Aequs Oil & Gas LLC

Comparative Financial Statements and
Independent Auditors' Reports
For the Years Ended March 31, 2026 and 2025

Malnory, McNeal
& COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

AEQUS OIL & GAS LLC

Contents

Independent Auditors' Reports

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

Opinion

We have audited the accompanying comparative financial statements of Aequs Oil & Gas 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 members' deficit, and cash flows for the years then ended, and the related notes to the comparative financial statements.

In our opinion, the comparative financial statements referred to above present fairly, in all material respects, the financial position of Aequs Oil & Gas 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 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 Aequs Oil & Gas 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 3 to the comparative financial statements, The Company has significant related party account balances as of March 31, 2026, and 2025. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the 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 Oil & Gas 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 Audits 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 Oil & Gas 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 Oil & Gas 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
April 21, 2026

Certified Public Accountants

Aequs Oil & Gas LLC
Balance Sheets
As of March 31, 2026 and 2025

	2026	2025
Assets		
Current Assets		
Cash	$ 816	$ 967
Total Current Assets	816	967
Related party receivables	-	72,343
Fixed assets, net of accumulated depreciation of $1,134,437	-	-
Total Noncurrent Assets	-	72,343
Total Assets	$ 816	$ 73,310
Liabilities and Members' Deficit		
Current Liabilities		
Related party payable	$ 650,021	$ 650,021
Related party loan payable	791,658	791,658
Total Current Liabilities	1,441,679	1,441,679
Total Liabilities	1,441,679	1,441,679
Members' deficit	(1,440,863)	(1,368,369)
Total Liabilities and Members' Deficit	$ 816	$ 73,310

Aequs Oil & Gas LLC
Statements of Income and Changes in Members' Deficit
For the Years Ended March 31, 2026 and 2025

	2026	2025
Revenues	$ -	$ -
Expenses		
Bank fees	$ 151	$ 186
Write off	76,581	3
Total Operating Income	76,732	189
Net operating loss	(76,732)	(189)
Other Income (Expenses)		
Foreign currency translation income	4,238	242
Net Income (Loss)	(72,494)	53
Members' deficit at beginning of period	(1,368,369)	(1,368,422)
Members' deficit at end of period	$ (1,440,863)	$ (1,368,369)

Aequs Oil & Gas 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)	$ (72,494)	$ 53
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Net cash provided (used) by operating activities	(72,494)	53
Effect of exchange rate changes on cash	72,343	245
Net increase (decrease) in cash and cash equivalents	(151)	298
Cash and cash equivalents at beginning of period	967	1,153
Cash and cash equivalents at end of period	$ 816	$ 1,451

NOTE 1- BUSINESS ACTIVITY

Aequs Oil and Gas LLC (formerly known as Quest Machining & Manufacturing LLC) was incorporated on July 21, 2006 as a subsidiary of Aequs Limited (formerly known as Aequs Private Limited). The Company was earlier engaged in trading of castings. On July 9, 2012 the Company took over the operations from Machining & Services Technologies LLC executed. The Company has since then engaged in the machining and manufacturing of oil and gas components as well as assembly. In April 2021, the Company discontinued its operation and now remains open as a non-operating legal entity.

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.

<u>Cash</u>

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. As of March 31, 2026 and 2025, the Company has no restricted cash or cash equivalents.

<u>Accounts Receivable and Credit Losses (ASC 326)</u>

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. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Trade receivables are written off when deemed uncollectible. Recoveries of amounts previously written off, if any, are recorded when received. For the year ended December 31, 2025, the Company provided $0 in its allowance for credit losses.

Fixed Assets

Property and equipment are recorded at cost, or if donated, at approximate fair value at the date of donation. The Company capitalizes property and equipment if its value is greater than $500 and its useful life is more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

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. The most significant estimates made by management relate to the depreciable lives of the buildings and improvements.

Income Taxes

The Company is taxed as a partnership and reports as a pass-through entity for tax purposes. The Company does not incur federal income taxes; instead, the earnings of the Company are included in its partners tax returns. The comparative financial statements, therefore, do not include a provision for federal income taxes related to the entity.

NOTE 3 – RELATED PARTY TRANSACTIONS

In June 2016, Aequs Aerospace LLC (an affiliate of AeroStructures Manufacturing India Private Limited, India), loaned the Company $200,000 at a 4% annum interest rate. The loan is callable on demand with the full outstanding balance classified as current. Subsequently, Aequs Aerospace LLC loaned the Company an additional $1,436,500. Starting April 1, 2022 the Company stopped accruing interest on the loan until further notice. As of March 31, 2026 and 2025 the outstanding balance including accrued interest on this loan was $791,658. Additionally, the intercompany payable recorded on the Company's books as of March 31, 2026 and 2025 was $650,021.

NOTE 3 – RELATED PARTY TRANSACTIONS (Continued)

Aequs Aerospace France SAS, an affiliate of AABV, has one intercompany receivable owed by the Company. As of March 31, 2026 and 2025 the Company recognized the receivable at $0 and $72,343 respectively.

NOTE 4 – FIXED ASSETS

		2026		2025
Automobiles	$	16,830	$	16,830
Computers		25,453		25,453
Electrification		1,195		1,195
Leasehold improvements		15,700		15,700
Office equipment		3,949		3,949
Office furniture		68,087		68,087
Plant and machinery		714,937		714,937
Software		22,195		22,195
Tools and equipment		266,091		266,091
Total fixed Assets, cost		1,134,437		1,134,437
Less: accumulated depreciation		1,134,437		1,134,437
Fixed assets, net	$	-	$	-

Depreciation expense for the years ended March 31, 2026 and 2025 was $0.

NOTE 5 – MEMBERS' DEFICIT

Aequs Limited (formerly known as Aequs Private Limited) owns 95% of the Company. Melligeri Investments owns the remaining 5% of the Company. Company profits and losses are distributed according based on the member's respective ownership percentage.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 21, 2026, the date the financial statements were available to be issued.