

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

FINANCIAL STATEMENTS
March 31, 2026 and 2025

REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
JBCPL PHILIPPINES INC
Unit No 2, Level 18, Tower 1
The Enterprise Center 6766 Ayala Avenue Corner
Paseo De Roxas San Lorenzo,
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of JBCPL Philippines Inc. ("the Company") which comprise the statements of financial position as at March 31, 2026 and 2025, and the statements of total comprehensive loss, the statements of changes in equity, and the statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs) Accounting Standard.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). 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 independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related Going Concern

We draw attention to Note 1 in the financial statements, the Company reported a capital deficiency of P2,017,672 as at March 31, 2026 due to non-operation since incorporation. This condition may cast significant doubt on the Company's ability to continue as a going concern. However, The Parent Company has committed to providing continuous operational and financial support to the Company, ensuring it has adequate resources to meet its obligations as they become due and to carry on its business activities without disruption. This support may include, as needed, the provision of funding and other forms of assistance to maintain the Company's operations. Management also intends to commence operations in 2027. We have conducted sufficient audit procedures to verify the validity of the aforementioned plans. Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Maceda Valencia & Co.

April 22, 2026
Makati City

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026 AND 2025

	<i>Note</i>	2026	2025
ASSETS			
Current Assets			
Cash in bank	<i>3</i>	P998,753	P11,984,637
Prepayments and other current assets	<i>4</i>	1,347,926	1,117,678
Total Current Assets		2,346,679	13,102,315
Non-current Assets			
Property and equipment - net	<i>5</i>	4,893,652	4,994,183
Other assets	<i>8</i>	1,007,502	1,188,534
Total Non-current Assets		5,901,154	6,182,717
		P8,247,833	P19,285,032
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liability			
Accrued and other liabilities	<i>6</i>	P408,528	P250,703
Non-current Liability			
Due to related parties	<i>7</i>	9,856,977	12,226,651
Total Liabilities		10,265,505	12,477,354
EQUITY			
Share capital		12,000,000	12,000,000
Deficit		(14,017,672)	(5,192,322)
Total Equity		(2,017,672)	6,807,678
		P8,247,833	P19,285,032

See Notes to the Financial Statements.

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

STATEMENTS OF TOTAL COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

	<i>Note</i>	2026	2025
PRE-OPERATING EXPENSES			
Taxes and licenses	<i>11</i>	P2,163,905	P146,553
Rent expense	<i>8</i>	1,885,346	2,670,907
Professional fee		1,154,405	444,000
Salaries and wages		1,112,865	872,379
Depreciation expense	<i>5</i>	580,531	34,146
Association dues		391,450	579,808
Communication, light and water		60,395	11,388
Office expense		26,385	5,114
Courier expense		12,711	13,496
Insurance expense		12,118	1,010
Meals and entertainment expense		5,904	3,175
Miscellaneous		105,485	53,404
LOSS FROM PRE-OPERATIONS		7,511,500	4,835,380
OTHER EXPENSE			
Interest expense	<i>7</i>	668,339	-
Service fee		16,000	-
Unrealized foreign exchange loss		671,494	356,942
Other Income		(41,983)	-
		1,313,850	356,942
NET LOSS/ TOTAL COMPREHENSIVE LOSS		P8,825,350	P5,192,322

** The Company was registered with the Philippine Securities and Exchange Commission on April 2, 2024 and has not yet started commercial operations as at March 31, 2026.*

See Notes to the Financial Statements.

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

	2026	2025
SHARE CAPITAL		
Authorized, issued and outstanding -12,000,000 common shares at P1 par value	P12,000,000	P12,000,000
DEFICIT		
Balance at beginning of year	(5,192,322)	-
Total comprehensive loss during the year	(8,825,350)	(5,192,322)
Balance at end of the year	(14,017,672)	(5,192,322)
	(P2,017,672)	P6,807,678

** The Company was registered with the Philippine Securities and Exchange Commission on April 2, 2024 and has not yet started commercial operations as at March 31, 2026.*

See Notes to the Financial Statements.

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

	<i>Note</i>	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(P8,825,350)	(P5,192,322)
Adjustments for:			
Unrealized foreign exchange loss		671,494	356,942
Interest expense	7	668,339	-
Depreciation expense	5	580,531	34,146
Pre-operating loss before working capital changes		(6,904,986)	(4,801,234)
Decrease (increase) in:			
Prepayments and other current assets		(230,248)	(1,117,678)
Other non-current assets		181,032	-
Increase in accrued and other liabilities		157,825	250,703
Net cash used in operating activities		(6,796,377)	(5,668,209)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	5	(480,000)	(5,028,329)
Additions to other assets		-	(1,188,534)
Net cash used in investing activities		(480,000)	(6,216,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in due to related parties		(3,709,507)	11,869,709
Proceeds from issuance of share capital		-	12,000,000
Net cash provided by (used in) financing activities		(3,709,507)	23,869,709
NET INCREASE (DECREASE) IN CASH IN BANK		(10,985,884)	11,984,637
CASH IN BANK AT BEGINNING OF YEAR		11,984,637	-
CASH IN BANK AT THE END OF THE YEAR	3	P998,753	P11,984,637

** The Company was registered with the Philippine Securities and Exchange Commission on April 2, 2024 and has not yet started commercial operations as at March 31, 2025.
See Notes to the Financial Statements.*

JBCPL PHILIPPINES INC.
(A Wholly-owned Subsidiary of Unique Pharmaceutical Laboratories FZE)

NOTES TO FINANCIAL STATEMENT

1. Reporting Entity

JBCPL Philippines Inc. (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on April 2, 2024 primarily to engage in the business of importation, marketing, distribution, and wholesale trading of pharmaceutical products and formulations, including but not limited to medicine and drugs whether generic or branded, without engaging in retail business. Provided, that in no case shall the Corporation itself engage in industries or activities reserved by Constitution or by law to corporation wholly or partially owned by Filipino Citizens.

The Company reported a capital deficiency of P2,017,672 as at March 31, 2026 due to non-operation since incorporation. This condition may cast significant doubt on the Company's ability to continue as a going concern. However, The Parent Company has committed to providing continuous operational and financial support to the Company, ensuring it has adequate resources to meet its obligations as they become due and to carry on its business activities without disruption. This support may include, as needed, the provision of funding and other forms of assistance to maintain the Company's operations. Management also intends to commence operations in 2027.

The Company is a wholly-owned subsidiary of Unique Pharmaceutical Laboratories FZE (the "Parent Company"), a company incorporated under the laws of United Arab Emirates.

The Company registered office is at Unit No 2, Level 18, Tower 1 The Enterprise Center, 6766 Ayala corner Paseo De Roxas Avenue, City of Makati, Philippines.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs, which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations.

The Company qualifies as a small entity (SE) based on the criteria set by the SEC. However, as provided under the SEC Notice dated March 22, 2018, the Company availed of the exemption from the mandatory adoption of the PFRS for SEs on the basis that the Company is a subsidiary of a (foreign) parent company reporting under full IFRS.

The financial statements at and for the year ended March 31, 2025 were authorized and approved for issuance by the Board of Directors (BOD) on April 22, 2026.

Basis of Measurement

The financial statements have been prepared under the historical cost convention.

Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the functional and presentation currency of the Company. All financial information presented has been rounded off to the nearest peso unless otherwise stated.

NOTES TO FINANCIAL STATEMENT

Use of Estimates and Judgments

The preparation of the financial statements in conformity with the PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as follows:

Critical Accounting Estimates and Assumptions

Estimating useful lives of non-financial assets

The Company reviews annually the estimated useful lives of property and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear or technical and commercial obsolescence. The Company's management determines the estimated useful lives of its property and equipment based on the period over which the assets are expected to be available for use. The Company annually reviews the estimated useful lives of property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned.

Estimating provisions

The Company, in the ordinary course of business, sets up appropriate provision for its present legal or constructive obligations in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risks and uncertainties into account.

As at March 31, 2026 and 2025, the Company does not have any contingent legal or constructive obligation that requires provision.

Critical Judgments in Applying Accounting Policies

Assessing impairment of assets

In accordance with the Company's policy on impairment of assets, the Company performs an impairment review when certain impairment indicators are present and would indicate that the carrying amount of such asset may not be recoverable. The indicators that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to the expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

When the higher recoverable amount of such asset is the value in use, the Company is required to make estimates and assumptions that can materially affect the financial statements in determining the present value of future cash flows expected to be generated from the continued use of such asset.

JBCPL PHILIPPINES INC.
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NOTES TO FINANCIAL STATEMENT

As at March 31, 2026 and 2025, the Company assessed that there is no indication of impairment on its property and equipment, and other subject assets.

Evaluating lease agreements

The Company has entered into a lease agreement as a lessee. The Company has determined that the lessor retains all significant risks and rewards of ownership of this property which is leased out under an operating lease agreement.

Rent expense recognized in profit or loss amounted to P1,885,346 and P2,670,907 in 2026 and 2025, respectively (see Note 8).

3. Cash in Bank

This pertains to bank account maintained in local bank.

4. Prepayments and Other Current Assets

This account consists of:

	<i>Note</i>	2026	2025
Input vat		P1,238,609	P843,653
Advances to employees		98,209	30,765
Prepaid insurance		11,108	11,108
Prepaid rent	<i>8</i>	-	232,152
		P1,347,926	P1,117,678

Input VAT pertains to the tax charged to the Company by its suppliers in connection with leasehold improvements and rent.

Advances to employees pertain to staff cash advances for the payment of company expenses.

Prepaid rent pertains to the advance payment of rent for a one-month period.

JBCPL PHILIPPINES INC.
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NOTES TO FINANCIAL STATEMENT

5. Property and Equipment - net

A reconciliation of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	For the years ended March 31, 2026 and 2025			
	Leasehold Improvement	Construction in- progress	Computer Equipment	Total
Cost:				
April 2, 2024	P -	P -	P -	P -
Additions	-	4,953,529	74,500	5,028,329
March 31, 2025	-	4,953,529	74,500	5,028,329
Additions	480,000	-	-	480,000
Reclassification	4,953,829	(4,953,529)	-	-
March 31, 2026	5,433,829	-	74,500	5,508,329
Accumulated depreciation:				
April 2, 2024	-	-	-	-
Provision	-	-	34,146	34,146
March 31, 2025	-	-	34,146	34,146
Provision	543,383	-	37,148	580,531
March 31, 2026	543,383	-	71,294	614,677
Carrying amount:				
March 31, 2025	P -	P4,953,829	P40,354	P4,994,183
March 31, 2026	P4,890,446	P -	P3,206	P4,893,652

None of the property and equipment are pledged as collateral for any financial liabilities.

6. Accrued and Other Liabilities

This account consists of:

	2026	2025
Accrued expense	P183,265	P150,000
Due to government agency	126,966	99,077
Accrued rent	51,921	-
Others	46,376	1,626
	P408,528	P250,703

Accrued expense pertains to the professional fee.

Due to government agency pertaining to the amount payable to the Bureau of Internal Revenue.

JBCPL PHILIPPINES INC.
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NOTES TO FINANCIAL STATEMENT

7. Related Party Transactions

In the ordinary course of the business, the Company had the following transactions with a related party as follows:

As at and for the year ended March 31, 2026 and 2025					
		Year	Transactions	Outstanding Balance	Terms and conditions
<i>Due to related parties</i>					
<i>Unique Pharmaceutical Laboratories FZE (Parent company)</i>	Advance Payment	2026	P580,000	P8,103,796	Due from related parties are advances made to related parties for working capital support which are unsecured, interest bearing, payable on demand and are expected to be settled in cash.
	Interest		(5,968,630)		
	Foreign exchange		668,339		
	Foreign exchange		649,436		
	Advance Payment	2025	11,969,006	12,226,651	
	Foreign exchange		-		
			257,645		
<hr/>					
<i>J. B. Chemicals & Pharmaceuticals LTD. (Under common control)</i>	Advance	2026	1,753,182	1,753,181	Due from related parties are advances made to related parties for working capital support which are unsecured, payable on demand and are expected to be settled in cash.
	Advance	2025	-	-	
				2026	P9,856,977
				2025	P12,226,651

8. Leases

The Company leases its office space located at Units 2, Level 18, Tower 1 of the building for a period of three (3) years from October 16, 2023 to October 15, 2026 and is renewable upon mutual agreement of both parties. The rent shall be subjected to 5% escalation rate at the start of the 2nd year of the lease term.

The advance rental of P494,511 shall be maintained at the equivalent of three (3) months' rent throughout the lease term.

The security deposit of P494,511, equivalent to three (3) months' rent, shall be maintained throughout the lease term. This amount includes the reservation fee, which, as stipulated in the lease agreement, forms part of the security deposit upon execution of the contract.

The prepaid rent of nil and P232,152 in March 31, 2026 and 2025, respectively, represents advance rental payments. Since rentals are paid quarterly in advance, this amount pertains to one remaining month.

JBCPL PHILIPPINES INC.
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NOTES TO FINANCIAL STATEMENT

The construction bond amounting nil and P199,512 in March 31, 2026 and 2025 fit-out charges payable to the condominium corporation prior to the commencement of fit-out works, equivalent to one (1) month's rent, and is refundable.

Rent expense charged to profit or loss amounted to P1,885,346 and P2,670,907 as of March 31, 2026 and 2025, respectively.

The following are presented as part of other non-current assets in the Statement of Financial Position:

	2026	2025
Advance rent	P494,511	P494,511
Security deposit	494,511	494,511
Construction bond	-	199,512
Others	18,480	-
	P1,007,502	P1,188,534

9. Income Tax

The reconciliation of the income tax expense computed at statutory income tax rate to the actual expense shown in the statements of comprehensive loss is as follows:

	2026	2025
Loss before income tax	(P8,825,350)	(P5,192,322)
Income tax using statutory rate	(P1,765,070)	(P1,038,464)
Income tax effects of:		
Unrecognized deferred tax assets	1,765,070	774,184
Nondeductible expenses	-	264,280
	P -	P -

The following deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom:

	2026	2025
Net operating loss carry-over (NOLCO)	P2,394,571	P717,829
Unrealized foreign exchange loss	134,299	71,388
Accrued rent	10,384	(15,033)
	P2,539,254	P774,184

Details of the Company's NOLCO which can be claimed as deduction against future taxable income are as follows:

Year Incurred	Amount	Applied	Balance	Expiry Year
2026	P8,383,713	P -	P8,383,713	2029
2025	3,589,144	-	3,589,144	2028
	P11,972,857	P -	P11,972,857	

NOTES TO FINANCIAL STATEMENT

9. Categories of Financial Instruments

The following table sets out the financial instruments at the end of the reporting period:

	2026	2025
Financial Assets at amortized cost:		
Cash in bank	P998,753	P11,984,637
Other asset	1,007,502	1,188,534
Financial Liabilities at amortized cost:		
Accrued and other liabilities*	P281,562	P151,626
Due to related parties	9,856,977	12,226,651

*excluding due to government agency

10. Significant Accounting Policies

The accounting policies set out below have been applied consistently in these financial statements unless otherwise indicated.

Cash

Cash in bank earns interest at the prevailing deposit interest rates.

Basic Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Company classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) complex financial instruments. The Company does not hold complex financial instruments as of March 31, 2025 and 2026.

The Company's basic financial instruments consist of cash in bank, other assets, accrued and other liabilities (excluding due to government agency) and due to a related party. The Company does not have complex financial instruments.

(a) Initial recognition and subsequent measurement

On initial recognition, a basic financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument. Basic financial instruments are subsequently measured at amortized cost using the effective interest rate method.

(b) Impairment of financial instruments measured at cost or amortized cost

At each reporting date, the Company assesses whether there is objective evidence of impairment on any financial assets that are measured at cost or amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized in the statement of comprehensive income through profit or loss.

NOTES TO FINANCIAL STATEMENT

For an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. Where an asset is measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset in a sale at the reporting date.

(c) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the related assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled or has expired.

(d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Prepayments and Other Current Assets

Prepayments and other current assets represent expenses not yet incurred but already paid in cash. Prepayments and other current assets are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments and other current assets are classified in the statements of financial position as current assets when the services related to the prepayments and other current assets are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, these are classified as non-current assets.

Input Value-Added Tax (VAT)

Input VAT is stated at historical cost less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portions of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

Property and Equipment

Items of property and equipment are initially measured at cost. After initial recognition, all items of property and equipment are measured at cost less accumulated depreciation and amortization, and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred. Leasehold improvements are amortized over the shorter of the lease term and their useful lives.

Construction in progress (CIP) represents structures under construction and is stated at cost. This includes the costs of construction and other direct costs. CIP is not depreciated until such time that the relevant assets are ready for use.

NOTES TO FINANCIAL STATEMENT

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Computer equipment is depreciated over 2 years.

The useful lives and depreciation and amortization methods are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets.

The estimated useful lives of property and equipment are as follows:

	Number of Years
Leasehold Improvement	4
Computer Hardware	2

If there is an indication that there has been a significant change in the depreciation and amortization methods, useful life or residual value of an asset, the depreciation and amortization of that asset is reviewed and adjusted prospectively, if appropriate.

Property and equipment are derecognized upon disposal or when no economic benefits are expected from its use. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized on a net basis in profit or loss.

Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets, such as property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company does recognize a provision for future operating losses.

NOTES TO FINANCIAL STATEMENT

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized as liabilities but are disclosed in the financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Equity

Share capital

Share Capital is classified as equity when there is no obligation to the transfer of cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Deficit

Deficit includes all the accumulated losses of the Company.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, or; (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the function of expense method. Direct costs are expenses incurred that are associated with the services rendered. Operating expenses are costs attributable to administrative and other business activities of the Company.

Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership to the lessee. The Company, as a lessee, recognizes lease payments under operating leases (excluding costs for services such as insurance and maintenance) as an expense on a straight-line basis over the term of the lease.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Resulting exchange differences arising on the settlement of or on translating such monetary assets and liabilities are recognized in profit or loss.

NOTES TO FINANCIAL STATEMENT

Income Tax

Income tax expense for the year comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. The Company measures a current tax liability (asset) at the amount it expects to pay (recover) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and the carry forward benefits of unused net operating loss carry-over (NOLCO) and minimum corporate income tax (MCIT). Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against to which the asset can be utilized. A valuation allowance against deferred tax assets is recognized so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. The net carrying amount of a deferred tax asset is reviewed at each reporting date and such valuation allowance is adjusted to reflect the current assessment of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if the Company has a legally enforceable right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Events After the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

NOTES TO FINANCIAL STATEMENT

11. Supplementary Information Required by Bureau of Internal Revenue (BIR)

Revenue Regulation No. 15-2010

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for SMEs.

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

A. Withholding Taxes

Withholding taxes paid, accrued and/or withheld for the year ended March 31, 2026 consist of:

	Paid	Accrued	Total
Expanded withholding tax	P152,949	P -	P152,949
Compensation	90,249	9,322	99,571
	P243,198	P9,322	P252,520

B. All Other Local and National Taxes

	Total
Product Registration	P1,798,212
FDA Fee	362,952
Documentary stamp tax	1,515
Others	1,226
	P2,163,905

The above local and national taxes are lodged under Taxes and Licenses account in operating expenses.

C. Tax Contingencies

The Company does not have any deficiency tax assessment with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

Information on custom duties, tariff fees, and excise tax are not applicable since there are no transactions that the Company would be subject to these taxes.