MOREPEN LABS– FZCO

FINANCIAL STATEMENTS

FOR THE PERIOD 18 JUNE 2025 TO 31 MARCH 2026

DIRECTORS' REPORT, AUDITOR'S REPORT

AND FINANCIAL STATEMENTS

REGISTERED OFFICE:

DUBAI - UNITED ARAB EMIRATES

MOREPEN LABS-FZCO
DUBAI UAE

MOREPEN LABS– FZCO

DUBAI, UNITED ARAB EMIRATES

MOREPEN LABS-FZCO DUBAI UAE

MOREPEN LABS – FZCO

Dubai, United Arab Emirates

Company Brief

For the Period 18 June 2025 to 31 March 2026

Name of Company	:	MOREPEN LABS– FZCO
Registered office	:	DSO-IFZA, IFZA Properties, Dubai Silicon Oasis Dubai, United Arab Emirates
Legal status	:	Freezone Company
License details	:	License No.: 64818 Issue Date: 18-06-2025 Expiry Date: 17-06-2026
Share Capital	:	AED 50,000
Business Activities	:	Trading in Medicines (Outside UAE)
Shareholder	:	MOREPEN LABORATORIES LIMITED
Manager	:	KUSHAL SURI ARUN SURI
Financial Period	:	18-06-2025 to 31-03-2026

Banker's information

S. No.	Bank Name	Type of Account
1	Emirates NBD Bank	AED Current Account
2	Emirates NBD Bank	EUR Current Account
3	Emirates NBD Bank	USD Current Account
4	Emirates NBD Bank	GBP Current Account

DIRECTORS' REPORT

We present the financial statements for the period 18th June 2025 to 31st March 2026 along with auditor's report.

Review of the business

The company is engaged in the business of Trading in Medicines (Outside UAE).

Financial Position

- The Company achieved a gross turnover of **AED 6,557,476** for the current period ended 31st March 2026.
- The Company posted a net Profit of **AED 135,165** for the current period ended 31st March 2026.
- The Company experienced a smooth cash flow throughout the financial period and concluded with the liquidity in cash and cash equivalent worth **AED 693,311**.

Events since the end of the period

There were no important events, which have occurred since the period-end that materially affect the Company's financial position.

Directors and their interest

Directors and their interest as at the end of financial period in the capital of the company were as follows:

Shareholders' Name	Percentage (%)
Morepen Laboratories Limited	100
Total	**100**

There are no changes to the shareholding structures during the period.

Auditors

Flintham Mackenzie Auditing, Chartered Accountants has been appointed as the auditor of the Company for the financial period 18th June 2025 to 31st March 2026.

MOREPEN LABS-FZCO DUBAI UAE

KUSHAL SURI ARUN SURI
DIRECTOR
Place: Dubai
Date: 12.05.2026

Independent Auditor's Report

To,

The shareholders,

MOREPEN LABS– FZCO

Dubai

Opinion:

We have audited the accompanying financial statements of **MOREPEN LABS– FZCO,** which comprises the statement of financial position as at 31st March 2026, the statement of comprehensive income, statement of changes in equity, and statement of changes in cash flows for the Period ended, and a summary of significant accounting policies and explanatory notes.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of **MOREPEN LABS– FZCO,** as at 31st March 2026 and its financial performance for the period ended in accordance with Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards ("IFRS").

Basis of opinion:

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

We draw attention to note no. 2(xviii) to the financial statements regarding related party transactions. The Company has entered into transactions with related parties in the ordinary course of business. Management is responsible for ensuring that such transactions comply with the arm's length principle and applicable transfer pricing regulations and for maintaining appropriate documentation. Our audit was conducted in accordance with International Standards on Auditing and we do not provide assurance on the arm's length nature of such transactions. 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 these financial statements in accordance with International Financial Reporting Standards and compliance with the United Arab Emirates Federal Law #32 of 2021 (as amended) relating to commercial companies. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

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 ISAs 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 ISAs, 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 audit.

Report on other legal and regulatory requirements:

As required by the provisions of the Dubai Integrated Economic Zones Authority Companies and Licensing Regulations and UAE Federal Law #32 of 2021 on Commercial Companies, we confirm that we have obtained all the information and explanations necessary for our audit and proper books of account have been maintained by the Company. Further, we are not aware of any contravention during the period as may be applicable to Free Zone Company which might have materially affected the financial position of the Company as at the reporting date or the results of its operations for the period ended 31st March 2026.

For Flintham Mackenzie Auditing L.L.C
Entry No LC4777-01
Chartered Accountants

فلينتام ماكينزي لمراجعة الحسابات ش.ذ.م.م
P.O. Box: 82469
Dubai - U.A.E.
FLINTHAM MACKENZIE AUDITING L.L.C

(Shrikant Chaturvedi)
UAE MOE Auditor Registration No 1113
Place: Dubai, U.A.E.
Date: 13.05.2026

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Statement of Financial Position

As at 31 March 2026

		2026
ASSETS	***Notes***	***AED***
Current assets		
Cash and cash equivalent	6	693,311
Trade receivables	7	4,086,202
Other current assets	8	1,755
Total current assets		**4,781,268**
TOTAL ASSETS		**4,781,268**
EQUITY AND LIABILITIES		
Current liabilities		
Due to related party	9	3,138,444
Other current liabilites	10	1,507,659
Total current Liabilities		**4,646,103**
Total liabilities		**4,646,103**
EQUITY		
Share capital		50,000
Shareholder current account	11	(50,000)
Retained earnings	12	135,165
Total equity		**135,165**
TOTAL EQUITY AND LIABILITIES		**4,781,268**

These in house financial statements were approved on **12-05-2026** and signed on behalf of **Morepen Labs - FZCO** by:

KUSHAL SURI ARUN SURI

Managing Director

Annexed notes no. 1 to 20 forms an integral part of these financial statements.

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Statement of Comprehensive Income

For the Period 18 June 2025 to 31 March 2026

	Notes	2026 AED
Revenue	13	6,557,476
Less: Cost of Revenue	14	4,944,854
Gross profit		**1,612,623**
Expenses		
General and administrative expenses	15	1,493,301
Finance cost	16	1,092
Total expenses		**1,494,393**
Other income	17	16,935
Net Profit / loss before tax		**135,165**
Tax Expense		
Current tax		-
Deffered tax		-
		-
Net comprehensive Profit / loss after tax for the year		**135,165**

These in house financial statements were approved on **12-05-2026** and signed on behalf of **Morepen Labs -**

MOREPEN LABS-FZCO DUBAI UAE

KUSHAL SURI ARUN SURI
Managing Director

Annexed notes no. 1 to 20 forms an integral part of these financial statements.

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Statement of Changes in Equity

For the Period 18 June 2025 to 31 March 2026

	Share capital AED	Shareholder's Current Account AED	Retained Earnings AED	Total AED
As at 18 June 2025	**50,000**	**(50,000)**	-	-
Net movements during the year	-		-	-
Net profit for the year	-	-	135,165	135,165
As at 31 March 2026	**50,000**	**(50,000)**	**135,165**	**135,165**

These in house financial statements were approved on **12-05-2026** and signed on behalf of **Morepen Labs - FZCO** by:

KUSHAL SURI ARUN SURI
Managing Director

MOREPEN LABS-FZCO DUBAI UAE

Annexed notes no. 1 to 20 forms an integral part of these financial statements.

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Statement of Cash Flows

For the Period 18 June 2025 to 31 March 2026

		2026
		AED
OPERATING ACTIVITIES		
Net profit as per income statement		135,165
Adjustment for non-cash charges :		-
Operating profit before working capital changes		**135,165**
(Increase) / decrease in other current assets		(4,087,957)
Increase / (decrease) in trade payable		3,138,444
Increase / (decrease) in current liability		1,507,659
Net cash provided by / (used in) operating activities	(A)	**693,311**
FINANCING ACTIVITIES		
Proceeds from capital contribution		50,000
Net movement in shareholders current account		(50,000)
Net cash provided by / (used in) financial activities	(B)	-
INVESTING ACTIVITIES		
Net cash used investing activities	(C)	-
INCREASE IN CASH AND CASH EQUIVALENT	**(A+B+C)**	**693,311**
Cash and cash equivalent in the beginning of the period		-
Cash and cash equivalent at the end of the period		**693,311**

MOREPEN LABS-FZCO
DUBAI UAE

Annexed notes no. 1 to 20 forms an integral part of these financial statements.

1. LEGAL STATUS & ACTIVITIES

- **MOREPEN LABS– FZCO** is a Freezone Company, incorporated in DSO-IFZA, IFZA Properties, Dubai Silicon Oasis under Dubai Integrated Economic Zones Authority, License No. 64818 on 18th June 2025.

- The management of the Company is vested with Kushal Suri Arun Suri.

- **Share Capital:**
  Authorised, issued and paid-up capital is AED 50,000 that represents 5000 shares value of AED 10 each fully paid and held by shareholder's equity at the end of the period were as follows:

Name of shareholder	Country of registration	Capital	Percentage (%)
Morepen Laboratories Limited	India	50,000	100
Total		**50,000**	**100**

- **Business Activities**
  The Company's principal activity is trading in medicines (outside UAE).

- **Accounting period**
  These financial statements are prepared for the period January 18th June 2025 to 31st March 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies in preparation of the financial statements are as follows:

i. Accounting Convention

The financial statements have been prepared under historical cost convention, modified to incorporate the movements on carrying values of assets and liabilities.

ii. Accounting systems

The concern's system of control is dependent upon close involvement of the manager, where the independent confirmations have been taken for the completeness of the accounting records. We have accepted assurance from the manager that all the business transactions have been reflected in the statements.

iii. Basis of preparation

Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

MOREPEN LABS-FZCO
DUBAI UAE

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

iv. Revenue recognition

The Company recognises revenue from contracts with customers based on the five-step model set out in IFRS 15 "***Revenue from contracts with customers***".

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

v. Trade receivables

Trade receivables are amounts due from customers for sales and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented in non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for doubtful debts when collection of the full amount is no longer probable and uncertainties exist regarding the likelihood of collection.

vi. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

vii. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less, net of any outstanding bank overdrafts. For the purpose of disclosure in the statement of financial position, bank overdrafts, if any, are included under current liabilities.

MOREPEN LABS-FZCO DUBAI UAE

viii. Corporate Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

The corporate tax rate is set at 9% on taxable income exceeding AED 375,000, with no tax on income below this threshold. Companies engaged in Certain activities such as natural resource extraction, or those that fall under exemptions specified by the tax authority, may have specific tax rates or reliefs applicable. The implementation of this tax requires businesses to comply with the federal tax law, which includes filing annual tax returns and maintaining appropriate financial records, as prescribed by way of a Cabinet Decision.

Income tax expenses include current tax, determined in accordance with Federal Decree-Law No. 47 of 2022 (Corporate Tax Law), and deferred tax, reflecting the tax effects of timing differences between accounting and taxable income. Deferred tax assets and liabilities are recognized using tax rates enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognized only if it is reasonably certain they will be realized, with carry-forward losses recognized only if their realization is virtually certain. These assets are reviewed at each balance sheet date and adjusted accordingly. Deferred tax arising from timing differences during a tax holiday is recognized when the differences originate.

The company's first corporate tax period commences on June 01, 2025, and concludes on March 31, 2026, in accordance with the newly implemented UAE Corporate Tax Law.

ix. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are recognised and are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will be then recognised as provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognised.

x. Property and equipment

These are stated at cost less accumulated depreciation and impairment profits. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the fixed assets.

MOREPEN LABS-FZCO DUBAI UAE

All other expenditure assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each is recognised in the statement of comprehensive income as an expense as incurred. When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed from the accounts and any resultant gain or profit taken to the statement of comprehensive income.

xi. Impairment

Financial asset

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative impact on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between it carrying amount and the present value of the estimated future cash flows discounted at the Company's effective interest rate. Impairment loss, if any, is recognised as an expense during the period incurred.

Non-financial asset

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment loss, if any, is recognised as an expense during the period incurred.

xii. Operating leases

Leases under which the substantial risk and rewards of ownership are retained by the lesser are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

xiii. Foreign currency transactions

Foreign currency transactions are converted to US$ at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to US$ at the market exchange rates prevailing at the financial reporting date with all resulting differences on exchange recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the market exchange rate prevailing at the historical date of transaction. Non-monetary assets and liabilities that are measured in terms of fair value in a foreign currency are translated using the market exchange rates at the date when the fair value was determined.

xiv. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

MOREPEN LABS-FZCO DUBAI UAE

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

xv. Borrowing costs

Borrowing costs represents interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period incurred and include interest expense calculated using the effective interest method on loans received and bank charges by financial institutions for banking facilities granted. In accordance with IAS 23, certain other borrowing costs that can be directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

xvi. Inventory

Inventory is stated at the lower of cost and net realisable value less an allowance for expired and slow-moving inventory items. Cost comprises of direct material, and where applicable, direct labour, and those overheads that have been incurred in bringing the inventory to its present location and condition. Cost is calculated using the weighted average basis. Net realisable value is based on the estimated selling price less the estimated costs necessary to make the sale.

xvii. Employees' end of service benefit

The Company provides end of service benefits to its non-UAE national employees employed in the UAE in accordance with the requirements of the UAE Labour Law. The entitlement of these benefits is based upon the employees' basic salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

xviii. Related party transactions

The company in the normal course of business, enters into transactions with other business enterprises and with key managerial persons that fall within the definition of a related party, as contained in International Accounting Standards 24: *Related Party Disclosures*. These transactions are conducted at terms agreed between the management of Company and the related party.

Related parties comprise companies under common ownership and/or common management control / shareholders and directors.

Name	**Nature of Transaction**	**Transactions During the period**	**As on 31st March 2026**
Morepen Laboratories Limited	Trade & other payable	5,013,354.00	3,138,444.00
Kushal Suri Arun Suri	Managerial remuneration	150,000.00	0.00
	Total	**5,163,354.00**	**3,138,444.00**

MOREPEN LABS DUBAI UAE

At the end of the reporting period ending 31st march 2026 significant balances with related parties were as follows:

Due to related party	**March 2026 (AED)**
Morepen Laboratories Limited	3,138,444.00
Total	**3,138,444.00**

3.1 ADOPTION OF NEW AND REVISED STANDARDS BY THE COMPANY

The following new and revised IFRSs have been applied in the current period in these financial statements. Their adoption had no significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- **Amendments to IAS 1 and IAS 8** *(Classification of Liabilities as Current or Non-current)*

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. These amendments had no impact, nor is there expected to be any future impact on the financial statements of the Company.

➢ **Amendments to IAS 12 Amended by International Tax Reform — Pillar Two Model Rules**

The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes; an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments; the remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.These amendments had no impact, nor is there expected to be any future impact on the financial statements of the Company.

➢ **Amendments to IFRS 6 IASB completes project on extractives by publishing project summary**

The IASB decided not to develop new or amended recognition, measurement or disclosure requirements for exploration and evaluation expenditure or other aspects of accounting for extractive activities. These amendments had no impact, nor is there expected to be any future impact on the financial statements of the Company.

MOREPEN LABS-FZCO DUBAI UAE

➢ **Amendments to IFRS 17 Insurance Contracts including amendments to IFRS 17**

This is a new Standard and applies to: insurance contracts, including reinsurance contracts, issued by an entity with specified exceptions; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts.

An insurance contract is defined as 'a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'.

The New Standard provides for the principles of recognition, measurement, presentation and disclosure of insurance contracts. The objective of the New Standard is to achieve the goal of a consistent principle-based accounting for insurance contracts. These amendments had no impact, nor is there expected to be any future impact on the financial statements of the Company.

- **Amendments to IFRS 16 Leases**

The amendments only impact a seller-lessee's accounting for a sale and leaseback transaction that satisfies the requirements in IFRS 15 to be accounted for as a sale. These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction. Furthermore, the amendments apply to all sale and leaseback transactions, but they are expected to only affect sale and leaseback transactions that include variable lease payments. Even though the amendments will particularly affect sale and leaseback transactions with variable lease payments that do not depend on an index or rate (and are not in-substance fixed payments), they will also affect sale and leaseback transactions with variable lease payments that depend on an index or rate.

- **Amendments to IAS 1 Presentation of Financial statements**
  - The amendments to IAS 1 may lead to changes in the classification of certain liabilities as current or non-current.
  - The amendments clarify that the right to defer settlement of a liability must exist for at least 12 months after the reporting period
  - Companies may need to provide additional disclosures for liabilities classified as non-current and subject to covenants within 12 months of the reporting date.

➢ **Amendments to IFRS 7 - and IFRS 7-Statement of Cash Flows**

The amendments in Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7): (effective date 1st January 2024)

The amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.

MOREPEN LABS-FZCO DUBAI UAE

An entity shall disclose information about its supplier finance arrangements (as described in the scope above) that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

3.2 STANDARDS IN ISSUE BUT NOT YET EFFECTIVE AND NOT YET ADOPTED BY THE COMPANY

At the financial position date, the following Standards and Interpretations were in issue but not yet effective and have not been adopted by the Company. The Company intends to adopt these standards, if applicable, when they become effective.

At the financial position date, the following Standards and Interpretations were in issue but not yet effective and have not been adopted by the Company. The Company intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 10 - Consolidated Financial Statements **and IAS 28** ***Investment in Associates and Joint Ventures*** - *Re: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

Amendments to IFRS 18 - Presentation and Disclosure in Financial Statements - *IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 to replace IAS 1 Presentation of Financial Statement* (effective date 1 January 2027)

Amendments to IFRS 19 - Subsidiaries without Public Accountability: Disclosures - *was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements.* (effective date 1 January 2027)

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments - *was issued in May 2024 in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures.* (effective date 1 January 2026)

Amendments to IFRS 9 and IFRS 7 - Contracts referencing Nature-dependent Electricity - *Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements. (effective date 1 January 2026)*

Annual Improvements to IFRS Accounting Standards—Volume 11

3.3 Standards issued by the International Sustainability Standards Board (ISSB)

On 26 June 2023, the International Sustainability Standards Board, operating under the IFRS Foundation, issued its first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

MOREPEN LABS-FZCO DUBAI UAE

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information - This Standard establishes the overall requirements for an entity to disclose information regarding sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance, or cost of capital. The objective is to provide useful information to primary users of general-purpose financial reports when making resource allocation decisions.

- IFRS S2 Climate-related Disclosures - This Standard specifies the disclosure requirements relating to climate-related risks and opportunities, including governance, strategy, risk management, and metrics and targets, to enable users to assess the entity's exposure to climate-related matters.

Both Standards are effective for annual reporting periods beginning on or after 1 January 2024, subject to endorsement and adoption by the relevant local jurisdiction. The Standards provide certain transitional reliefs to facilitate implementation and allow entities additional time to align sustainability-related financial disclosures with the financial statements.

As at the reporting date, these Standards have not been formally adopted or mandated within the United Arab Emirates. Accordingly, the Company has not applied IFRS S1 and IFRS S2 in the preparation of its financial statements for the current reporting period.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, described in note 2, management of the Company is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4.1 Useful life of property and equipment

Property and equipment are depreciated over their estimated useful lives, which are based on estimates for expected usage of the asset and expected physical wear and tear that are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

MOREPEN LABS-FZCO DUBAI UAE

4.2 **Allowance for doubtful debts on trade receivables**

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and ageing of receivables and collateral requirements from customers in certain circumstances. Management makes allowance for doubtful debts based on its estimates at the financial position date.

4.3 **Impairment of property and equipment**

Management assesses the impairment of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include significant declines in an asset's fair market value beyond that would be expected from the passage of time or normal use, significant changes in the use of its assets or the strategy of the operation to which the asset belongs, significant changes in customers' preferences and market environment, and evidence that indicates that the economic performance of an asset is, or will be, worse than expected. If such an indication exists, an impairment test is completed by comparing the carrying values of the cash generating unit with their recoverable amounts.

5. FINANCIAL INSTRUMENTS

Risk Management

The principal risk associated with financial instruments such as credit risk, market risk and liquidity risk are managed by placing cash and cash equivalents with various financial institutions of high credit rating, transactions business in AED with counter parties of repute, and by monitoring on a regular basis that sufficient funds are available to meet maturing obligations. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Capital Risk

The primary objective of the Company's capital risk management is to ensure that it maintains healthy capital ratios in order to support its business and maximize return on equity. Capital structure comprises of share capital, reserves, shareholders' current account, and retained earnings, and is measured at AED 135,165 as at 31 March 2026.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies, or processes during the period ending 31 March 2026.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, by monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Due to dynamic nature of the underlying business, the company maintains flexibility in funding by maintaining adequate availability under credit facilities.

MOREPEN LABS-F
DUBAI UAE

Credit risk

Credit risk represents the loss that would be recognized if customers fail to perform an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated by the carrying amount of its financial assets which consist primarily of cash and cash equivalents, and trade receivables. Credit risk on bank balances is negligible as they are held with regulated banks. Credit risk in respect of trade receivables is limited as these have been subject to a review of their recoverability and are stated net of an allowance for doubtful debts.

Interest rate risk

The Company does not hold interest earning assets or interest bearing liabilities carrying variable interest rates subject to regular movement; therefore, exposure to interest rate risk is negligible.

Exchange rate risk

Foreign currency exchange rate risk is the risk that the value or cash flows of a financial instrument denominated in a foreign currency will fluctuate due to changes in foreign currency exchange market rates. Financial instruments denominated in US Dollars, which currently has a fixed parity with the functional and presentation currency, AED, do not represent a significant exposure to foreign currency exchange rate risk to the Company with a minimal assessed risk of a material profit due to foreign currency exchange rate movements.

MOREPEN LABS-FZCO
DUBAI UAE

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Notes to the Financial Statements (Continued…)

For the Period 18 June 2025 to 31 March 2026

	Amounts in ('AED)
	2026
6. CASH AND CASH EQUIVALENT	
Bank balance	693,311
	693,311
7. TRADE RECEIVABLES	
Trade receivables	4,086,202
	4,086,202
8. OTHER CURRENT ASSETS	
Prepaid expenses	1,755
	1,755
9. DUE TO RELATED PARTY	
Morepen Laboratories Limited	
Trade payable	3,069,944
Other expenses payable	68,500
	3,138,444
10. OTHER CURRENT LIABILITIES	
Other payables	5,000
Expense Provision	1,185,634
Audit fee payable	2,100
Advance received from customer	314,925
	1,507,659
11. SHARE HOLDERS CURRENT ACCOUNT	
Due to shareholder's	50,000
	50,000
12. RETAINED EARNINGS	
Balance at the beginning of the year	-
Net profit during the year	135,165
Current tax	-
Balance at the end of the year	**135,165**
13. REVENUE	
Sales	6,557,476
	6,557,476
14. COST OF REVENUE	
Purchase	4,944,854
	4,944,854

MOREPEN LABS-FZCO DUBAI UAE

MOREPEN LABS - FZCO

Dubai- United Arab Emirates

Notes to the Financial Statements (Continued...)

For the Period 18 June 2025 to 31 March 2026

	Amounts in ('AED)
	2026
15. GENERAL AND ADMINISTRATIVE EXPENSES	
Managerial remuneration	150,000
Salary and related benefit expenses	75,000
Audit fee	2,100
Insurance	2,457
Other expenses	5,459
Other general and administrative Expenses	69,105
Sales commission	1,189,180
	1,493,301
16. FINANCE COST	
Bank charges	1,092
	1,092
17. OTHER INCOME	
Exchange gain	16,935
	16,935
18. TAX EXPENSES	
BUSINESS INCOME	
Net profit as per profit & loss A/c	135,165
Add:- Penalty	-
Add:- Interest	-
Add:- Enternatinment Expenses @50%	-
Gross Total Income	**135,165**
Taxable income	**135,165**
First AED 375,000 @ 0%	-
Remaining taxable income @ 9%	
Tax payable	-
Current Tax	-
Deferred Tax	-

19. ROUNDED OFF

All figures are rounded off to the nearest United Arab Emirates (AED).

20. APPROVAL OF FINANCIAL STATEMENTS

These in house financial statements were approved on **12-05-2026** and signed on behalf of **Morepen Labs - FZCO** by:

KUSHAL SURI ARUN SURI

Managing Director

MOREPEN LABS-FZCO DUBAI UAE