

AVT NATURAL NORTH AMERICA, INC.

Financial Statements
and Supplemental Schedule

For the year ended March 31, 2026

*With
Independent Auditors' Report and Accompanying Notes*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder
of AVT Natural North America, Inc.

Opinion

We have audited the accompanying financial statements of AVT Natural North America, Inc. (a Delaware corporation), which comprise the balance sheet as of March 31, 2026, and the related statements of operations, changes in stockholder's equity, and cash flows for the year 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 AVT Natural North America, Inc. as of March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 AVT Natural North America, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 mis-statement 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 AVT Natural North America, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AVT Natural North America, 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.

Chugh CPAs LLP

Chugh CPAs LLP

Santa Clara, CA

May 08, 2026

AVT NATURAL NORTH AMERICA, INC.
BALANCE SHEET
AS OF MARCH 31, 2026

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,107,838
Accounts receivable, net	2,788,381
Other receivables	131,448
Inventory	1,394,676
Prepaid insurance	17,941
TOTAL CURRENT ASSETS	5,440,284
Property & equipment, at cost	2,009
Less: Accumulated depreciation	(1,491)
PROPERTY & EQUIPMENT, NET	518
TOTAL NON CURRENT ASSETS	518
TOTAL ASSETS	\$ 5,440,802
LIABILITIES AND STOCKHOLDER'S EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 3,663,789
Accrued expenses	121,075
Working capital loan	1,000,000
Provision for taxes	72,777
TOTAL CURRENT LIABILITIES	4,857,641
STOCKHOLDER'S EQUITY	
Common stock, no par value, 10,000 authorized, 6000 issued and outstanding	60,000
Retained earnings	523,161
TOTAL STOCKHOLDER'S EQUITY	583,161
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	\$ 5,440,802

AVT NATURAL NORTH AMERICA, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

REVENUE

Sales & Service revenue, net \$ 10,361,135

Cost of goods sold (Schedule A) (9,476,763)

GROSS PROFIT 884,372

Operating expenses (Schedule B) (598,860)

OPERATING INCOME BEFORE TAXES 285,512

OTHER INCOME

Interest income 406

INCOME BEFORE INCOME TAX 285,918

Income tax expense (72,929)

NET PROFIT \$ 212,989

AVT NATURAL NORTH AMERICA, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2026

	<u>Common Stock</u>		<u>Retained</u>	<u>Total</u>
	<u># of Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Stockholder's</u> <u>Equity</u>
Balance, March 31, 2025	6,000	\$ 60,000	\$ 310,172	\$ 370,172
Net income			212,989	212,989
Balance, March 31, 2026	6,000	\$ 60,000	\$ 523,161	\$ 583,161

AVT NATURAL NORTH AMERICA, INC.
STATEMENT OF CASH FLOWS
AS OF MARCH 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 212,989
Adjustment to reconcile net income to net cash generated from operating activities	
Depreciation	231
(Increase) decrease in operating assets:	
Accounts receivable, net	(2,555,656)
Other receivables	(77,393)
Inventory	(1,394,676)
Prepaid expenses	(10,651)
Increase (decrease) in operating liabilities:	
Accounts payable	3,461,223
Accrued expenses	109,155
Provision for taxes	34,967
Net cash used in operating activities	(219,811)

CASH FLOWS FROM FINANCING ACTIVITIES

Working capital loan	1,000,000
Net cash provided by financing activities	1,000,000

NET INCREASE IN CASH	780,189
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CASH, beginning of year	327,649
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CASH, at end of year	\$ 1,107,838
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Supplemental disclosure of cash flow information

Taxes paid, net of refunds	\$ 37,962
Interest paid	\$ 41,349

NOTE 1 – DESCRIPTION OF BUSINESS

AVT Natural North America, Inc. (the “Company”) was incorporated in the state of Delaware on 25th March 2020. The Company is a wholly owned subsidiary of AVT Natural Europe Limited, UK.

The Company is engaged in the sales & marketing of natural, plant based, ingredients manufactured in India by AVT Natural Products Limited (AVT), India. The Company services both the food & feed ingredient markets. The Company’s vision is to be a leading natural ingredients solution provider.

The Company plays a critical role in business development, engaging with key clients, distributors, and research partners.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on accrual basis in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). The Company uses the accrual method of accounting for income tax reporting.

Use of estimates

The preparation of financial statements and the related disclosures in conformity with generally accepted accounting principles in the United States of America (“GAAP”), 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 financial statements and revenue and expenses during the period reported. Actual results may differ from these estimates. Estimates are used in accounting from among other things, allowances for uncollectible receivables, depreciation, and taxes. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

Revenue Recognition

The Company recognizes revenues on delivery of goods to the customers in an amount that reflects the consideration which is expected to be entitled to in exchange for those goods. The Company recognizes revenues in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic No. 606, Revenue from Contracts with Customers (“ASC 606”). Under ASC 606, revenue is recognized when the following steps have been fulfilled:

- Identify the contract(s) with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

Differences between the timing of billings and the recognition of revenue are recognized as either unbilled receivables or deferred revenues in the accompanying balance sheet. When there is no identifiable contract, the Company recognizes revenue in the amount of consideration received when the Company has transferred control of the goods. The Company does not have any unbilled or deferred revenues as on March 31, 2026.

AVT NATURAL NORTH AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

Contract assets

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable (contract assets) on the Balance Sheet. The contract balances as of March 31, 2026 were as follows:

Particulars	March 31, 2026	March 31, 2025
Accounts receivable	\$2,788,381	\$232,725

Cost of goods sold

Cost of goods sold primarily includes purchase cost of finished goods.

Cash

Cash and cash equivalents generally consist of cash in bank.

Accounts Receivable

Accounts receivable, net of allowance for doubtful accounts, represent amounts due from customers for the services provided and are recorded at the invoiced amount and do not bear interest. The Company extends credit to its customers in the normal course of business. The Company performs ongoing evaluation of its existing receivables and evaluation of periodic aging of the accounts to estimate allowance for potential credit losses. Losses are written off against the allowances when determined to be uncollectable. There are no allowances for doubtful accounts as of March 31, 2026

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided principally on a straight-line method over the estimated useful life of the assets. The estimated useful lives of assets are as follows:

Computer and accessories	5 Years
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Inventories

The Company's inventories are stated at standard cost determined by the average cost method. Finished goods consist of allocable cost of shipping and clearance charges.

Accounts Payable

Accounts payable are recorded when goods are purchased or benefits are received.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC No. 740 (formerly SFAS No. 109) "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting of income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible

AVT NATURAL NORTH AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

Fair value measurements

The Company reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company does not have any Level 1, 2 or 3 financial instruments as of the reporting dates. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include accounts receivable, accounts payable and accrued liabilities.

NOTE 3 – CONCENTRATION OF RISKS

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

As of March 31, 2026, cash and cash equivalents consist of cash deposited with a financial institution that management believes are of high-credit quality. The Company is exposed to credit risk in the event of default by the domestic financial institution to the extent that Cash and cash equivalents are in excess of the amount insured by the Federal Deposit Insurance Corporation. The Company has never experienced any losses related to these balances.

Accounts Receivables and Sales

As of March 31, 2026, the accounts receivable balance was \$2,788,381. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential uncollectable accounts as deemed necessary. The Company generally does not require collateral to secure its accounts receivable. It estimates credit losses based on management's evaluation of historical experience and current industry trends. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts. The Company considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded as of March 31, 2026.

AVT NATURAL NORTH AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

The Company's revenues and accounts receivable from its major customers as of March 31, 2026 are as follows:

Clients	Revenue	Percentage	Accounts receivable, net	Percentage
A	1,433,371	34%	634,906	46%
B	984,008	24%	287,898	21%

Concentration of credit risk on accounts receivable is high due to small number of customers comprising the Company's customer base.

NOTE 4 - PROPERTY AND EQUIPMENT

As of March 31, 2026, property and equipment consist of the following:

Computers & equipment	\$ 2,009
Less: accumulated depreciation	(1,491)
Property and equipment, net	\$ 518

Depreciation expense is \$231 for the year ended March 31, 2026.

NOTE 5 – ACCRUED EXPENSES

Accrued expenses for the year ending March 31, 2026, as follows:

Audit fees	\$ 15,000
Salary & wages payable	59,586
Office rent payable	1,000
Commission on guarantee	25,000
Professional fees	20,489
Total accrued expenses	\$ 121,075

NOTE 6- WORKING CAPITAL LOAN

On May 22, 2025, the Company entered into a \$1.0 million revolving line of credit agreement with HSBC Bank, which is payable on demand. Borrowings under the facility bear interest at a variable rate equal to the Prime Rate (as published by a financial market data provider) plus 1.0%, or the Secured Overnight Financing Rate (SOFR) plus 2.0%, as applicable, in accordance with the terms of the agreement. As of March 31, 2026, the Company had outstanding borrowings of \$1.0 million under the facility. For the year then ended, the Company recognized interest expense of \$41,349 related to this arrangement.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of AVT Natural Europe Limited, United Kingdom.

AVT Natural Europe Limited, UK is a subsidiary of AVT Natural Products Limited, India.

AVT NATURAL NORTH AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2026

AVT Natural FZCO, UAE is a subsidiary of AVT Natural Products Limited, India.

AVT Natural S.A DE C.V, Mexico is a subsidiary of AVT Natural Products Limited, India.

The Company has entered into an Agreement with AVT Natural Products Limited, India, wherein the Company undertakes the marketing of natural ingredients in North America from time to time. In consideration of these activities, AVT Natural Products Limited, India agree to reimburse the entire employee and consultant related costs directly involved in marketing of the products.

The Company has also entered into an Agreement with AVT Natural S.A DE C.V, Mexico wherein the Company reimburses the entire consultant related costs & travel cost directly involved in marketing of the products in LATAM Countries from time to time. The Company purchases goods from AVT Natural FZCO, UAE and AVT Natural Europe Limited, UK for resale in USA.

The Company has obtained a corporate guarantee from AVT Natural Products Limited, India, covering up to \$2.5 million. The Company pays a guarantee fee equal to 1.0% per annum on the guaranteed amount to AVT Natural Products Limited. For the year ended March 31, 2026, the Company recognized guarantee fee expense related to this arrangement. The guarantee expired on March 31, 2026, and is subject to annual renewal. The Company expects to renew the guarantee for future periods.

AVT Natural Europe Limited, UK	Amount
Purchases	\$653,366

AVT Natural Products Limited, India	Amount
Reimbursement of expenses	\$402,883
Other receivables	\$131,448
Commission payable	\$25,000

AVT Natural FZCO, UAE	Amount
Purchases	\$10,022,808
Accounts payable	\$3,663,789

AVT Natural S.A DE C.V, Mexico	Amount
Reimbursement of expenses	\$ 238,820
Expenses payable	\$ 20,489

NOTE 8 – INVENTORIES

The components of inventories as on March 31, 2026 are as follows:

Stock in hand	\$ 716,937
Stock in Transit	677,739
Inventories	\$ 1,394,676

Inventory in transit represents goods for which legal title and risk of loss have transferred to the Company as of the reporting date, but which have not yet been received at the Company's facilities.

NOTE 9 – INCOME TAXES

The provision for income taxes consists of the following for the year ending March 31, 2026:

Current taxes:	Amount
Federal	\$ 56,857
State	16,072
Total Current Taxes	\$ 72,929

No deferred tax assets/liabilities recognized.

NOTE 10 – CONTINGENCIES

There are no pending legal actions, including arbitrations, class actions and other litigation, arising in connection with the Company's activities. Legal reserves are established in accordance with FASB ASC 450 (formerly known as SFAS No. 5), "Accounting for Contingencies". Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. There are no legal reserves in the statement of financial condition as of March 31, 2026.

NOTE 11 – STOCKHOLDER'S EQUITY

The Company is authorized to issue 10,000 shares with no par value. The Company has 6000 shares of common stock issued and outstanding at the beginning of the year. During the year, no shares have been issued.

NOTE 12 – SUBSEQUENT EVENTS

As required under FASB ASC 855 "Subsequent Events" (formerly FAS 165), the Company is required to disclose events and transactions after balance sheet date but before the financial statements are available to be issued.

The Company has evaluated the subsequent events until May 08, 2026 which is the date the financial statements are available for issue.



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors and Stockholder
of AVT Natural North America, Inc.

We have audited the financial statements of AVT Natural North America Inc. as of and for the year ended March 31, 2026, and our report thereon dated May 08, 2026, which expressed an unmodified opinion on those financial statements, appears on pages 1 & 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedule A: Statement of cost of goods sold and Schedule B: Statement of operating expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chugh CPAs LLP

Chugh CPAs LLP

Santa Clara, CA

May 08, 2026

AVT NATURAL NORTH AMERICA, INC.
SCHEDULE A
COST OF GOODS SOLD
FOR THE YEAR ENDED MARCH 31, 2026

Cost of goods sold	9,281,499
Freight & clearing	169,307
Warehousing expenses	25,957
TOTAL COST OF GOODS SOLD	<u><u>\$ 9,476,763</u></u>

AVT NATURAL NORTH AMERICA, INC.
SCHEDULE B
OPERATING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2026

Bank service charges	\$ 7,044
Commission	13,394
Depreciation expense	231
Guarantee commission	25,000
Insurance	25,613
Interest	41,349
Legal & professional expenses	232,540
Office expense	1,259
Selling & marketing expense	309
Rates & taxes	7,363
Taxes - payroll	13,964
Telephone	2,197
Travel expenses	40,268
Employee salary	188,328
TOTAL OPERATING EXPENSES	<u><u>\$ 598,860</u></u>