is reported as long-term.

At March 31, 2026, the future minimum rental payments required by long-term, noncancelable operating leases with related and unrelated parties are as follows:

2027	$ 879,369
2028	758,206
2029	600,000
2030	600,000
2031	720,000
2032-2036	3,744,000
2037-2041	3,456,000
	10,757,575
Less effects of discounting	(4,178,019)
	$ 6,579,556

Note 4 – Income Taxes

Deferred income taxes reflect the net income tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for income tax purposes.

Significant components of deferred income tax assets and liabilities reported as of March 31, 2026 are shown below. Management has not updated or adjusted these components subsequent to December 31, 2023.

	2026
Federal:	
Deferred tax assets:	
Allowance for credit losses	$ 6,276
Net operating loss	18,202
Total deferred tax asset - federal	24,478
Deferred tax liabilities:	
Property and equipment	(194,473)
State taxes	(9,117)
Total deferred tax liability - federal	(203,590)
Net deferred tax liability - federal	$ (179,112)
State:	
Deferred tax assets:	
Allowance for credit losses	$ 2,643
Net operating loss	27,870
Total deferred tax asset - state	$ 30,513

Note 5 - Employee Benefit Plans

The Company maintains a 401(k) retirement plan (the "Plan") for the benefit of eligible employees (as defined). Under the Plan, participant deferrals are subject to the IRC limitations. The Company made approximately $92,000 of discretionary contributions to the Plan for the period May 19, 2025 through March 31, 2026.

Note 6 - Major Customers

The Company had two major customers comprising approximately 39% of total sales during the period ended March 31, 2026 and 25% of the total accounts receivable balance as of March 31, 2026.

A major customer is one who individually represented greater than 10% of total sales during the reporting period.

Note 7 - Related Party Transactions – Note Payable

During the period May 19, 2025 through March 31, 2026, the Company entered into a note payable with another entity related via common ownership. The note carries interest at 8% per annum with all principal and interest due on demand. As of March 31, 2026, the balance of the note was $2,357,468 including $67,768 of accrued interest. The note states that the balance cannot exceed $1,000,000 at any time. The Company and the related party are in the process of amending the note to reflect the actual advances made and to extend the necessary borrowing capacity available to the Company. Management considers the excess borrowings to be an administrative oversight and does not expect the lender to demand repayment of amounts outstanding.

Additionally, from time to time, the Company provides services to another company related via common ownership. The Company has recognized approximately $13,250 in related party sales for the period May 19, 2025 through March 31, 2026 and has recorded $10,325 in accounts receivable as of March 31, 2026.

Note 8 - Acquisition of the Company/Historical Equity Presentation

On May 19, 2025, Indo-MIM Pvt. Ltd acquired one hundred percent of the common shares of the Company in a stock purchase transaction. Following the acquisition, the Company continues to operate as a separate legal entity and wholly-owned subsidiary.

The Company has not elected push-down accounting under ASC 805-50, Business Combinations — Related Issues. As a result, the Company's assets, liabilities, and equity continue to be presented at their historical carrying amounts, and no fair value adjustments, goodwill, or identifiable intangible assets related to the acquisition have been recorded by the Company.

Because no push-down accounting was elected, the Company's equity accounts — including common stock, additional paid-in capital, and retained earnings — represent a continuation of balances existing prior to the change in ownership. These balances reflect the Company's legal capital structure and accumulated earnings under previous ownership and do not represent the current economic ownership interests, which are entirely attributable to Indo-MIM Pvt. Ltd.

The following table summarizes the Company's historical book values for assets and liabilities as of the acquisition date and shows how those amounts resulted in the Company's beginning equity presented in these financial statements:

	Historical Carrying Amount
As of May 19, 2025:	
Total assets	$ 11,526,642
Total liabilities	(10,042,375)
Net book value (historical)	$ 1,484,267
Comprised of:	
Common stock	$ -
Additional paid-in capital	919,440
Retained earnings	564,827
Total equity (historical)	$ 1,484,267

Note 9 - Management's Evaluation of Going Concern

In accordance with FASB ASC 205-40, Presentation of Financial Statements — Going Concern, management has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date these financial statements are available to be issued, which is May 29, 2027.

For the period from May 19, 2025 through March 31, 2026, the Company incurred a net loss of $2,898,281 and used cash in operating activities of $3,242,312. As of March 31, 2026, the Company had a shareholder's deficit of $1,414,014 and negative working capital, with cash and cash equivalents of $150,212. During the period, the Company's operations were funded in part by advances under a related-party note payable with an entity under common ownership with the Company's parent, Indo-MIM Pvt. Ltd. (the "Parent"). As further described in Note 7, the balance of the related-party note payable was $2,357,468 as of March 31, 2026, which exceeds the $1,000,000 maximum borrowing limit stated in the original note agreement.

These conditions, considered in the aggregate, would ordinarily raise substantial doubt about the Company's ability to continue as a going concern. In evaluating whether such substantial doubt has been alleviated, management has considered the following factors:

The Company was acquired by the Parent on May 19, 2025, and continues to operate as a wholly-owned subsidiary. The Company's operations are integrated into the broader strategic and operational plans of the Parent, which is an established global manufacturer with operations across multiple countries. On May 25, 2026, the Company received written confirmation from the Parent of its intent and ability to provide financial support to the Company sufficient to fund the Company's operations and to enable the Company to meet its obligations as they come due for a period of at least twelve months from the date these financial statements are available to be issued. Such support is expected to be provided through continued advances under the related-party note payable (as amended), additional capital contributions, or other forms of intercompany financing as needed.

Management has also considered the Company's existing customer base, backlog of contracted work, and ongoing initiatives to improve operating performance.

Based on the Parent's written commitment of financial support, together with management's plans and the factors described above, management has concluded that substantial doubt about the Company's ability to continue as a going concern has been alleviated and that it is probable the Company will be able to meet its obligations as they come due for a period of at least twelve months from the date these financial statements are available to be issued.

Note 10 - Contingencies

The Company has the potential to be involved in various claims and lawsuits arising in the normal course of business. Management believes that any potential uninsured liability that may be incurred in settlement of such claims and lawsuits would not be material to the Company's financial position.