# AEQUS AEROSPACE LLC

## Comparative Financial Statements and Independent Auditors' Report

For the Years Ended March 31, 2026 and 2025

Malnory, McNeal
& COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

AEQUS AEROSPACE LLC

Contents

Independent Auditors' Report

To the Board of Directors
Aequs Limited (formerly known as Aequs Private Limited)

**Opinion**

We have audited the accompanying financial statements of Aequs Aerospace LLC (a Limited Liability Company), which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of income and changes in member's equity, and cash flows for the 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 Aequs Aerospace LLC as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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 Aequs Aerospace LLC and to meet our 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.

**Related Party Transactions**

As discussed in Note 4 to the financial statements, the Company has significant related party transactions and account balances for the years ending March 31, 2026 and 2025. In addition, as discussed in Note 1 to the financial statements, the Company did not consolidate the operations of its wholly owned subsidiary Aequs Aero Machine Inc. The Company acts as an intermediary and does not have control over the operations of Aequs Aero Machine Inc. The Company reports its investment in its subsidiary on the cost method of accounting. Our opinion is not modified with respect to these matters.

**Responsibilities of Management for the Comparative Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 Aequs Aerospace LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities 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 judgment 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 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 Aequs Aerospace 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aequs Aerospace 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.

Malnory, McNeal & Company, PC

Dallas, Texas
May 7, 2026

Certified Public Accountants

Aequs Aerospace LLC
Balance Sheets
As of March 31, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| **Assets** | | |
| Current Assets | | |
| Cash | $ 683 | $ - |
| Total Current Assets | 683 | - |
| | | |
| Other Assets | | - |
| Prepaid expenses | 10,000 | - |
| Related party receivables | 1,908,769 | 2,256,589 |
| Related party loan receivables | 2,174,836 | 7,652,302 |
| Investments in subsidiary | 5,114,137 | 5,114,137 |
| Total Other Assets | 9,207,742 | 15,023,028 |
| | | |
| Deferred tax asset, net | - | 27,185 |
| | | |
| Total Assets | $ 9,208,425 | $ 15,050,213 |
| | | |
| **Liabilities and Member's Equity** | | |
| Current Liabilities | | |
| Accounts payable | $ 20,001 | $ 5,000 |
| Related party payable | - | 94,443 |
| Related party loan payables | 4,189,652 | 4,101,059 |
| Loan payable | 197,244 | 295,443 |
| Total Current Liabilities | 4,406,897 | 4,495,945 |
| Total Liabilities | 4,406,897 | 4,495,945 |
| | | |
| Member's Equity | | |
| Member's capital | 13,159,820 | 13,159,820 |
| Retained earnings | (8,358,292) | (2,605,552) |
| Total Member's Equity | 4,801,528 | 10,554,268 |
| | | |
| Total Liabilities and Member's Equity | $ 9,208,425 | $ 15,050,213 |


See accompanying notes and independent auditors' report.

Aequs Aerospace LLC
Statements of Income and Changes in Member's Equity
For the Years Ended March 31, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| Revenues | | |
| Interest revenue | $ 191,737 | $ 228,705 |
| Total Revenues | 191,737 | 228,705 |
| Operating Expenses | | |
| Bad debt expense | 5,745,745 | - |
| Bank fees | 275 | 95 |
| Professional fees | 55,725 | 57,055 |
| Total Operating Expenses | 5,801,745 | 57,150 |
| Other Income (Expense) | | |
| Foreign currency translation gain/(loss) | 70,604 | 4,424 |
| Forgiveness of debt | 100,380 | - |
| Interest expense | (284,951) | (316,078) |
| Total Other Income (Expense) | (113,967) | (311,654) |
| Net Income Before Income Tax Expense | (5,723,975) | (140,099) |
| Income Tax Expense (Benefit) | 1,580 | (10,646) |
| Deferred Income Tax Expense (Benefit) | 27,185 | (27,185) |
| | 28,765 | (37,831) |
| Net Income/(Loss) | (5,752,740) | (102,268) |
| Member's equity at beginning of period | 10,554,268 | 10,656,536 |
| Member's equity at end of period | $ 4,801,528 | $ 10,554,268 |


See accompanying notes and independent auditors' report.

Aequs Aerospace LLC
Statements of Cash Flows
For the Years Ended March 31, 2026 and 2025

| | 2026 | 2025 |
|---|---|---|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash flows from operating activities: | | |
| Net income (loss) | $ (5,752,740) | $ (102,268) |
| Changes in assets and liabilities, net: | | |
| (Increase) decrease in accrued interest receivable | 5,554,007 | (228,705) |
| (Increase) decrease in deferred income tax asset | 27,185 | (27,185) |
| (Increase) decrease in prepaid expenses | (10,000) | - |
| Increase (decrease) in accounts payable | 15,001 | 5,000 |
| Increase (decrease) in accrued liabilities | - | (10,646) |
| Increase (decrease) in accrued interest payable | 260,105 | 315,922 |
| Net Adjustments | 5,846,298 | 54,386 |
| Net cash provided (used) by operating activities | 93,558 | (47,882) |
| Cash flows from financing activities: | | |
| Proceeds from related party receivables | 347,820 | 393,691 |
| Payments on related party payables | (269,711) | (376,537) |
| Net cash provided (used) by financing activities | 78,109 | 17,154 |
| Effect of exchange rate changes on cash | (170,984) | (4,424) |
| Net increase (decrease) in cash and cash equivalents | 683 | (35,152) |
| Cash and cash equivalents at beginning of period | - | 35,152 |
| Cash and cash equivalents at end of period | $ 683 | $ - |

| | 2026 | 2025 |
|---|---|---|
| Supplemental disclosures: | | |
| Interest paid | $ 284,951 | $ 316,078 |


See accompanying notes and independent auditors' report.

## NOTE 1- BUSINESS ACTIVITY

Aequs Aerospace LLC (a Delaware Limited Liability Company) (the "Company") was incorporated on January 13, 2015 as a wholly-owned subsidiary of AeroStructures Manufacturing India Pvt Ltd. The Company was formed as an investment holding Company to offer funding for its downstream subsidiaries engaged in the business of manufacturing parts in the aerospace sector.

Aequs Aero Machine Inc. is a majority owned subsidiary of the Company. Accounting principles generally accepted in the United States of America require that all majority owned subsidiaries be accounted for as a consolidated subsidiary. However, the Company acts as an intermediary and does not have control over the operations of Aequs Aero Machine Inc. Thus, the accompanying financial statements have not been consolidated. The Company reports its investment in its subsidiary on the cost method of accounting.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying comparative financial statements follows.

### Cash

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains its cash balance with one financial institution located in Texas. Accounts at the Institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the cash balance may exceed the federally insured limit. The Company has not incurred losses related to its cash and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of March 31, 2026 and 2025, the Company has no restricted cash or cash equivalents.

### Accounts Receivable and Credit Losses (ASC 326)

The Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under this standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Accounts receivable held by the Company are subject to the guidance in FASB ASC 326. The Company adopted the standard effective January 1, 2025. The impact of adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures.

Trade accounts receivable are recorded at the invoiced amount, net of an allowance for credit losses. In accordance with FASB ASC 326, Financial Instruments—Credit Losses, the Company estimates expected credit losses over the contractual life of its trade receivables using a current expected credit loss methodology.

The Company's trade receivables arise from sales to customers in the ordinary course of business and are generally unsecured.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Accounts Receivable and Credit Losses (ASC 326) (continued)

Management evaluates expected credit losses on a pooled basis, considering historical loss experience, the aging of receivables, customer creditworthiness, current economic conditions, and reasonable and supportable forecasts.

Trade receivables are written off when deemed uncollectible. Recoveries of amounts previously written off, if any, are recorded when received. For the year ended March 31, 2026, the Company provided $0 in its allowance for credit losses.

### Revenue Recognition

The Company's primary operations consist of accrued interest income earned related to the loan receivables. Interest income on the loans is amortized at cost and calculated using the effective interest method. For the years ended March 31, 2026 and 2025, the Company recognized interest income of $191,737 and $228,705, respectively.

### Use of Estimates

The preparation of comparative 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 the disclosure of contingent assets and liabilities at the date of the comparative financial statements and the reported amounts of revenues and expenses during the reporting period.  Actual results could differ from those estimates and assumptions.

### Accounting for Uncertainty in Income Taxes

Management has concluded that any tax provisions that would not meet the more-likely-than-not criterion of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, Accounting for Income Taxes, would be immaterial to the financial statements taken as whole.  Accordingly, the accompanying financial statements do not include any provision of uncertain tax positions, and no related interest or penalties have been recorded in the financial statements.

### Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of certain assets and liabilities for financial and tax reporting.  The deferred taxes represent the future tax return consequences of those differences, which will either be taxable when the assets and liabilities are recovered or settled.

The Company files a consolidated 1120 corporate tax return with Aequs Aero Machine Inc. For the year ended March 31, 2025, the consolidated tax return recognized a zero taxable income and owed no income tax for the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

The Company has yet to file a consolidated tax return for the year ended March 31, 2026. The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before 2022.

NOTE 3 – RELATED PARTY TRANSACTIONS

Aequs Aero Machine Inc. (AAM) is wholly owned by the Company and is recorded on the balance sheet as investment in subsidiary for $5,114,137 for the years ended March 31, 2026 and 2025. As of March 31, 2026 and 2025, the Company is the holder of 1,000 shares of common stock at a par value of $0.01 per share.

As of March 31, 2026 and 2025, all 1,000 shares available are issued to the Company. Additionally, as of March 31, 2026 and 2025, the Company had an intercompany receivable with AAM for $23,427 and $371,248, respectively.

Aequs Aerospace BV (AABV) in Amsterdam, Netherlands, an affiliate of APL and ASMIPL, has two related party loans and one receivable with the Company. In July 2016, the Company loaned AABV $1,083,375 at a 14% annum interest rate. Subsequently, the Company loaned an additional $1,685,102. As of March 31, 2026 and 2025, the outstanding balance on this related party loan receivable with accrued interest was $0 and $4,414,384, respectively. On October 1, 2020, Aequs Holdings LLC transferred loan collection rights to the Company with a principal of $477,305 and accrued interest of $390,164 at a 8% annum interest rate. As of March 31, 2026 and 2025 the outstanding balance on this related party loan receivable with accrued interest was $0 and $1,139,623, respectively. As of March 31, 2026 and 2025, the outstanding balance on the related party receivable was $1,235,320.

Aequs Oil & Gas LLC USA (AOG, LLC), an affiliate of Aequs Limited (formerly known as Aequs Private Limited), has one related party loan and an intercompany payable owed to the Company. In June 2016, the Company loaned AOG, LLC $200,000 at 4% annum interest rate. Subsequently, the Company loaned an additional $1,436,500. Starting April 1, 2022, the Company stopped accruing interest on the loan until further notice. Currently, the loan remains the same with no interest being accrued. As of March 31, 2026 and 2025 the outstanding balance on this related party loan receivable was $791,658. As of March 31, 2026 and 2025, the outstanding balance on the intercompany receivable was $650,022.

AeroStructures Manufacturing India Private Limited, India (ASMIPL), has two outstanding intercompany loans with the Company. In October 2018, ASMIPL loaned the Company $2,000,000 at 4.5% annum interest rate. As of March 31, 2026 and 2025, the outstanding balance on the related party loan was $2,560,445 and $2,564,147, respectively.

In November 2019, ASMIPL loaned the Company $500,000 at 4.5% annum interest rate. The loan is callable on demand with the full outstanding balance classified as current. Subsequently, the Company increased this loan for a total of $1,000,000 principal outstanding plus accrued interest.

## NOTE 3 – RELATED PARTY TRANSACTIONS (Continued)

As of March 31, 2026 and 2025, the outstanding balance on the related party loan was $1,629,207 and $1,536,912, respectively.

Aequs Holdings France SAS, an affiliate of AABV, had one intercompany receivable owed to the Company. As of March 31, 2026 and 2025, the outstanding balance on the related party receivable was $1,383,178 and $1,306,637, respectively.

Aequs Aerospace France SAS, an affiliate of AABV, had one intercompany payable owed by the Company. As of March 31, 2026 and 2025, the outstanding balance on the related party loan was $0 and $94,443, respectively

The Company reported all related party receivables as long-term notes receivable since management does not expect to collect on these receivables within the next 12 months. In addition, management reported all related party payables as short-term payables since they are payable on demand.

## NOTE 4 – INCOME TAXES

Significant temporary differences used in the computation of deferred income tax asset are as follows:

The Company accounts for income taxes in accordance with **ASC 740**, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| NOL carryforward | $ 6,365,996 | $ 129,453 |
| Total | 6,365,996 | 129,453 |
| Income tax rate | 21% | 21% |
| Deferred tax asset | 1,336,859 | 27,185 |
| Valuation Allowance | (1,336,859) | - |
| Deferred tax asset, net | $ - | $ 27,185 |

Valuation Allowance

The Company evaluates the realizability of its deferred tax assets on a jurisdictional basis and establishes a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

## NOTE 4 – INCOME TAXES (Continued)

In assessing the need for a valuation allowance, the Company considers both positive and negative evidence, including:

- Historical operating results,
- Forecasted future taxable income,
- The reversal of existing taxable temporary differences, and
- Tax planning strategies.

As of March 31, 2026, the Company recorded a valuation allowance of $1,336,859, primarily related to net operating loss carryforwards for which realization is uncertain due to cumulative losses in recent years.

The valuation allowance increased by $1,336,859 during the year ended March 31, 2026, primarily due to current-year losses and changes in forecasts.

## NOTE 5 – LOAN PAYABLE

In September 2019, Melligeri Investments, LLC loaned the Company $600,000 in 13% annum interest rate with a maturity date of September 30, 2023. Currently, Melligeri Investments is working with the Company to establish a new payment plan. As of March 31, 2026 and 2025, the Company recognized the loan payable at $197,244 and $295,443, respectively.

## NOTE 6 – MEMBER'S EQUITY

Aerostructures Manufacturing India Private Limited (ASMIPL) is sole member of Aequs Aerospace LLC (AALLC) and has 100% membership interest in the Company.

## NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 7, 2026, the date the financial statements were available to be issued.