Triax Industries, LLC
Chandler, AZ

Financial Statements

March 31, 2026 and 2025

TRIAX™
INDUSTRIES, LLC

CONTENTS

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

Independent Auditors' Report

To the Member
Triax Industries, LLC
Chandler, Arizona

Opinion

We have audited the accompanying financial statements of Triax Industries, LLC, which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of income and member's equity, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Triax Industries, LLC as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Triax Industries, LLC 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 audit opinion.

Management's Responsibility 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 Triax Industries, LLC's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

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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 Triax Industries, LLC'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 Triax Industries, LLC'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

TRIAX INDUSTRIES, LLC

Balance Sheets

March 31, 2026 and 2025

	2026	2025
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,207,758	$ 2,090,070
Accounts receivable	3,371,313	2,558,714
Accounts receivable - related party	484,539	-
Inventory	12,546,477	10,050,026
Prepaid expenses	164,505	53,150
Total current assets	17,774,592	14,751,960
Property and equipment, net	20,827,599	18,899,972
Other Assets:		
Right of use, net	3,682,274	3,647,656
Restricted cash	75,000	75,000
Deposits	50,600	50,600
Total other assets	3,807,874	3,773,256
	$ 42,410,065	$ 37,425,188
Liabilities and Member's Equity		
Current Liabilities:		
Accounts payable	$ 3,421,233	$ 2,567,083
Accounts payable - related party	831,778	390,423
Accrued expenses	955,265	461,555
Unearned revenue	3,124,392	1,726,882
Lease liability, current portion	25,432	23,198
Related party loan	10,848,619	10,801,447
COVID-19 related payroll tax liability	-	788,286
Total current liabilities	19,206,719	16,758,874
Long-term Liabilities:		
Lease liability	3,969,894	3,869,295
Member's equity	19,233,452	16,797,019
	$ 42,410,065	$ 37,425,188

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

TRIAX INDUSTRIES, LLC

Statements of Income and Member's Equity

For the fiscal years ended March 31, 2026 and 2025

	2026	2025
Sales	$ 25,882,426	$ 19,749,744
Cost of goods sold	24,664,721	21,241,746
Gross profit	1,217,705	(1,492,002)
Operating expenses	2,981,435	3,056,906
Operating loss	(1,763,730)	(4,548,908)
Other income (expense):		
Other income	5,972	2,130
Gain on sale of equipment	514,908	1,055
Interest expense - ASC 842	(238,629)	(233,089)
Interest expense - related party	(723,491)	(401,447)
Interest expense - other	(158,597)	-
Total other expense, net	(599,837)	(631,351)
Net loss	(2,363,567)	(5,180,259)
Member's equity, beginning of year	16,797,019	21,977,278
Capital contributions	4,800,000	-
Member's equity, end of year	$ 19,233,452	$ 16,797,019

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

TRIAX INDUSTRIES, LLC
Statements of Cash Flows
For the fiscal years ended March 31, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Net loss	$ (2,363,567)	$ (5,180,259)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation	1,336,933	1,482,134
Amortization	92,830	89,892
Inflation adjustment to right of use asset and lease liability, net	-	16,641
Gain on sale of equipment	(514,908)	(1,055)
Changes in reserve for inventory obsolescence	48,000	145,000
Capitalized interest on related party loan	723,491	401,447
Changes in operating assets and liabilities:		
Accounts receivable	(812,599)	(665,751)
Inventory	(2,544,451)	(2,348,088)
Prepaid expenses	(111,355)	153,079
Accounts payable	1,295,505	(142,641)
Accrued expenses	493,710	64,558
COVID deferred employer taxes	(788,286)	17,488
Unearned revenue	1,397,510	158,101
Net cash used for operating activities	(1,747,187)	(5,809,454)
Cash Flows from Investing Activities:		
Purchases of fixed assets	(3,289,071)	(3,034,595)
Proceeds from sale of equipment	54,881	84,414
Net cash used for investing activities	(3,234,190)	(2,950,181)
Cash Flows from Financing Activities:		
Capital contributions	4,800,000	-
Proceeds from related party loan	4,123,680	10,400,000
Payments on related party loan	(4,800,000)	-
Lease liability reduction	(24,615)	(21,849)
Net cash provided by financing activities	4,099,065	10,378,151
Increase (decrease) in cash	(882,312)	1,618,516
Cash, beginning of year	2,165,070	546,554
Cash, end of year	$ 1,282,758	$ 2,165,070
Reconciliation of cash balances, end of year:		
Cash and cash equivalents	$ 1,207,758	$ 2,090,070
Restricted cash	75,000	75,000
Cash, end of year	$ 1,282,758	$ 2,165,070
Supplemental Non-Cash Disclosure:		
Sale of equipment reported as a related-party receivable	$ 484,539	$ -

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

Triax Industries, LLC (the "Company") was formed on February 2, 2015 (date of inception) for the purpose of purchasing the assets and operations of a company formerly known as Triax Turbine Components. The LLC was purchased by Indo-MIM Ltd on November 21, 2020. The Company's manufacturing facilities are located in Chandler, Arizona. The Company is a designer, developer and manufacturer of aftermarket turbine engine components. The Company offers engineering, casting, and machining services to customers in the aerospace and industrial gas turbine industries.

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.

Revenue Recognition

The Company's revenue is derived primarily from providing casting and machining services based on purchase orders received from customers. Manufacturing revenue is recognized using the accrual method of accounting. The Company recognizes a sale depending on the sale's terms with the customer. Generally, a sale is recognized when the product is shipped to the customer.

The Company also offers development and engineering services under negotiated contract agreements with customers. The contracts typically contain terms related to specific deliverables that, once complete, trigger revenue to be recognized. There is often a requirement that a significant amount of the fee be paid up front. These up-front payments are considered deferred revenue. As the contract deliverables are met, the revenue is recognized. The Company recorded an unearned revenue liability of $3,124,392 and $1,726,882 at March 31, 2026 and 2025, respectively.

Cash and Cash Equivalents

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

Restricted Cash

At March 31, 2026 and 2025, restricted cash of $75,000 consisted of $50,000 for a letter of credit related to the facility lease and $25,000 in collateral required to be held for the company credit cards.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of trade receivables from customers in the aerospace and industrial gas turbine industries arising in the normal course of business. Trade receivables are recorded at the invoiced amount, do not bear interest, and are generally due within 30 to 60 days of the invoice date. The Company does not have any off-balance-sheet credit exposures related to its customers.

In accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 326, Financial Instruments — Credit Losses, the Company measures expected credit losses on trade receivables on a collective (pool) basis when similar risk characteristics exist. The Company has identified a single pool consisting of trade receivables from its aerospace and industrial gas turbine customers, which share similar risk characteristics including customer type, industry, contractual payment terms, and historical payment behavior. Receivables that no longer share risk characteristics with the pool are evaluated individually.

The Company estimates expected credit losses over the contractual life of its trade receivables using a loss-rate method. Under this method, the Company applies a historical loss rate to the amortized cost basis of the receivable pool, adjusted as necessary for current conditions and reasonable and supportable forecasts of future economic conditions that may differ from historical experience. When the reasonable and supportable forecast period ends, the Company reverts to historical loss information on a straight-line basis over the remaining contractual term.

In developing its estimate, management considered the Company's historical credit loss experience, the current creditworthiness and payment history of its customer base, the relatively short contractual collection period of its receivables, current economic conditions affecting the aerospace and industrial gas turbine industries, and reasonable and supportable forecasts of future conditions. The Company has not experienced any credit losses on its trade receivables in recent years, its customer mix has remained substantially consistent, and management is not aware of any changes in the financial condition or payment ability of its customers, or in current or forecasted economic conditions, that would indicate expected credit losses in future periods. Based on this evaluation, management concluded that the expected credit loss allowance was not material at March 31, 2026 and 2025, and accordingly, no allowance for credit losses has been recorded.

Management reassesses its estimate of expected credit losses at each reporting date. Receivables are written off against the allowance when management determines the balance is uncollectible. There were no write-offs or recoveries during the fiscal years ended March 31, 2026 and 2025.

Inventories

Inventories are stated at cost, utilizing the first-in, first-out method, or market, whichever is lower. Inventories at March 31, 2026 and 2025 consisted of raw materials, work in progress and finished goods.

	2026	2025
Raw materials	$ 6,048,802	$ 5,847,533
Work in progress	6,625,332	4,315,579
Finished goods	157,343	123,914
Provision for obsolescence	(285,000)	(237,000)
	$ 12,546,477	$ 10,050,026

Leases

Effective January 1, 2022, the Company adopted FASB ASC 842, Leases. The Company determines if an arrangement contains a lease at inception based on whether the Company has the right to control the asset during the contract period and other facts and circumstances. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The Company has one lease, which it has determined to be a financing lease.

Property and Equipment

Property and equipment are stated at cost and are being depreciated over their estimated service lives using the straight-line method for financial reporting and accelerated methods and statutory lives for income tax reporting purposes. Estimated service lives of the properties are as follows:

	No.Years
Computer and office equipment	5
Plant machinery and equipment	10-20
Plant building and improvements	20-40

Repairs and maintenance are charged to operations as incurred. Additions and betterments, which extend the useful lives of the assets, are capitalized. Upon retirement or disposal of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reflected in operations.

Income Taxes

As of November 21, 2020, the Company has elected to be taxed as a C-Corporation. A net operating loss has been generated each year since then to which management has applied a 100% valuation allowance. Consequently, no provision for income taxes is made in the accompanying financial statements. Management will continue to evaluate the valuation allowance in future years to address any changes in expected profitability.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments and cash deposits in excess of federally insured limits and trade accounts receivable. The Company maintains its cash accounts at a single commercial bank. Cash accounts at the bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At March 31, 2026 and 2025, $811,095 and $1,681,452 was held in excess of the insured limit, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Freight Costs

The Company includes freight costs in cost of goods sold. Total freight expense included in cost of goods sold during the years ended March 31, 2026 and 2025 was approximately $758,000 and $569,000, respectively.

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 and 2025.

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.

Note 2 - Leases

The Company has entered into one lease. Management has classified this lease as a financing lease.

The lease consists of two pieces of property. The first is a land lease for the property where the Company's original manufacturing building is located. In November 2021, the lease was amended to also include a facility on an adjacent property which is being used for the machine shop and to expand manufacturing capacity. The lease agreement for this property is held with a development corporation operating on behalf of the Gila River Indian Community and was assigned to the Company in February 2015. Including all optional renewals, the current lease shall terminate on September 2065.

Per terms of the lease, the base rent is adjusted annually based on the consumer price index published by the United States Department of Labor's Bureau of Labor Statistics.

Since the lease agreement does not state an implicit interest rate, management’s estimate of the incremental borrowing rate of the Company of 6% is being used as the discount rate.

As of March 31, 2026, the Company’s finance lease liability was $3,995,326 and the corresponding right-of-use asset was $3,682,274, net amortization.

Interest expense for the financing lease was $238,629 and $233,089 in fiscal years 2026 and 2025, respectively.

Amortization expense for the right-of-use asset was $92,830 and $89,892 in fiscal years 2026 and 2025, respectively.

The Company is also responsible for maintaining the buildings and improvements made on the leased property as well as reimbursing the lessor for road maintenance, security services, and water usage. The future minimum lease payments, based on the 2026 adjusted rent amount, are as follows:

2027	$ 263,244
2028	263,244
2029	263,244
2030	263,244
2031	263,244
2032-2036	1,316,220
2037-2041	1,316,220
2042-2046	1,316,220
2047-2051	1,316,220
2052-2056	1,316,220
Thereafter through 2066	2,544,692
	10,442,012
Less effects of discounting	(6,446,686)
	$ 3,995,326

Note 3 - Property and Equipment

Major classifications of property and equipment at March 31, 2026 and 2025 are summarized as follows:

	2026	2025
Buildings	$ 1,733,658	$ 1,733,658
Building improvements	3,267,870	2,071,085
CapEx in process	3,139,007	2,059,768
Furniture and fixtures	13,416	13,416
Computer equipment	59,327	59,327
Plant machinery and equipment	20,140,260	19,715,732
	28,353,538	25,652,986
Accumulated depreciation	(7,525,939)	(6,753,014)
Property and equipment, net	$ 20,827,599	$ 18,899,972

Depreciation expense during the fiscal years ended March 31, 2026 and 2025 was $1,336,933 and $1,482,134, respectively.

Note 4 - Employee Benefit Plans

The Company has a 401(k) plan. All employees are eligible to participate in the plan via elective salary deferrals as long as they meet the service requirements as defined by the plan. During the year ending March 31, 2022, the 401(k) plan allowed for contributions to be made by the Company at its discretion. In June 2022, the plan was amended to require a 100% Company matching contribution on up to 4% of the employee's salary. Company contributions for the years ending March 31, 2026 and 2025 were $134,074 and $130,223, respectively.

Note 5 - Major Customers

The Company had three major customers comprising approximately 67% of total sales during the fiscal year ended March 31, 2026 and 72% of the total accounts receivable balance as of March 31, 2026.

The Company had four major customers comprising approximately 52% of total sales during the fiscal year ended March 31, 2025 and 78% of the total accounts receivable balance as of March 31, 2025.

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

Note 6 - Related Party Transactions

The Company is wholly owned by Indo-MIM Ltd. Numerous transactions occur each year between the Company and its parent, and other entities related by common ownership. Related party transactions and balances for the fiscal years ending March 31, 2026 and 2025 are summarized as follows:

	2026	2025
Equipment, tooling, and manufacturing services purchased by the Company from its parent	$ 119,879	$ 817,005
Manufacturing services purchased by the Company from entity related via common ownership	1,039,555	-
Equipment sold to related entity via common ownership	484,539	-
Capital contributions by the parent company	4,800,000	-
Note payable from another entity related via common ownership. Note carries interest at 8% per annum with all principal and interest due on demand. Balance cannot exceed $20 million at any time.	10,848,619	10,801,447
Amounts due to parent as of March 31st	39,861	390,423
Amounts due to related entity via common ownership as of March 31st	791,917	-
Amounts due from related entity via common ownership as of March 31st	484,539	-

Note 7 - Letter of Credit

The Company has a standby letter of credit with MidFirst Bank for the benefit of the Lone Butte Development Corporation, which operates for the benefit of the Gila River Indian Community, as required by the land lease for the primary manufacturing facility in Chandler, Arizona. The irrevocable letter of credit is in the amount of $50,000 and expired in March of 2026. During early 2026, the letter of credit was extended an additional year to March 31, 2027. The letter of credit is collateralized by $50,000 in cash which has been reported as restricted on the balance sheet.

Note 8 - 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.

Note 9 - Deferred Employer Payroll Tax Liability / Employee Retention Credit Payback

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Company deferred payment of the employer's share of Social Security taxes incurred between March 27, 2020 and December 31, 2020. The deferred amount totaled $144,022 and was originally required to be paid in two equal installments of $72,011 due December 31, 2021 and December 31, 2022. These amounts remained unpaid as of the original due dates.

Separately, the Company received approximately $627,000 in Employee Retention Credits ("ERC") during 2021 for which it was subsequently determined to be ineligible. Management recorded a liability for the expected repayment of these credits to the Internal Revenue Service ("IRS").

In December 2024, the Company accepted a settlement offer from the IRS in the amount of $788,286 resolving all COVID-related payroll tax matters, including both the deferred Social Security obligation and the ERC repayment. The settlement amount was recorded as a current liability at March 31, 2025, and was paid in full in December 2025, including an additional $158,597 in interest. Accordingly, no related liability remains outstanding at March 31, 2026.

Note 10 - Reclassifications Between Cost of Goods Sold and Operating Expenses

During the fiscal year ended March 31, 2026, the Company refined its presentation of certain expenses on the statements of income to better reflect the nature of costs incurred in support of its manufacturing operations. Management identified specific categories of expenses that, while previously included within operating expenses, are more appropriately classified as indirect manufacturing costs and included in cost of goods sold. Management believes the revised presentation is preferable because it more accurately reflects the total costs associated with the Company's manufacturing activities and improves comparability with industry presentation practices.

The following table summarizes the expense categories reclassified from operating expenses to cost of goods sold for the fiscal years ended March 31, 2026 and 2025:

	2026	2025
Information technology	$ 474,090	$ 327,272
Depreciation	11,190	11,190
Insurance	244,027	259,370
Licenses, permits, and fees	124,254	135,804
Travel	45,006	-
Telephone	9,831	-
Training	24,827	19,735
Total reclassified to cost of goods sold	$ 933,225	$ 753,371

SUPPLEMENTAL FINANCIAL DATA

TRIAX INDUSTRIES, LLC

Schedules of Operating Expenses

For the fiscal years ended March 31, 2026 and 2025

	2026	2025
Salaries	$ 2,185,308	$ 1,762,489
Payroll taxes	105,952	106,006
Employee benefits	124,274	133,034
Professional fees	190,588	424,363
Travel	49,107	251,206
Office	212,223	173,818
Dues and subscriptions	16,518	50,478
Telephone	409	41,335
Repairs and maintenance	1,000	28,122
Bank charges	45,181	25,730
Miscellaneous	2,435	22,258
Meals and entertainment	26,313	21,537
Automobiles	558	14,932
Rent	21,569	1,314
Shipping	-	284
Total operating expenses	$ 2,981,435	$ 3,056,906