

ARS ASSOCIATES LLC

Panacea Biotec Inc.

Audit of Financial Statements

For the period April 1, 2025 to March 31, 2026

Anand Sanghavi, CPA
ARS Associates LLC

ARS ASSOCIATES LLC

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ARS ASSOCIATES LLC

Independent Accountant's Audit Report

To the Board of Directors,
Panacea Biotec Inc.

Opinion

We have audited the accompanying financial statements of Panacea Biotec Inc. which comprise the balance sheet as of March 31, 2026, and Income Statement for the year ended March 31, 2026, Cash flow statement for the year end March 31, 2026, shareholder's equity 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 Panacea Biotec Inc as of March 31, 2026, and the results of its operations for the year then ended are 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). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. We are required to be independent of Panacea Biotec Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 aggregate, that raise substantial doubt about the company's ability to continue as a going concern for 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 the GAAS 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

ARS ASSOCIATES LLC

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 the Firm'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 the Firm'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.

Anand Sanghvi, CPA
KALISPELL, MT

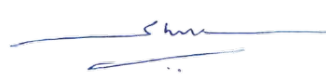
26th May, 2026

PANACEA BIOTEC INC.
For the Year Ended March 31, 2026

PANACEA BIOTEC INC.
BALANCE SHEET
MARCH 31, 2026

	<u>31 ST MARCH, 2026</u>
Assets	
<u>Current assets</u>	
Cash and Cash Equivalents	\$ 517,998
Total Current Asset	<u>517,998</u>
<u>Non Current Assets</u>	
Property and Equipment, Net	-
Intangibles - net	17,707
Total Non Current Assets	<u>17,707</u>
 Total Assets	 <u>\$ 535,705</u>
 Liabilities and Stockholders' Equity	
<u>Current liabilities</u>	
Accounts Payable	2,500
Total Current Liabilities	<u>2,500</u>
 Total Liabilities	 <u>2,500</u>
<u>Stockholders' Equity/(Deficit)</u>	
Common Stock	563
Additional Paid-in Capital	999,438
Retained Earnings / (Deficit)	(466,796)
Total Stockholders' Equity	<u>533,205</u>
 Total Liabilities and Stockholders' Equity	 <u>\$ 535,705</u>

The accompanying notes to financial statements are an integral part of this statement.



PANACEA BIOTEC INC.
For the Year Ended March 31, 2026

PANACEA BIOTEC INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

	USD From 1st April 2025 to 31st March 2026
Income	
Revenue	\$ -
Revenue from Operation	<u>-</u>
Cost of goods sold	
Supplies and Material	-
Gross Profit	<u>-</u>
Operating expenses	
Depreciation and Amortisation	5,074
Employee Benefit Expenses	134,493
Insurance Expenses	9,829
Legal & accounting Expenses	10,958
General and administrative expenses	122,797
Total Operating Expenses	<u>283,151</u>
Profit/(Loss) From Operations	<u>(283,151)</u>
Other income/(expenses)	
Interest Income	16,774
Other income	11,620
Total other income/(expense)	<u>28,394</u>
Income Before tax expense	<u>(254,757)</u>
Taxes Paid	-
Net Income (Loss)	<u>\$ (254,757)</u>

The accompanying notes to financial statements are an integral part of this statement.

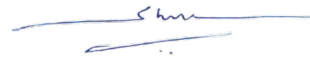


PANACEA BIOTEC INC.

For the Year Ended March 31, 2026

**PANACEA BIOTEC INC.
STATEMENT OF CHANGES IN STOCK HOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2026**

Particular	COMMON STOCK	Additional Paid in Capital	RETAINED EARNINGS	TOTAL
STOCK HOLDERS' EQUITY (DEFICIT) APRIL 01, 2025	563	999,438	(212,039)	787,962
Addition During the Year	-	-	-	-
Net (Loss)/Profit	-	-	(254,757)	(254,757)
STOCK HOLDERS' EQUITY (DEFICIT) MARCH 31, 2026	<u>563</u>	<u>999,438</u>	<u>(466,796)</u>	<u>533,205</u>



PANACEA BIOTEC INC.

For the Year Ended March 31, 2026

**PANACEA BIOTEC INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026**

FSLI	31ST MARCH, 2026
Cash flows from operating activities:	
Net income (loss)	\$ (254,757)
Adjustments to reconcile net income (loss) to net cash used in operating activities:	
Interest Income	(16,774)
Depreciation and Amortisation	5,074
Assets Written off	12,917
Balances Written off	1,400
Balances Written back	(11,571)
Changes in operating assets and liabilities:	
Inventories	591
Accounts payable	9,071
Credit Card	10,314
Other current liabilities	(12,170)
Cash generated from operations	(255,905)
Cash flows from investing activities:	
(Increase) Decrease in:	
Purchase of Intangible	(7,892)
Purchase/Sale of Tangible Asset	145
Net cash used in investing activities	(7,747)
Cash flows from financing activities:	
Increase (Decrease) in:	
Interest Income	16,774
Net cash provided by financing activities	16,774
Net change in cash and cash equivalents	(246,878)
Cash and cash equivalents at beginning of period	764,876
Cash and cash equivalents at end of period	\$ 517,998

PANACEA BIOTEC INC.

Notes to financial statements
For the year ended March 31, 2026

1. ORGANIZATION AND NATURE OF BUSINESS

Panacea Biotec Inc. (the "Company") is a pharmaceutical and biotechnology company and forms part of the Panacea Biotec group which is incorporated on April 09, 2024. The Company is engaged in the development, manufacturing, and commercialization of pharmaceutical products, vaccines, biosimilars, and specialty healthcare products. Its operations are supported by strong research and development capabilities, focusing on innovation-driven solutions across preventive and therapeutic healthcare segments. The Company's business activities include research and clinical development, regulatory approvals, manufacturing (directly or through contract manufacturing), marketing, licensing, and distribution of healthcare products in domestic and international markets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention and accrual basis of accounting.

d) Balance sheet classification

Assets and liabilities are classified as current or non-current based on their expected realization or settlement within one year from the balance sheet date.

e) Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. The Company maintains cash balances with financial institutions that management believes to be of high credit quality. Cash balances may, at times, exceed federally insured limits.

f) Expenses and Accruals

Expenses are recognized on an accrual basis and are accounted for in the period to which they relate. Liabilities for expenses are provided where goods or services have been received but not yet billed.



PANACEA BIOTEC INC.

Notes to financial statements
For the year ended March 31, 2026

g) Trade Payables

Trade payables represent amounts owed to vendors and service providers for goods and services received in the ordinary course of business. These liabilities are recorded at their invoiced amounts or at estimated amounts when invoices are not yet received. Trade payables are classified as current liabilities and are settled in accordance with normal credit terms.

h) Income Taxes

The Company has elected to be taxed as a C corporation for U.S. federal and applicable state income tax purposes.

Income taxes are accounted for under asset and liability method.

Deferred tax assets are recognized for temporary differences and net operating loss carryforwards. A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized.

The Company assesses the realizability of deferred tax assets based on available evidence, including historical operating results, future taxable income projections, and the expected reversal of temporary differences. Where sufficient taxable income is not expected to be generated, a full valuation allowance is recorded.

3. Cash and Cash Equivalents

Cash and cash equivalents represent balances held in checking accounts maintained with financial institutions. As of March 31, 2026, the Company's cash and cash equivalents amounted to \$517,998. The balances are held with banks that management believes to be of high credit quality. Cash balances may, at times, exceed federally insured limits. As of March 31, 2026, the Company had uninsured cash balances of \$264,916.

4. Valuation of Accounts Receivable

Accounts receivable represents amounts due from customers for services rendered. As of March 31, 2026, trade receivables totaled \$0.

5. Property, Equipment and Intangible Asset

Property, Equipment and Intangible Assets are measured at acquisition cost and are valued at cost less accumulated depreciation/amortization and impairment, if any.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Assets	Useful life
Computer & Devices	6
Furniture & fixtures	10
Long-term office equipment	5
Brand Development - SitSimply	7



PANACEA BIOTEC INC.

Notes to financial statements
For the year ended March 31, 2026

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is assessed by comparing the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If the carrying amount exceeds the undiscounted cash flows, an impairment loss is recognized equal to the amount by which the carrying value exceeds the asset's fair value.

During the current year, the Company has written off all Property & Equipment, as the carrying value of such assets was determined to be unrecoverable and exceeded their fair value.

6. Impairment of Property, Equipment and Intangible Asset:

The Company reviews property and equipment used in operations for impairment when there is an event or change in circumstances that indicates impairment in value. An impairment is recognized if the carrying amount of assets is not recoverable and exceeds its fair value. If such impairment is present, an impairment loss is recognized based on the excess of the carrying amount of the assets over their fair value in accordance with accounting principles generally accepted in the United States of America ("GAAP").

7. Property and equipment:

Property and equipment consist of the following at March 31, 2026.

FSLI	Amount
Computer and Devices	\$ 7,423
Furniture and Fixtures	6,376
Long-Term Office Equipment	1,242
Accumulated depreciation	(2,123)
Impairment	(12,917)
Total	\$ -

8. Intangible assets:

Intangibles Asset consist of the following at March 31, 2026.

FSLI	Amount
Brand Development – SitSimply	\$ 20,658
Accumulated Amortization	(2,951)
Total	\$ 17,707

9. Other Current Assets:

Other Current Assets represent security deposit balances amounting to \$0 as at March 31, 2026, as the related lease agreements were terminated during the current year and the security deposits are no longer recoverable. Accordingly, the same has been written off during the current year.



PANACEA BIOTEC INC.
Notes to financial statements
For the year ended March 31, 2026

10. Account Payable:

Accounts payable as of March 31, 2026 are \$ 2,500 primarily consist of vendor payables and accrued expenses related to general business expenses incurred prior to year-end but paid subsequent to the balance sheet date.

11. Employee Benefit Expenses:

Employee Benefit Expenses comprise of the following:

FSLI	Amount
Payroll Fees	\$ 3,195
Taxes	7,620
Wages	123,678
Total	\$ 134,493

12. Legal & Accounting Expense:

Legal & Accounting Expense comprise of the following:

FSLI	Amount
Accounting Fees	\$ 3,959
Legal Subscription	4,792
Legal Fees	2,207
Total	\$ 10,958

13. General Business Expenses:

General Business Expenses comprise of the following:

FSLI	Amount
Business licenses	\$ 14,118
Donation	1,995
Meals	224
Office supplies	2,711
Shipping & postage	1,319
Software & apps	18,255
Building Rent	40,978

PANACEA BIOTEC INC.

Notes to financial statements
For the year ended March 31, 2026

FSLI	Amount
Security	1,760
Airfare	2,691
Hotels	4,513
Taxis or shared rides	120
Vehicle rental	87
Phone service	2,807
Parking & Tolls	570
Vehicle Gas & Fuel	614
Credit Card Fees	195
Franchise Tax	15,522
Assets Written off	12,918
Security Deposits written off	1,400
Total	\$ 122,797

14. Insurance Expenses:

Insurance Expenses comprise of the following:

FSLI	Amount
Group term life insurance	\$ 1,500
Health insurance & accident plans	8,329
Total	\$ 9,829

15. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies, if any, at the date of the financial statements, and revenue and expenses during the reporting period. Actual results could differ from those estimates.

16. Fair Value

Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 825, Financial Instruments, requires the disclosure of the fair value of financial instruments. The Company's financial instruments include cash, Inventories, other assets, accounts payable and other payables. The value of these financial instruments approximates fair value due to their short-

term nature.

17. Subsequent Events

The Company has evaluated subsequent events after March 31, 2026 through May 26, 2026 the date the financial statements were available to be issued.

