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PYLANIA AG

GRENCHE, CANTON SOLOTHURN

**Auditors' report and financial statements
To the General meeting
As at 31 March 2026**



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Report of the statutory auditor on the financial statements to the general meeting of Pylania AG

As statutory auditor, we have audited the accompanying financial statements of Pylania AG, which comprise the balance sheet, income statement and notes for the year ended 31.03.2026.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements for the year ended 31.03.2026 comply with Swiss law and the company's articles of incorporation.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Swiss Law in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in Switzerland, of the state of affairs of the Company as at March 31, 2025, its profit and loss for the year ended on that date.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

Concerning the existence of a system of internal control, please refer to the notes to the financial statement.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Cortailod, 11th May 2026

Antoine Deuber
Licensed audit expert
Auditor in charge

Enclosed : Financial statement (balance sheet, income statement and notes)

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BALANCE SHEET

ASSETS	Notes	31.03.2026 CHF	31.03.2025 CHF
<u>CURRENT ASSETS</u>			
<u>Liquid Funds</u>			
Banks accounts		848'586	204'545
<u>Total Liquid Funds</u>		848'586	204'545
<u>Trade receivables</u>			
Trade receivables - Third parties		394'754	196'201
Trade receivables - Intercompany		136'291	108'543
<u>Total trade receivables</u>	3	531'046	304'744
<u>Other current receivables</u>			
Deposit		22'500	2'500
Guarantees		30'000	30'000
Advance to Group Companies		50'000	50'000
Transitories assets		38'735	9'705
VAT receivable		9'106	0
<u>Total other current receivables</u>		150'341	92'205
<u>Inventory</u>	4	109'450	152'854
<u>Total Current assets</u>		1'639'422	754'348
<u>NON-CURRENT ASSETS</u>			
<u>Financial assets</u>			
Participations	5	3'281'400	396'000
Loan to Estima AG		1'139'021	602'288
Subordinated Loan to Estima AG		0	2'880'000
<u>Total financial assets</u>		4'420'421	3'878'288
<u>Fixed assets</u>			
Infrastructure and tangible asset	6	1'500	12'000
Machines, Equipment, Furniture	7 (a+b+c)	523'962	202'800
Vehicles	8	0	4'000
Products developments	9	230'700	77'570
CWIP		0	5'894
<u>Total fixed assets</u>		756'162	302'263
<u>Total Non-Current assets</u>		5'176'583	4'180'551
TOTAL ASSETS		6'816'005	4'934'900

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BALANCE SHEET

LIABILITIES AND EQUITY		31.03.2026 CHF	31.03.2025 CHF
<u>Trade payables</u>			
Trade payables -Third parties		69'605	20'189
Intercompany		493'928	204'070
VAT payable		0	10'327
Accrued liabilities	10	2'532	96'000
<u>Total trade accounts payables</u>		566'065	330'586
<u>Long term liabilities</u>			
Loan from banks		2'380'000	1'550'000
Loan third parties		101'500	101'500
Loan from Group Co.		1'077'164	351'007
<u>Total other liabilities</u>		3'558'664	2'002'507
<u>Total Liabilities</u>		4'124'729	2'333'093
<u>SHAREHOLDERS EQUITY</u>			
<u>Share capital</u>	11	2'000'000	2'000'000
<u>Capital form agios</u>		450'000	450'000
<u>Retained earnings</u>			
Profit brought forward		151'807	-19'026
Profit of the period		89'469	170'833
<u>Total retained earnings</u>		241'276	151'807
<u>Total Shareholders' Equity</u>		2'691'276	2'601'807
TOTAL LIABILITIES AND EQUITY		6'816'005	4'934'900

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PROFIT AND LOSS STATEMENT

	01.04.2025 31.03.2026 CHF	01.04.2024 31.03.2025 CHF
Income		
Net sales	<u>2'217'804</u>	<u>1'566'864</u>
Expenses		
Cost of goods sold	<u>-1'595'562</u>	<u>-991'809</u>
Operating margin	622'242	575'056
Staff costs - salaires & wages	-90'713	-58'252
Maintenance costs	0	-43'899
Rental expenses	-106'528	-40'000
Administrative expenses	-173'350	-112'427
Depreciation	-68'262	-26'399
Financial expenses	-86'071	-88'990
Foreign exchange gains	-10'222	2'735
Financial incomes	42'133	11'777
<u>Total expenses</u>	-493'013	-355'455
Other extraordinary charges	0	0
Other extraodrinary incomes	0	5'000
Tax expenses	-39'760	-53'768
NET PROFIT	<u>89'469</u>	<u>170'833</u>

PYLANIA AG

Notes to the annual financial statements as at 31.03.2026

1. GENERAL

The purpose of the company is to develop, produce and trade in watches, watch components and similar precision techniques, as well as to hold, manage and control predominantly foreign companies and licenses in the analogous business area. The company can participate in the same or similar companies, set up agencies, branches and subsidiaries at home and abroad and carry out any activity that is suitable for promoting the purpose of the company, in particular also acquiring machines, facilities, land and real estate, encumber and sell, provided they serve the company purpose described above.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting basis - The financial statements have been prepared in accordance with the provisions of the Swiss Code of Obligations and in respect with the Notified Accounting Standards by Companies (Accounting Standards) Rules 2015.

Translation of foreign currencies - The Company's books and records are maintained in Swiss Francs (CHF). Assets and liabilities in foreign currencies are translated into Swiss Francs at the daily rate of exchange ruling. Gains and losses are recognized in the income statement.

Inventories - Inventories are valued at acquisition cost, less any provisions

Intangible assets - Intangible assets were composed of : Patents, which have been amortised and subsidiary less provision.

Fixed assets - Fixed assets are stated at acquisition cost less accumulated depreciation. Depreciation has been provided on Written Down value Method.

Revenue Recognition - Sale of goods : Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and are recognised net of trade discount, rebates, sale tax and excise duties.

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claims are fulfilled.

Dividend income is recognised when the shareholder's right to receive payment is established.

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Notes to the annual financial statements as at 31.03.2026

SIGNIFICANT ACCOUNTING POLICIES

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

Use of estimates - In preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

Lease - Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

Investments - Long-term investments are carried at 'cost'. However, the provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Tax provision - Income-tax expense comprises Current Tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

Impairment of assets - At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

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Notes to the annual financial statements as at 31.03.2026

3 . ACCOUNT RECEIVABLES - ALLOWANCE FOR DOUBTFUL DEBTS

The company did not identify any risk on the receivables, there is not provision made on the debtors.
The Standard credit period varies from 30 days to 90 days and there is no factoring agreement made by the company Pylania AG.

4 . INVENTORIES

	<u>2026/2025</u>	<u>2025/2024</u>
Inventories	109'450	152'854
Work in process (WIP)	-	-
Total	<u>109'450</u>	<u>152'854</u>

Inventories are valued at acquisition costs, less a provision for obsolete items if necessary.

No provision are necessary at March 31st.

There were not inventory written off during the period under control

There is no hidden reserve as at 31st March 2026

5 . PARTICIPATION SUBSIDIARY

Equity participations					
Name and legal form	Votes	Regist. Office	2026		2025
			Capital (CHF)	Votes	Capital (CHF)
Estima SA	31.28%	CH	3'281'400	30.00%	396'000
Total			3'281'400		396'000

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Notes to the annual financial statements 31.03.2026

6 . TANGIBLE ASSETS	<u>2026/2025</u>	<u>2025/2024</u>
Infrastrucutre and facilities - Open balance 01.04.	12'000	15'000
+ addition during the year	0	0
- Disposal during the year	0	0
Book value before amortisation	12'000	15'000
-Amortisation during the year	-10'500	-3'000
Net book value at end of the period	1'500	12'000
7 (a) <u>Machinery, equipment, furniture - Open balance 01.04.</u>	<u>2026/2025</u>	<u>2025/2024</u>
Open balance as at 01.04.	201'800	157'000
+ addition during the year	188'548	86'013
- Disposal during the year	0	-20'000
Book value before amortisation	390'348	223'013
-Amortisation during the year	-40'347	-21'213
Net book value at end of the period	350'001	201'800
7 (b) <u>EDP hard and software - Open balance 01.04.</u>	<u>2026/2025</u>	<u>2025/2024</u>
Open balance as at 01.04.	1'000	0
+ addition during the year	2'191	1'385
- Disposal during the year	0	0
Book value before amortisation	3'191	1'385
-Amortisation during the year	-1'391	-385
Net book value at end of the period	1'800	1'000
7 (c) <u>Capital Work in Progress</u> <u>(Lease Hold Improvement under development)</u>	<u>2026/2025</u>	<u>2025/2024</u>
Lease hold improvements - Open balance as at 01.04.	5'894	5'894
- accumulation amortisation	0	0
- Disposal during the year	166'268	0
Book value before amortisation	172'161	5'894
Adjustment of Fair value of Property	0	0
-Amortisation during the year	0	0
Net book value at end of the period	172'161	5'894

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Notes to the annual financial statements 31.03.2026

8 .	<u>Vehicles - Open balance 01.04.</u>	<u>2026/2025</u>	<u>2025/2024</u>
	Open balance as at 01.04.	4'000	5'800
	+ addition during the year	0	0
	- Disposal during the year	0	0
	Book value before amortisation	4'000	5'800
	-Amortisation during the year	-4'000	-1'800
	Net book value at end of the period	0	4'000

9 INTANGIBLE ASSETS

Product Development : Technical know-how (Under development) for the development of Stone Dials

Open balance as at 01.04.	77'570	0
+ addition during the year	165'154	77'570
- Disposal during the year	0	0
Book value before amortisation	242'724	77'570
-Amortisation during the year	-12'024	0
Net book value at end of the period	230'700	77'570

10	<u>ACCRUED EXPENSES AND PROVISIONS</u>	<u>2026/2025</u>	<u>2025/2024</u>
	Current charges	2'532	0
	Taxes	0	96'000
	Total	2'532	96'000

11 SHARE CAPITAL

20'000 registered shares at a nominal value of CHF 100.- each (nominal value CHF 2'000'000.-)

Equity participations					
Name and legal form	Votes	Regist. Office	2026		2025
			Capital (CHF)	Votes	Capital (CHF)
KDDL Limited	100.00%	India	2'000'000	100.00%	2'000'000
Total			2'000'000		2'000'000

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Notes to the annual financial statements 31.03.2026

12 RISK ASSESSMENT

Risk management is linked with the Company's strategy. Monitoring and controlling system as well as the "Early-Warning" platform allows the Company to identify and to act by anticipation on events, which could affect the Company.

Process regarding risk assessment reviews have been allocated to the various service lines as follows:

situations at risk are assessed regularly using standard processes and compared to similar requirements. Measures can be initiated by anticipation if threats would happen; responsible people have to report without delay to the Board of directors of any relevant changes on identified risks;

markets are constantly observed and permanent contacts are kept with clients, suppliers and banks. This allows identifying and reacting rapidly to any changes on commercial environment.

Integrated information and controlling systems support risk management measures. Based on quarterly financial reports, variations compared to budget are identified and analysed.

Risk management has been delegated to the management by the Board of directors. At least once a year, the approach, documentation summary, as well as risk data base are reviewed by the Board of directors with the management

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PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

	2025-2026	2024-2025
	CHF	CHF
Accumulated result	151'807	-19'026
Transfer from Revaluation reserve		
Profit/ (Loss) for the year	89'469	170'833
Amount to be carried forward	241'276	151'807