CUMI USA Inc.
Consolidated Financial Statements
March 31, 2026

America Counts on CPAs

KNAV CPA LLP
Certified Public Accountants

One Lakeside Commons, Suite 850
990 Hammond Drive NE, Atlanta, GA 30328

CUMI USA Inc.

TABLE OF CONTENTS

Independent Auditor’s Report

To the Board of Directors,
CUMI USA Inc.

Opinion

We have audited the consolidated financial statements of CUMI USA Inc. (“the Holding Company”) and its wholly-owned subsidiary (collectively referred to as the “Company”) which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, changes in stockholder’s equity, and consolidated cash flow for the year then ended, and the related notes to the consolidated financial statements (collectively called as ‘consolidated financial statements’).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2026, and the consolidated results of its operations and its cash flow for the years 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 (GAAS). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are required to be independent of the Company 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.

The consolidated financial statements of the Company for the period ended March 31, 2025, were audited by a predecessor auditor. That auditor issued an unmodified opinion on those financial statements in a report dated May 6, 2025.

Responsibilities of management for the consolidated financial statements

The Company’s management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

KNAV CPA LLP
Certified Public Accountants
One Lakeside Commons, Suite 850, 990 Hammond Drive NE, Atlanta, GA 30328 T 1 678 584 1200 F 1 770 676 6082 E: admin@knavcpa.com

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 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 consolidated 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 consolidated 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 consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

KNAV CPA LLP

Atlanta, Georgia
May 11, 2026

KNAV CPA LLP
Certified Public Accountants
One Lakeside Commons, Suite 850, 990 Hammond Drive NE, Atlanta, GA 30328 T 1 678 584 1200 F 1 770 676 6082 E: admin@knavcpa.com

Consolidated Financial Statements

Consolidated balance sheet

(All amounts in United States Dollar, unless otherwise stated)

	As at March 31, 2026
ASSETS	
Current Assets:	
Cash	1,327,415
Accounts Receivable, net	613,379
Inventories	755,205
Other Current Assets	30,170
Total Current Assets	**2,726,169**
Property and equipment, net	1,649,247
Goodwill	1,725,500
Intangible Assets	1,782,000
Total Non-Current Assets	**5,156,747**
Total Assets	**7,882,916**
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current liabilities	
Accounts payables	227,638
Other current liabilities	144,565
Total Current liabilities	**372,203**
Deferred tax liabilities, net	26,750
Total Non - Current liabilities	**26,750**
Total Liabilities	**398,953**
Stockholder's Equity:	
Equity	7,100,000
Accumulated surplus	383,963
Total Stockholder's Equity	**7,483,963**
Total Liabilities & Stockholder's Equity	**7,882,916**

Consolidated statement of income
(All amounts in United States Dollar, unless otherwise stated)

	For the year ended March 31, 2026
Revenue from operations	**4,725,102**
Cost of revenues	(2,700,565)
Gross profit	**2,024,537**
Selling, general and administrative expenses	(1,605,400)
Income from operations	**419,137**
Other income	5,568
Net profit before income taxes	**424,705**
Income taxes	(98,105)
Net profit	**326,600**

Consolidated statement of stockholder's equity
(All amounts in United States Dollar unless otherwise stated)

Particulars	Common Stock Shares	Common Stock Amount	Retained Earnings	Total Stockholder's Equity
Balance as at October 2, 2024				
Common stock issuance	71,000	7,100,000	-	7,100,000
Net profit		-	57,363	57,363
Balance as at March 31, 2025	**71,000**	**7,100,000**	**57,363**	**7,157,363**
Net profit	-	-	326,600	326,600
Balance as at March 31, 2026	**71,000**	**7,100,000**	**383,963**	**7,483,963**

Consolidated statement of cash flow

(All amounts in United States Dollar unless otherwise stated)

Particulars	For the year ended March 31, 2026
Cash flow from Operating activities	
Net Profit for the year	326,600
Adjustments to reconcile net profit to net cash generated from operating activites :	
Deferred income tax expenses	26,614
Depreciation and amortisation	489,807
Changes in assets and liabilities:	
- Inventory	(47,763)
- Accounts receivable	(166,352)
- Other current assets	23,262
- Accounts payables & other current liabilities	197,470
Net cash generated from operating activities	**849,638**
Cash flow from Investing activities	
Additions to Property and equipment	(148,904)
Net cash used in investing activities	**(148,904)**
Cash from Financing activities	-
Net cash flow from financing activities	**-**
Net increase in cash	700,734
Cash, beginning of year	626,681
Cash, end of year	**1,327,415**

Notes to consolidated financial statements

1 Nature of operations

On October 2, 2024, CUMI USA Inc ("the Holding Company"), Delaware based company, acquired 100% of the membership units of Silicon Carbide Products, LLC (collectively referred to as the "Company"). The ultimate parent company is Carborundum Universal Limited, India.

The Company is a manufacturer of ceramic components for high stress industrial applications and serves original equipment manufacturers and engineering/fabrication companies worldwide.

2 Summary of Significant accounting policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The consolidated financial statements are for the year ended March 31, 2026. All amounts are stated in United States Dollars, except as otherwise specified.

Going concern

The Company has prepared its financial statements assuming that the Company will continue as a going concern.

For the financial year ended March 31, 2026, the Company recorded a net profit of $326,600. During the same period, the Company generated positive operating cash flows of $849,638. As of March 31, 2026, the Company reported total stockholders' equity of $7,483,963, indicating no stockholders' deficit.

Principles of Consolidation

The consolidated financial statements include the accounts of CUMI USA, Inc. and its wholly owned subsidiary, Silicon Carbide Products, LLC. All significant intercompany account balances and transactions have been eliminated in consolidation.

Cash

Cash comprises cash at bank.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable represent customer obligations arising from normal trade terms. The Company performs ongoing evaluations of customer creditworthiness and generally does not require collateral. Accounts receivable are primarily derived from customers within the industries served. At each reporting date, the Company assesses expected credit losses using a pooled approach for receivables with similar risk characteristics, while balances that no longer share those characteristics are evaluated individually. The estimate considers historical loss experience, current conditions, and reasonable forecasts of future economic conditions. Based on management's evaluation, including a history of timely collections, low write-offs, strong customer credit quality, and no significant adverse changes in economic conditions, no allowance for expected credit losses has been recorded as of March 31, 2026.

Inventory

Inventories are stated at a lower of cost or net realizable value, with the cost determined using the First in First out (FIFO). Raw materials and packing materials are valued at cost. Cost includes all the appropriate allocable overheads. The cost in the case of work-in-progress and finished goods comprises direct labour, material, cost, and production overheads. Work-in-progress and finished goods are valued at lower of cost or market value after providing for obsolescence and other losses. These assumptions require the Company to analyse the aging of and forecasted demand for its inventory, forecast future product sales prices, pricing\ trends, and margins, and to make judgments and estimates regarding obsolete or excess inventory. Future product sales prices, pricing trends, and margins are based on the best available information at that time, including actual orders received, negotiations with the Company's customers for future orders, including their plans for expenditures, and market trends for similar products. The Company's judgments and estimates for excess or obsolete inventory are based on an analysis of actual and forecasted usage. The Company makes adjustments to its inventory reserve based on the identification of specific situations and increases its inventory reserves accordingly. As further changes in future economic or industry conditions occur, the Company will revise the estimates that were used to calculate its inventory reserves

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Property and equipment, including major renewals and betterments, are recorded at cost and are depreciated using the straight-line method over their estimated useful lives. Costs for repairs and maintenance are expensed as incurred. Upon retirement or disposal of an asset, the cost and related accumulated depreciation are eliminated and any gain or loss is included in statement of income.

The estimated useful life used to determine depreciation is:

Building	39 years
Production equipment	3 to 15 years
Furniture, fixtures and office equipment	3 to 15 years

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. The Company noted no events or circumstances that indicated that the carrying value of assets may not be recoverable as of March 31, 2026.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business combination. The Company evaluates the carrying value of goodwill on an annual basis and upon the occurrence of events or circumstances that would more likely than not reduce the fair value below its carrying amount. Impairment, if any, will be recognized for the difference between the fair value of the Company and its carrying amount and will be limited to the carrying amount of goodwill.

Intangible Assets

The Company's intangible assets consist of brand name, customer relationships, intellectual property, and non-compete agreements. Intangible assets have finite useful lives and are being amortized on a straight-line basis over the estimated useful lives of the assets. The Company periodically evaluates the reasonableness of the useful life of these intangible assets. The Company had no impairment of intangible assets during the year ended March 31, 2026.

The estimated useful life used to determine amortization is:

Brand	10 years
Customer Relationships	6 years
Intellectual property	4 years
Non-Compete agreement	5 years

Leases

The Company determines if an arrangement is a lease at inception. For all underlying classes of assets, the Company has elected to not recognize right-of-use (ROU) assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred. The Company incurred short-term lease expense of $37,708 during the year ended March 31, 2026.

Revenue Recognition (Point in Time)

The majority of the Company's revenues are generated by delivery of products to the Company's customers and recognized at a point in time based on the Company's evaluation of when the customer obtains control of the products. Revenue is recognized when all performance obligations under the terms of a contract with the Company's customer are satisfied, and control of the product has been transferred to the customer. The Company's revenue represents sales of finished goods with shipping terms ex-factory/ex-works wherein the goods are made available at Company's factory location to be picked up by the customers. The performance obligation is met at the time of goods being made available for pick up by customers. If customer acceptance clauses are present and it cannot be objectively determined that control has been transferred, revenue is only recorded when customer acceptance is received and all performance obligations have been satisfied. Sale of goods typically do not include multiple product and/or service elements. The Company does not typically have any significant financing components as payment is received shortly after the point of sale.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods. Generally, sales are collected within two months following satisfaction of a performance obligation. At the time revenue is recognized, allowances are recorded, with the related reduction to revenue, for estimated product returns, allowances and price discounts based upon historical experience and related terms of customer arrangements.

Shipping and Handling

The Company considers all shipping and handling to be fulfilment activities and not a separate performance obligation. Shipping and handling costs are recorded as costs of revenues.

Sales and Other Taxes

Sales tax, value-added tax, and other taxes the Company collects concurrent with revenue producing activities are excluded from revenue.

Incremental Costs

The Company has availed itself of the practical expedient available under Accounting Standards Codification (ASC) 606 to make a policy election to expense incremental costs of obtaining a contract with a customer, such as sales commissions, as the amortization period of such costs would be one year or less.

Advertising

Advertising costs are expensed as incurred and amounted to $1,301 for the year ended March 31, 2026.

Research and Development Costs

Research and development costs are expensed to operations as incurred and are included in costs of revenues in the accompanying consolidated statement of income. Total research and development expense amounted to $49,217 for the year ended March 31, 2026

Income Taxes

In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. 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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

Estimates

The preparation of consolidated financial statements in accordance 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 as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include but are not limited to, allowance on obsolescence of inventories, allowance for expected credit loss, determination of useful lives for tangible fixed assets, intangible assets and determination of recoverability of goodwill, at the balance sheet dates represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3 INVENTORIES

Inventories consists of the following at March 31, 2026:

	As at March 31, 2026
Raw material	205,543
Work-in progress & Finished goods	479,469
Stores & Spares	70,193
	755,205

4 PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following at March 31, 2026:

	As at March 31, 2026
Building	980,000
Land	370,000
Production equipment	293,562
Furniture & Fixtures & office equipment	119,442
Sub-total	**1,763,004**
Less: Accumulated depreciation	113,757
Property and equipment, net	**1,649,247**

Depreciation expense for the year ended March 31, 2026 was $81,807.

5 INTANGIBLE ASSETS

Intangible assets consisted of the following at March 31, 2026:

	Life years	Gross carrying amount	Accumulated amortisation	Net carrying amount
Brand Name	10	240,000	34,000	206,000
Customer relationship	6	1,650,000	389,586	1,260,414
Intellectual Property	4	300,000	106,250	193,750
Non Compete	5	170,000	48,164	121,836
		2,360,000	**578,000**	**1,782,000**

Amortization expense related to intangible assets totalled $408,000 for the year ended March 31, 2026.
The Company expects to amortize intangible assets in the future fiscal years as follows at March 31, 2026:

	As at March 31, 2026
2027	408,000
2028	408,000
2029	376,750
2030	318,833
Thereafter	270,417
	1,782,000

GOODWILL ON CONSOLIDATION

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a business combination. The Company evaluates the carrying value of goodwill on an annual basis and upon the occurrence of events or circumstances that would more likely than not reduce the fair value below its carrying amount. Impairment, if any, will be recognized for the difference between the fair value of the Company's goodwill and its carrying amount and will be limited to the carrying amount of goodwill. The Company had no impairment of goodwill as of March 31, 2026 as recoverable undiscounted cashflows were higher than carrying amount.

6 LINE OF CREDIT

On January 7, 2025, the Company entered into a line of credit agreement with a financial institution with a borrowing limit of the lesser of $700,000 or 75% of eligible accounts receivable plus 30% raw material inventory plus 50% finished goods inventory; interest is charged at the prime rate plus 0.50% and amounts borrowed are collateralized by the Company's assets. There were no amounts outstanding under the terms of the line of credit agreement at March 31, 2026.

Under the terms of the line of credit agreement, the Company is required to maintain a current ratio in excess of 2.0 which is evaluated as of year end. The Company was in compliance with this financial covenant at March 31, 2026.

7 OTHER CURRENT LIABILITIES

	As at March 31, 2026
Accrued expenses	48,817
Employee related liabilities	55,296
Provision for taxes	40,452
Total	**144,565**

8 STOCKHOLDER'S EQUITY

The Company is authorized to issue 100,000 shares of common stock, with $100 par value. As of March 31, 2026, there were 71,000 shares of common stock issued and outstanding.

9 REVENUE

Revenue for the year ended March 31, 2026:

	For the year ended March 31, 2026
Net revenue	4,725,102
Total	**4,725,102**

Disaggregated revenue information:	For the year ended March 31, 2026
Type of goods sold	
Sale of manufactured products	4,725,102
Total	**4,725,102**
Timing of revenue recognition	
Goods transferred at a point of time	4,725,102
Total	**4,725,102**
Location of revenue recognition	
United States of America	4,724,893
India	212
Total	**4,725,105**

The Company follows Ex-works (EXW) terms, meaning its responsibility ends once the goods are made available at its facility. Control and risk transfer to the customer at the point of pickup, and the buyer manages all transportation thereafter. Accordingly, revenue is recognized when the goods are handed over at the Company's premises.

10 **INCOME TAXES**

For the period ended March 31, 2026, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in
The components of the provision for
income taxes are as follows:

Particulars		Book Basis
Current taxes		
Federal		64,617
State		6,874
Deferred taxes		
Federal		24,083
State		2,531
Provision for income taxes		**98,105**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at March 31, 2026
Non-current deferred tax asset:	
263A UNICAP	4,292
Intangible Assets	39,303
Total deferred tax asset	**43,595**

	As at March 31, 2026
Non-current deferred tax liability:	
Property & Equipment	70,345
	70,345
Net deferred tax liability	**(26,750)**

The management has recognized the deferred tax liability of $26,750 as at 31st March 2026 .

11 **RELATED PARTY**

Name of Related party and nature of relationships
Carborundum Universal Limited, India - Ultimate parent company

The Company purchases materials from Carborundum Universal Limited ("CUMI"), which owns 100% of the outstanding shares of CUMI USA Inc. common stock. The Company purchased materials totalling $161,537 and sold goods totalling to $212 for the year ended March 31, 2026. The balance outstanding as at March 31, 2026 is $75,178.

12 **RETIREMENT PLAN**

The Company maintains a profit-sharing plan that covers substantially all employees. The plan includes 401(k) salary deferral provisions allowing employees to elect deferral of a percentage of their compensation, limited to the annually determined Federal limits. The Company matches 100% of employees' deferrals on the first 3% of their compensation, and then 50% of employees' deferrals between 3% and 5%. The Company may make contributions to the Plan on a discretionary basis. The Company made contributions of $ 48,566 to the Plan for the year ended March 31, 2026.

13 **CONCENTRATIONS**

The Company had sales to three customers which accounted for approximately 7% of total revenues for the year ended March 31, 2026. Accounts receivable from these three customers amounted to 56% of the Company's accounts receivable balance at March 31, 2026.

The Company had three vendors which accounted for approximately 51% of its material purchases for the year ended March 31, 2026. Two of these vendors and one other accounted for approximately 63% of the Company's accounts payable balance at March 31, 2026.

14 **RISK AND UNCERTAINITES**

The Company's future results of operations involve several risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from expectations include competitive factors, but not limited to pricing pressures; deterioration in general economic conditions; the Company's ability to effectively manage operating costs and increase operating efficiencies; declines in revenues; technological and market changes; the ability to attract and retain qualified employees and the Company's ability to execute on its business plan.

15 **SUBSEQUENT EVENTS**

The Company has evaluated subsequent events for recognition and disclosure through May 11, 2026, the date on which these consolidated financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 31, 2026 that require recognition or disclosure in the consolidated financial statements.