Labor Smart Inc

Amendment to Quarterly Report - Q3 2025 - Amended for 09/30/2025 originally published through the OTC Disclosure & News Service on 02/18/2026

Explanatory Note:
Corrected Dates on the previous amendment.

Labor Smart, Inc.

Dba Kultura Brands Inc.

125 S King Street, STE 2A
Jackson, WY 83001

844-562-5345
Lockdin.com
corp@lockdin.com

Quarterly Report

For the period ending [September 30,2025] **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

21,137,133,484 as of 09/30/2025 *(Current Reporting Period Date or More Recent Date)*

17,533,633,484 as of 12/31/2024 *(Most Recent Completed Fiscal Year End)*

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[5] of the company has occurred during this reporting period:

[5] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Kultura Brands, Inc. (name change as of 7/24/2025)

Current State and Date of Incorporation or Registration: Wyoming
Standing in this jurisdiction: (e.g. active, default, inactive): active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
Labor Smart, Inc. a Nevada corporation, formed in May 31, 2011
Labor Smart, Inc. was moved to WY January 30, 2020

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

No Suspensions

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

125 S King Street, STE 2A, Jackson WY 83001

Address of the issuer's principal place of business:
x *Check if principal executive office and principal place of business are the same address:*

Same

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Empire Stock Transfer Inc.
Phone: 720-818-5898
Email: info@empirestock.com
Address: 1859 Whitney Mesa Dr. Henderson NV 89014

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: LTNC
Exact title and class of securities outstanding: common
CUSIP: 50541A108
Par or stated value: .0001
Total shares authorized: 25,000,000,000 as of date: 9/30/2025
Total shares outstanding: 21,137,133,484 as of date: 9/30/2025
Total number of shareholders of record: 125 as of date: 9/30/2025

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

n/a

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security: Preferred A
Par or stated value: .0001
Total shares authorized: 51 as of date: 9/30/2025
Total shares outstanding: 51 as of date: 9/30/2025
Total number of shareholders of record: 2 as of date: 9/30/2025

Exact title and class of the security: Preferred H
Par or stated value: .0001
Total shares authorized: 100 as of date: 9/30/2025
Total shares outstanding: 53 as of date: 9/30/2025
Total number of shareholders of record: 8 as of date: 9/30/2025

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

n/a

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The common shares have a one for one voting right. There are no dividends or preemption rights.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Each share of Series A Preferred shall be convertible into one share of common stock of the Company at the election of the holder and shall have voting rights equal to 0.019607 multiplied by the total issued and outstanding shares of common stock eligible to vote at the time of the respective vote,divided by .49 minus the numerator. Each share of Preferred H equals 100,000,000 shares of common shares on conversion.

3. Describe any other material rights of common or preferred stockholders.

none

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

none

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:
No: ☐ Yes: x (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date 12/31/21 Common: 13,492,068,486 Preferred: 51	*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transactiontype (e.g., new issuance, cancellation, sharesreturned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Valueofshares issued ($/per share) at Issuance	Were the share issued at a discount to market price at the time of issuance? (Yes/No)	Individual/Entity Shares were issued to. ***You must disclose the controlperson(s) for any entities listed.	Reason for share issuance (e.g. for cashordebt conversion) -OR- Nature of Services Provided	Restrictedor Unrestricted as of this filing.	Exemption or Registration Type.
5/02/2022	New issuance	3,000,000	Common	$0.002	No	David Goldhagen	PPM	Restricted	Exempt
08/12/2024	New Issuance	8,333,333	Common	$0.0001	No	Omayra Figueroa	Services Rendered	Restricted	Exempt
08/12/2024	New Issuance	137,315,000	Common	$0.002	No	Pedro Jose Caldeira-Branco D'Orey	PPM	Restricted	Exempt
09/09/2024	New Issuance	20,000,000	Common	$0.0001	No	Jon Sisson	Services Rendered	Restricted	Exempt
09/09/2024	New Issuance	125,000,000	Common	$0.0002	No	Paloma De La Ascension	PPM	Restricted	Exempt
09/30/2024	New Issuance	10,000,000	Common	$0.0001	No	Craig A. Sutherland	Services Rendered	Restricted	Exempt
09/30/2024	New Issuance	5,000,000	Common	$0.0001	No	Michael Davies	Services Rendered	Restricted	Exempt
10/18/2024	New Issuance	200,000,000	Common	$0.00075	No	Elevate Health & Wellness, LLC Joseph Curshner	PPM	Restricted	Exempt
10/18/2024	New Issuance	125,000,000	Common	$0.0002	No	Ana Calderon De La Barca Costa	PPM	Restricted	Exempt
01/03/2025	New Issuance	400,000,000	Common	$0.0001	New	Illumination Brands, Inc. Brad Wyatt	Purchase	Restricted	Exempt
01/09/2025	New Issuance	20,000,000	Common	$0.0001	New	Javier Leal	Services	Restricted	Exempt
01/09/2025	New Issuance	5,000,000	Common	$0.0001	New	David Eisenberg	Services	Restricted	Exempt
01/09/2025	New Issuance	67,000,000	Common	$0.0001	New	Michael Araghi	Agreement	Restricted	Exempt

01/09/2025	New Issuance	50,000,000	Common	$0.0005	New	Michael Holley	PPM	Restricted	Exempt
01/09/2025	New Issuance	13	Pref H	$0.0001	New	Michael Araghi	Agreement	Restricted	Exempt
01/09/2025	New Issuance	1	Pref H	$0.0005	New	Michael Holley	PPM	Restricted	Exempt
01/10/2025	New Issuance	4	Pref H	$0.0001	New	Michael Araghi	Agreement	Restricted	Exempt
01/15/2025	New Issuance	75,000,000	Common	.001	New	Javier Leal	PPM	Restricted	Exempt
01/22/2025	New Issuance	100,000,000	Common	$0.001	New	Joshua Rapkin	PPM	Restricted	Exempt
01/22/2025	New Issuance	200,000,000	Common	$0.001	New	Lacore Holdings Inc./Terry Lacore	PPM	Restricted	Exempt
02/06/2025	New Issuance	10	Pref H	$0.0001	New	Scott Darnell	Services	Restricted	Exempt
02/06/2025	New Issuance	25,000,000	Common	$0.0001	New	Scott Darnell	Services	Restricted	Exempt
02/06/2025	New Issuance	9	Pref H	$0.0001	New	BJW Consulting Brad Wyatt	Services	Restricted	Exempt
02/06/2025	New Issuance	75,000,000	Common	$0.0001	New	BJW Consulting Brad Wyatt	Services	Restricted	Exempt
02/06/2025	New Issuance	25,000,000	Common	$0.0001	New	BJW Consulting	Services	Restricted	Exempt
2/12/2025	New Issuance	100,000,000	Common	$0.0001	New	PKAR, LLC Pete Karfias	Services	Restricted	Exempt
2/13/2025	New Issuance	10,000,000	Common	$0.0001	New	Team Pac, LLC Jon Sisson	Services	Restricted	Exempt
2/13/2025	New Issuances	150,000,000	Common	$0.0001	New	Team Pac, LLC Jon Sisson	Services	Restricted	Exempt
2/14/2025	New Issuance	4	Pref H	$0.0001	New	Thomas Zarro	Services	Restricted	Exempt

2/14/2025	New Issuance	2	Pref H	$0.001	New	Emmanuel Pacquiao	Services	Restricted	Exempt
2/14/2025	New Issuance	2	Pref H	$0.0001	New	Luis Sequeira	Services	Restricted	Exempt
4/1/2025	New Issuance	200,000,000	Common	$0.001	New	Jeffrey G. Crocket	PPM	Restricted	Exempt
4/14/2025	New Issuance	35,000,000	Common	$0.0001	New	Shannon Murray	Services	Restricted	Exempt
4/14/2025	New Issuance	20,000,000	Common	$0.0001	New	Michael Calcagnino	Services	Restricted	Exempt
4/14/2025	New Issuance	20,000,000	Common	$0.0001	New	Rabih Safadi	Services	Restricted	Exempt
4/14/2025	New Issuance	20,000,000	Common	$0.0001	New	Edward Jeremy Barrera	Services	Restricted	Exempt
4/14/2025	New Issuance	20,000,000	Common	$0.0001	New	Daniel Isaac Rodriguez	Services	Restricted	Exempt
4/14/2025	New Issuance	20,000,000	Common	$0.0001	New	Elias Rodriguez	Services	Restricted	Exempt
4/14/2025	New Issuance	50,000,000	Common	$0.0001	New	Javier Leal	Services	Restricted	Exempt
4/14/2025	New Issuance	50,000,000	Common	$0.0001	New	Michael Araghi	Services	Restricted	Exempt
4/14/2025	New Issuance	15,000,000	Common	$0.0001	New	Hadi Kelani	Services	Restricted	Exempt
4/14/2025	New Issuance	15,000,000	Common	$0.0001	New	Hakop Chouldjian	Services	Restricted	Exempt
5/5/2025	New Issuance	400,000,000	Common	$0.0001	New	Team Pac LLC	Services	Restricted	Exempt
5/12/2025	New Issuance	400,000,000	Common	$0.0001	New	Team Pac LLC	Services	Restricted	Exempt
5/12/2025	Cancel	-400,000,000	Common	$0.0001	Cancel	Team Pac LLC	Services	Restricted	Exempt

5/15/2025	Cancel	-400,000,000	Common	$0.0001	Cancel	Team Pac LLC	Services	Restricted	Exempt
5/15/2025	New Issuance	400,000,000	Common	$0.0001	New	Team Pac LLC	Services	Restricted	Exempt
5/27/2025	Cancel	-500,000,000	Common	$0.0001	Cancel	Michael Holley	Services	Restricted	Exempt
6/10/2025	New Issuance	300,000,000	Common	$0.0001	New	John Daniel Quinn	Services	Restricted	Exempt
07/28/2025	New Issuance	50,000,000	Common	$0.001	New	Michael Demson	PPM	Restricted	Exempt
08/04/2025	New Issuance	4	Series H Preferred	$0.0001	New	Luis Sequeira	Services	Restricted	Exempt
08/06/2025	New Issuance	75,000,000	Common	$0.001	New	Javier Leal	PPM	Restricted	Exempt
08/08/2025	New Issuance	400,000,000	Common	$0.0001	New	Paloma de la Ascension	Settlement	Restricted	Exempt
08/08/2025	New Issuance	100,000,000	Common	$0.0001	New	Kelli Austin	Services	Restricted	Exempt
08/08/2025	New Issuance	100,000,000	Common	$0.0001	New	Patrick Morris	Legal Services	Restricted	Exempt
08/13/2025	New Issuance	600,000,000	Common	$0.0001	New	Michael and Chirine Holley	Settlement	Restricted	Exempt
09/15/2025	Conversion of 2 preferred H	200,000,000	Common	$0.0001	New	Scott Darnell	Conversion	Restricted	Exempt
9/22/2025	New Issuance	400,000,000	Common	$0.0001	New	Francisco Pena	Settlement	Restricted	Exempt
09/22/2025	New Issuance	10,000,000	Common	$0.0001	New	Kenneth Genova	Services	Restricted	Exempt
09/25/2025	New Issuance	15,000,000	Common	$0.001	New	Zach Furasek	PPM	Restricted	Exempt
09/25/2025	New Issuance	83,500,000	Common	$0.0001	New	Alpine Securities	Services	Restricted	Exempt

09/25/2025	Conversion 2 Pref H	200,000,000	Common	$0.0001	New	CFT LP	Conversion		

Shares Outstanding on Date of This Report: 21,137,133,484 Common: Ending Balance: Date 9/30 /2025
51 Preferred A: 9/30/2025
53 Preferred H: 9/30/2025

on is based on a variable market rate.

Example: A company with a fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

n/a

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

[☐] Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance ($)	Outstanding Balance ($) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
6/18/2021	300,000	1,479,925	11/16/25	.01 /share	none	varies	Thomas Zarro	Loan
10/31/25	5,450,000	5,518,229	4/14/26	.01 /share	none	varies	M. Araghi	Loan
1/30/25	1,083,000	1,140,760	4/30/25	.01 /share	none	varies	T. Brown	Purchase
8/5/25	334,843	334,843	12/31/26	.01 /share	none	varies	Elevate	Settlement
Total Outstanding Balance:		8,473,757		**Total Shares:**	none	varies		

[6] The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

Any additional material details, including footnotes to the table are below:

none

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Labor Smart Inc. is the parent company, having acquired Takeover Industries Inc., an early-stage beverage venture in 2021 with its Subsidiary Next Gen Beverages LLC. In June of 2023 the Company has made several strategic subsidiary purchases which are further explained in Subsection B.

Next Gen Beverages, operating as LOCK'DIN™ Beverages delivers life-changing, science-driven functional beverages formulated to provide athletes, entrepreneurs and everyday achievers safe and effective natural products that help improve performance and recovery without compromising health. The brand offers ready-to-drink beverages, including a world-class Hydrogen Water, a nootropic functional drink, and a functional Coffee.

LOCK'DIN™ Beverages creates products that not only taste great but also enhance overall well-being. The brand has rapidly expanded its product line to offer a diverse range of beverages focused on wellness, hydration, mental performance, and overall well-being. Each product is 100% plant-based, with 0 sugar, 0 carbs, and 10 or fewer calories, depending on the drink. The commitment to science driven innovation and sustainable practices has earned LOCK'DIN™ a strong following and recognition as a leader in the function beverage sector.

Lock'dIn is committed to conducting its business and affairs with honesty, integrity, and in accordance with the highest ethical and legal standards. The Code of Ethics and Business Conduct (aka "The Code") sets for the ethical standards that all directors, officers, employees, and representatives of LOCK'DIN and its subsidiaries worldwide. The Code of Ethics sets strict ethical guidelines for company conduct, emphasizing honesty, legal compliance, conflict avoidance, resource usage, employee respect, confidentiality protection, and reporting of wrongdoing to management.

Illumination Brands is a vertically integrated distribution and brand incubation company focusing on creating new point of-sales for consumer products while acquiring, innovating, and incubating brands owned by our company and clients.

Next Gen AP, LLC was set up in Wyoming to handle our health based alternative lifestyle brands that work in conjunction with our Next Gen lines and is where our most recent brand launch, Adios resides.

Creager Mercantile, Inc. has been serving Denver metro and Colorado front range businesses since 1958. Creager is proud to be a locally owned and operated family business that understands the needs of our customers because we face the same issues they do. LTNC is proud to have Creager as part of the LTNC family of companies.

Elevate Health & Wellness Nutraceuticals, LLC was designed to seek opportunities in the rapidly growing health and wellness sector. The US health and wellness market is currently valued at $2 trillion dollars and represents 1/3 of the global wellness economy.

Legacy Distribution Group ceased operations in June of 2025 with no assets and all receivables to be collected by the Asset Based Lender with first position collateralization.

B. List any subsidiaries, parent company, or affiliated companies.

Next Gen AP
Next Gen Labor
Kultura Brands (formerly known as Labor Smart INC)
Takeover Industries, LLC
Illumination Holdings
Legacy Distribution Group
Go Fast Sports and Beverages
Elevate Health and Wellness

C. Describe the issuers' principal products or services.

Beverage and Snack Industry, Sports and Wellness products.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

3PL warehouse and fulfillment center in Georgia, Copackers in various locations in Florida.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or **Entity Name** (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation** (ex: CEO, ≥ 5% beneficial owner)	**City and State** (Include Country if outside U.S.)	**Number of Shares Owned** (List common, preferred, warrants and options separately)	**Class of Shares Owned**	**Percentage of Class of Shares Owned** (undiluted)
Thomas Zarro	Chairman of Board	Henderson, NV	850,000,000 common	Common Preferred	4.449 33.33

			34 Pref A 4 Pref H		7.54
Brad Wyatt	Director/CEO	Denver, CO	9 Pref H	Preferred	16.981
Luis Sequiera	Director	Zug, Switzerland	850,000,000 common 10 Pref A 2 Pref H	Common Preferred	4.449 19.98 3.774
Emmanuel Pacquiao	Director	Manilla, Philippines	260,000,000 2 Pref H	Common Preferred	1.309 3.774
Michael Araghi	Director	West Covina, CA	717,000,000 Common 20 Pref H	Common Preferred	3.753 37.736
Scott Darnell	Director, Secretary, Interim CFO	Naples, FL	25,000,000 Common 1 Pref H	Common Preferred	1.31 18.868
Rabih Safadi	Director	Grimsby ON	20,000,000 Common	Common	1.05

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

No

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

No

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

No

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

No

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

<u>No</u>

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

<u>No</u>

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

On March 8, 2022, the former President of the Company sued as Takeover Industries against the other officers and directors of the Company, U.S. District Court for the District of Arizona, case no. 2:22-cv-00357. All claims originally filed against Takeover have been dismissed. Takeover filed a proposed set of claims in the same case against former President Jason Tucker and his wife Melissa Tucker, based on the conduct of the Tuckers that Takeover discovered during a recent investigation. It is alleged the Tuckers engaged in a scheme that involved breaches of fiduciary duties. The Tucker defendants failed to file an answer and Takeover was granted a default judgment. The Tuckers filed a Motion to Set Aside the Default due to an error by counsel and on June 24, 2024, the motion to set aside the default was granted. The Tucker Defendants were given until July 8, 2024, to file an answer to the original complaint against them. Subsequent to the end of the second quarter, on July 8, 2024, the Tucker Defendants filed an Answer to the Amended Complaint with a Third-Party Complaint against Next Gen Beverages LLC, Thomas Zarro and his spouse, Michael Holley and his spouse, Takeover Industries, Joseph Pavlik, and Toby McBride and a Counterclaim against Next Gen Beverages, LLC, Thomas Zarro and spouse, Michael Holley and spouse, Takeover Industries, Inc., Joseph Pavlik, and Toby McBride. The allegations in the Counterclaim and Third-Party complaint are a recapitulation of the charges made and already dismissed, except the claims against the Zarros which are specious, and the Company is convinced all claims will be dismissed again. The Company believes that the case will be settled with no financial impact.

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto "a substantial amount of money," in excess of Two Million Dollars ($2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a "secured debt interest" in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the "Declaration"), stated that he "loaned" Takeover, One Million Five Hundred Thousand Dollars ($1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, "Takeover owed [Deppoleto] at least $2,070,098.36". The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, "Pavlik"), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event, according to Section 7 of Zarro's Note.

On February 22, 2024, Professional Fighters League, LLC filed suit against Takeover Industries, Inc. aka NXT LVL in the United States District Court for the Southern District of New York, Case Number 24-CV-01335-GS for a Breach of Contract. The Court ordered the complaint be amended to cure deficiencies. This amendment was filed March 26, 2024. Takeover Industries Inc was not served until April 22, 2024. Takeover filed a Motion to Dismiss on May 13, 2024. There was a settlement conference in front of the Magistrate Judge subsequent to the end of the quarter, held July 16, 2024, and both sides are still actively engaged in settlement discussions.

The Professional Fighters League is alleged damages of $2,152,000. The Company had previously accrued $441,000 for amounts owed up to December 31, 2022.

Based on the express terms of the Agreement, it is the opinion of the Company, as expressed more fully in the filed Motion, that the plain and unambiguous language contained in the Agreement, limits any liability to the amount that the Company paid.

Legacy became insolvent in early 2025, as disclosed by its parent company, Labor Smart, Inc. ("LTNC"). On June 6, 2025, LTNC determined to dissolve Legacy. LTNC's June 30, 2025 disclosure further states that Legacy's remaining inventory was liquidated through a bulk sale to Alkaline 88, with all proceeds paid directly to Legacy's senior secured ABL (asset-based lender), leaving no remaining assets at the time of dissolution

On or about June 14, 2024, 40th Street Partners LLC initiated a civil action against Legacy Distribution Group LLC in Colorado state court (Case No. 24CV30939). The complaint alleges that Legacy failed to pay rent owed under a commercial lease for premises located at 18245 E. 40th Avenue, Aurora, Colorado. Damages sought include approximately $180,581 in unpaid rent, plus fees, interest, and other contractual remedies. The matter appears ongoing, and no final judgment or settlement has been publicly disclosed.

In 2025, GSR Airport Signature LLC filed a civil action in Colorado (Case No. 2025CV032008) naming Legacy Distribution Group, LLC — identified in the pleadings as a dissolved Colorado limited liability company — along with Illumination Holdings, Inc. and other related parties. The case involves a commercial contract or facility-related dispute in which the plaintiff seeks monetary damages arising from Legacy's business operations. Detailed allegations and current procedural posture have not been fully disclosed in public secondary sources.

Legacy's affiliated entity, Legacy Distribution Company, was previously sued by Black Rifle Coffee Company, LLC in Adams County District Court, Colorado (Case No. 24CV33065). The parties agreed to a settlement plan; however, according to LTNC, the settlement is currently in default. LTNC and its legal counsel are engaged in efforts to resolve the matter. Although the defendant entity is "Legacy Distribution Company," not Legacy Distribution Group, the matter is considered part of the broader Legacy distribution platform's legal exposure.

Legacy Distribution Group LLC, along with CBD Global Sciences/Global Sciences Holdings and related entities, is involved in reciprocal litigation with Birchwood Funding in Monroe County, New York.

In one action, Birchwood Funding asserts claims against Legacy and affiliates for alleged non-payment and breach of financing arrangements.

In a related action, Legacy and CBD Global Sciences assert claims against Birchwood regarding alleged disputes over payment reconciliations and representations related to the financing facility.

Both matters constitute commercial contract and financing disputes associated with Legacy's distribution operations.

Other than normal-course commercial disputes, vendor issues, receivable collections, and minor claims typical for a distribution business, no additional material litigation or governmental proceedings involving Legacy Distribution Group, LLC are known or publicly reported as of the date of this disclosure. Due to Legacy's insolvency and dissolution, additional claims, liens, or legal actions may exist or may arise that are not reflected in currently available public sources.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Byron Thomas
Address 1: 3275 S Jones Blvd,
Las Vegas, NV 89146
Address 2:
Phone: (702) 747-3103
Email: byronthomaslaw.com

Accountant or Auditor

Name: Nathan Hicks
Firm: Hicks &Co LLC
Address 1: Denver, CO
Address 2: ______
Phone: ______
Email: Nathan_hicks@illuminationsbrands.com

Investor Relations

Name: n/a
Firm: ______
Address 1: ______
Address 2: ______
Phone: ______
Email: ______

All other means of Investor Communication:

X (Twitter): @livelockdin : @laborsmartnews
Discord: ______
LinkedIn ______
Facebook: @livelockdin
[Other] ______

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: ______
Firm: ______
Nature of Services: ______
Address 1: ______
Address 2: ______
Phone: ______
Email: ______

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Nathan Hicks**
Title: **Accountant**
Relationship to Issuer: **Consultant**

B. The following financial statements were prepared in accordance with:

☐ IFRS
X☐ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Nathan Hicks**
Title: **Accountant**
Relationship to Issuer: **Consultant**
Describe the qualifications of the person or persons who prepared the financial statements:
[7] Financial Controller

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

[7] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Brad J Wyatt, CEO certify that:

1. I have reviewed this Disclosure Statement for Labor Smart Inc;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 18, 2026

/s/ [Brad Wyatt]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Scott Darnell, Interim CFO and Secretary, certify that:

1. I have reviewed this Disclosure Statement for Labor Smart Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 18, 2026

/s/ [Scott Darnell]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

KULTURA BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	Sept 30, 2025	December 31, 2024
ASSETS		
Cash & Equivalent	4,637	263,199
Trade Receivable(net)	3,754,208	3,191,609
AR-Related Party	22,708	489,546
Other Current Assets		81,989
Total Current Assets	**3,781,553**	**4,026,343**
Inventory	224,726	
WIP-Inventory	4,800,000	1,621,205
Right of Use Assets	1,133,330	
Deposits		60,936
Loans Receivable	343,206	1,189,446
Fixed Assets(net)	266,126	233,574
Investments	11,956,633	30,690,904
Goodwill		4,176,956
Other	154,768	4,404,221
TOTAL ASSETS	**$ 22,660,343**	**$ 46,403,585**
LIABILITIES AND EQUITY		
Accounts Payable	250,143	10,212,134
AP-Related Party	375,426	3,146,550
Deferred Revenue	4,424,574	
Credit Card	92,735	
Accrued Expense	200,400	
Current Loans Payable	209,251	
Total Current Liabilities	**5,552,529**	**13,358,684**
Long Term Loans Payable	15,848,305	20,035,789
Interest Payable	52,451	
Convertible Note Payable	1,479,925	
Tax	3,015	
Accrued Expense	2,440	2,131,345
TOTAL LIABILITY	**$ 22,938,665**	**$ 35,525,818**
EQUITY		
Preferred stock, ($.0001 par value, 5,000,000 shares authorized; 51 issued and outstanding negligible value Series A Preferred stock, ($.0001 par value, 51 shares authorized; 51 issued and outstanding as of Sept 30, 2025 and December 31, 2024, respectively (negligible value)		
Redeemable Equity	766,000	766,000
Common Stock	620,430	620,430
Common stock, $0.0001 par value: 25,000,000,000 authorized; 21,137,133,484 and 17,533,633,484 shares issued and outstanding as of Sept 30, 2025 and December 31,2024		
Par Value	2,113,713	1,753,363
APIC	4,089,774	18,961,728
Equity in Subsidiary	1,749,754	1,749,754
Retained Earnings	(9,061,349)	(12,973,508)
TOTAL EQUITY	**278,322**	**10,877,767**
TOTAL LIABILITIES & EQUITY	**$ 22,660,343**	**$ 46,403,585**

The Accompanying notes are an integral part of these consolidated financial statements.

KULTURA BRANDS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the nine months ended,		For the three months ended,	
	Sept 30, 2025	Sept 30, 2024	Sept 30, 2025	Sept 30, 2024
REVENUE				
Sales	$ 11,509,048	$ 858,843	$ 3,888,710	$ 619,116
Other Income				
TOTAL INCOME	**11,509,048**	**858,843**	**3,888,710**	**619,116**
Cost of Sales	8,826,511	989,507	3,159,601	611,316
GROSS PROFIT	$ 2,682,537	$ (130,664)	$ 729,109	$ 7,800
EXPENSES				
Payroll & Benefit	668,817	458,044	163,500	458,044
SG&A	620,319	616,115	82,917	354,224
Professional Fees	177,419	254,949	57,754	137,069
Advertising & Marketing	188,238	110,728	30,667	53,188
Bank & Merchant Fee	29,861	285,681	4,232	
	1,684,654	1,725,517	339,070	1,002,525
NET GAIN (LOSS) on operations	$ 997,883	$ (1,856,181)	**390,039**	**(994,725)**
OTHER EXPENSES				
Interest Expense	399,670	130,836	90,117	122,387
Interest Income		(4)		(4)
Gain(loss) on Purchase	(5,409,791)			
Gain(loss) on Disposal	5,129,266	1,593.00		1,593
NET GAIN (LOSS)	**$ 878,738**	**$ (1,988,606)**	**$ 209,805**	**$ (1,118,701)**
Earnings per Share (EPS)	**<0.000**	**<(0.000)**	**<0.000**	**<(0.000)**

The Accompanying notes are an integral part of these consolidated financial statements.

KULTURA BRANDS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
CONDENSED FORMAT

		Sept 30, 2025	Sept 30, 2024
OPERATING ACTIVITIES			
Net loss attributable to common stockholders	$	878,738	(757,143)
Adjustments to reconcile net loss to net cash flows used in operating activities:			
Deferred Adjustments - Operating Invest & Loan		(1,144,864)	1,228,853
CHANGES IN OPERATING ASSETS & LIABILITIES			
Balance Sheet Adjustments & Disposals			(1,092,157)
Net cash (used in) operating activities	$	(266,126)	(620,447)
INVESTING ACTIVITIES			
Additions to Assets & Operations		266,126	
Net cash (used in) investing activities	$	266,126	
FINANCING ACTIVITIES			
Common Stock and One Time Charges		874,234	701,000
Common Stock Refund		(878,738)	
Net cash provided by financing activities	$	(4,504)	701,000
NET CHANGE IN CASH		(4,504)	80,553
CASH, Beginning		9,141	17,316
CASH, Ending	$	4,637	97,869

The accompanying notes are an integral part of these financial statements.

KULTURA BRANDS, INC. AND SUBSIDIARIES
Statement of Stockholders Deficit (condensed)
For the Periods Ended September 30, 2025 and June 30, 2024
(Unaudited)

Description	Preferred Shares Outstanding	Preferred Par Amount	Equity in Industries	Redeemable Equity	Common Shares Outstanding	Common Par Amount	APIC	Common Stock Subscribed	Accumulated Deficit	Total
Balance for Period ended June 30, 2024	**51**		**1,749,754**	**766,000**	**15,155,568,486**	**1,515,557**	**1,687,835**	**864,180**	**(9,957,815)**	**(3,374,489)**
Sale of Common Stock					503,064,998	50,306	2,197,971			2,248,277
Shares owed for Acquistion					750,000,000	75,000	8,855,588			8,930,588
Net loss for nine months ended September 30, 2024									(310,238)	(310,238)
Balance for period ended September 30, 2024	**51**		**1,749,754**	**766,000**	**16,408,633,484**	**1,640,863**	**12,741,394**	**864,180**	**(10,268,053)**	**7,494,138**
Sale of Common Stock					200,000,000	20,000	130,000			
Sale of Common Stock					125,000,000	12,500	81,250	(150,000)		
Shares owed					400,000,000	40,000	879,818	(93,750)		919,818
Shares owed					400,000,000	40,000	5,129,266			5,169,266
Net loss for twelve months ended December 31, 2024									(2,705,455)	(2,705,455)
Balance for period ended December 31, 2024	**51**		**1,749,754**	**766,000**	**17,533,633,484**	**1,753,363**	**18,961,728**	**620,430**	**(12,973,508)**	**10,877,767**
Sale of Common Stock					705,000,000	752	9,474			10,226
Net loss for three months ended march 31, 2025									(1,163,992)	(1,163,992)
Balance for period ended March 31, 2025	**51**		**1,749,754**	**766,000**	**18,238,633,484**	**1,754,115**	**18,971,202**	**620,430**	**(14,137,500)**	**9,724,001**
Sale of Common Stock & Adjustment					1,165,000,000	186,248	(96,692)			71,829
Net loss/gain for three months ended march 31, 2025									17,728	-
Balance for period ended June 30, 2025	**51**		**1,749,754**	**766,000**	**19,403,633,484**	**1,940,363**	**18,874,510**	**620,430**	**(14,155,228)**	**9,795,830**
Sale of Common Stock & Adjustment					1,733,500,000	(186,248)	(14,425,138)		4,215,141	(10,396,245)
Net loss/gain for three months ended march 31, 2025									878,738	878,738
Balance for period ended September 30, 2025	**51**		**1,749,754**	**766,000**	**21,137,133,484**	**1,754,115**	**4,089,774**	**620,430**	**(9,061,349)**	**278,322**

The Accompanying notes are an integral part of these consolidated financial statements.

KULTURA BRANDS, INC. AND SUBSIDIARIES FINANCIAL STATEMENTS
September 30, 2025
Unaudited

1. NATURE OF OPERATIONS, SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Nature of Business Operations

Business

Kultura Brands, formerly Labor Smart, Inc., (the "Company") was incorporated in the State of Nevada on May 31, 2011. Labor Smart, Inc. provides temporary blue-collar staffing services. It supplies general laborers on demand to the light industries, including manufacturing, logistics, and warehousing, skilled trades' people, and general laborers to commercial construction industries.

Takeover Industries, Inc. negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover's equity in exchange for 6,800,000,000 restricted shares of LTNC (The "Stock Purchase Agreement"). As part of the Stock Purchase Agreement, the principles of Takeover received all 51 Series A Preferred Shares of LTNC. The Company began the process of updating the books of the parent company, LTNC.

Takeover Industries, Inc. is a Nevada corporation focused on selling its proprietary line NXT LVL, including hydrogen infused waters and 2 oz "Gamer Shots." After acquiring Labor Smart, Takeover's management quickly went into motion to implement a line of enhanced water products under the NXT LVL brand. These products include NXT LVL Hydrogen Water ("NXT LVL Water"). NXT LVL Water features a proprietary blend of ingredients and utilizes a confidential, proprietary process to infuse the water with additional hydrogen and compounds.

On July 14, 2021, the Company entered into a Purchase and Sale Agreement whereby the Company sold all the assets and liabilities related to its staffing business the ("Staffing Business") to the former Chief Executive Officer of the Company. The Company, pursuant to the Agreement, sold the Staffing Business for a purchase price of $500,000, $300,000 of which has been received by the Company, with the additional $200,000 to be received within 90 days from the date of the Agreement.

The Company formed Next Gen Beverage LLC a Wyoming Corporation on June 14, 2023, focused on selling hydrogen infused waters. The Company redomiciled to Wyoming on January 30, 2020, and is active and in Good Standing.

On August 14, 2024, the Company acquired 100% of the common shares of the specialty beverage entity Illumination Holding, Inc.'s for 750,000,000 shares of its common shares.

On January 15, 2025 the Company announced a partnership with Upper Street Marketing, Inc. to launch Casa Rica Tequila nationwide. On January 31, 2025 LTNC announced an official partnership with fighter Brandon Figueroa. On February 6, 2025, the Company announced it secured an elite hydration deal through Lock'dIn Beverages with ME by Meliá Dubai for Lock'dIn's hydration water. On March 11, 2025, the Company announced a partnership with Romano Brothers, a premier distributor of beverages. On March 14, 2025, the Company announced that it is contemplating a corporate rebrand a ticker change. On April 1, 2025, the Company announced it is targeting GLP-1 Market with Functional Gummies, with pre-orders starting April 7, 2025, through Elevate Health & Wellness.

June 3, 2025 LTNC executed a share purchase agreement selling 100% of the shares of Creager Mercantile to Prima Verde LLC in exchange for an equipment sale of a manufacturing line owned by Prima Verde.

June 6, 2025 LTNC has decided to cease operations for Legacy Distribution Group which became insolvent earlier in the year. The last sales of inventory in a bulk sale to Alkaline 88 will result in final payment for remaining inventory to Altena Capital Solutions, leaving zero assets on the books.

July 17, 2025 LTNC hosted a a breakout launch weekend for its flagship tequila-based ready-to-drink (RTD) brand, Adios, which has already generated millions of dollars in wholesale commitments, over 135 million social media impressions over a 48 hour period, and surging pre-sale momentum at AdiosSpirits.com. The launch was fueled by global legend Manny Pacquiao's return to the ring, which ended in a dramatic draw and attracted global media attention. As a central ambassador for Adios, Manny's presence helped catapult the brand into the cultural mainstream, while Cookies®, the iconic lifestyle brand founded by Berner, amplified the launch through its unmatched digital and retail network. Brandon Figueroa also notched a major win on the same card, reinforcing Adios' strong connection to combat sports and cultural relevance.

July 29,2025 announced a landmark partnership for its functional hydration brand LOCK'DIN® with Cencora, one of the world's largest pharmaceutical and medical facilities wholesale companies. The collaboration will place LOCK'DIN Hydrogen Water and Electrolyte Stick Packs onto Cencora's B2B distribution platform, giving the brand access to tens of thousands of pharmacies, clinics, hospitals, and retail doors - representing the most significant growth milestone in LOCK'DIN's history. As part of the agreement, a portion of proceeds will support the Manny Pacquiao Foundation, reinforcing LTNC's commitment to meaningful social impact while scaling its consumer brands. The Foundation's mission to uplift communities through health, education, and empowerment directly aligns with the wellness-focused vision of LOCK'DIN.

August 13,2025 LTNC announced the immediate retirement of 720,000,000 shares to its treasury as part of a strategic transaction involving the Go Fast Sports brand. This action represents one of the largest share reductions in Company history and underscores LTNC's commitment to strengthening its capital structure, responding to shareholder concerns, and positioning the Company for long-term growth. With this action Go Fast will move to GTVH once all payments due to Go Fast are completed. The two companies will participate in a distribution agreement where LTNC can distribute Go Fast exclusively in the United States.

September 12, 2025 LTNC announced that it will be participating in a national crowdfunding event designed to connect high-growth companies with non-dilutive financing opportunities. This event highlights businesses with strong fundamentals and proven operating models that extend well beyond their share price.

September 22, 2025 LTNC announced a consulting agreement with Ernesto Amador, internationally renowned sports broadcaster and cultural figure. Amador, who recently served as the Spanish-language voice for Netflix's historic Canelo Álvarez vs. Terence Crawford super fight, will join the Adios Spirits team as Strategic Brand Ambassador and Market Development Consultant. His role will help advance the Company's mission to position Adios Spirits as a leading ready-to-drink (RTD) brand in the marketplace.

Risks Related to Our Business

The Company’s business and results of operations may be adversely affected by increased costs or disruption, unavailability or shortages of raw materials, fuel and other supplies.

Raw material costs, including the costs for glass and plastic bottles, aluminum cans, PET resin, carbon dioxide and sugar, water are subject to significant price volatility, which may be worsened by periods of increased demand, supply constraints or high inflation. International or domestic geopolitical or other events, including pandemics, armed conflict or the imposition of tariffs and/or quotas by the U.S. government on any of these raw materials, could adversely impact the supply and cost of these raw materials to the Company or render them unavailable at commercially favorable terms or at all. In addition, there are few limits on the prices KULTURA BRANDS and other beverage companies can charge for concentrate. If the Company cannot offset higher raw material costs with higher selling prices, effective commodity price hedging, increased sales volume or reductions in other costs, the Company’s results of operations and profitability could be adversely affected.

The Company uses a combination of internal and external freight shipping and transportation services to transport and deliver products. The Company's freight cost, cost of fuel, and the timely delivery of its products may be adversely impacted by a number of factors that could reduce the profitability of the Company's operations, including driver shortages, reduced availability of independent contractor drivers, higher fuel costs, weather conditions, traffic congestion, increased government regulation and other matters.

The Company continues to make significant reinvestments in its business to evolve its operating model and to accommodate future growth and portfolio expansion, including supply chain optimization. The increased costs associated with these reinvestments, the potential for disruption in manufacturing and distribution and the risk the Company may not realize a satisfactory return on its investments could adversely affect the Company's business, financial condition or results of operations.

The reliance on purchased finished products from external sources could have an adverse impact on the Company's profitability.

The Company does not, and does not plan to, manufacture all of the products it distributes and, therefore, remains reliant on purchased finished products from external sources to meet customer demand. As a result, the Company is subject to incremental risk, including, but not limited to, product quality and availability, price variability and production capacity shortfalls for externally purchased finished products, which could have an impact on the Company's profitability and customer relationships. Particularly, the Company is subject to the risk of unavailability of still products that it acquires from other manufacturers, leading to an inability to meet consumer demand for these products. In most instances, the Company's ability to negotiate the prices at which it purchases finished products from other manufacturers is limited pursuant to KULTURA BRANDS's right to unilaterally establish the prices, or certain elements of the formulas used to determine the prices which could have an adverse impact on the Company's profitability.

Changes in public and consumer perception and preferences, including concerns related to product safety and sustainability, artificial ingredients, brand reputation and obesity, could reduce demand for the Company's products and reduce profitability.

Concerns about perceived negative safety and quality consequences of certain ingredients in the Company's products, such as non-nutritive sweeteners or ingredients in energy drinks, may erode consumers' confidence in the safety and quality of the Company's products, whether or not justified. The Company's business is also impacted by changes in consumer concerns or perceptions surrounding the product manufacturing processes and packaging materials, including single-use and other plastic packaging, and the environmental and sustainability impact of such manufacturing processes and packaging materials. Any of these factors may reduce consumers' willingness to purchase the Company's products and any inability on the part of the Company to anticipate or react to such changes could result in reduced demand for the Company's products or erode the Company's competitive and financial position and could adversely affect the Company's business, reputation, financial condition or results of operations.

The Company's success depends on its ability to maintain consumer confidence in the safety and quality of its products. The Company has rigorous product safety and quality standards. However, if beverage products taken to market are or become contaminated or adulterated, the Company may be required to conduct costly product recalls and may become subject to product liability claims and negative publicity, which could cause its business and reputation to suffer.

The Company's success also depends in large part on its ability and the ability of KULTURA BRANDS and other beverage companies it works with to maintain the brand image of existing products, build up brand image for new products and brand extensions and maintain its corporate reputation and social license to operate. Engagements by the Company's executives in social and public policy debates may occasionally be the subject of criticism from advocacy groups that have differing points of view and could result in adverse media and consumer reaction, including product boycotts. Similarly, the Company's sponsorship relationships and charitable giving program could subject the Company to negative publicity as a result of actual or perceived views of organizations the Company sponsors or supports financially. Likewise, negative postings or comments on social media or networking websites about the Company, KULTURA BRANDS or one of the products the Company carries, even if inaccurate or malicious, could generate adverse publicity that could damage the reputation of the Company's brands or the Company.

The Company's business depends substantially on consumer tastes, preferences and shopping habits that change in often unpredictable ways. As a result of certain health and wellness trends, including concern over the public health consequences associated with obesity, consumer preferences over the past several years have shifted from sugar-sweetened sparkling beverages to diet sparkling beverages, tea, sports drinks, enhanced water and bottled water. KULTURA BRANDS also distributes, markets and manufactures beverage brands owned by others, the success of the Company's business depends in large measure on the ability of KULTURA BRANDS and other beverage companies to develop and introduce product innovations to meet the changing preferences of the broad consumer market, and failure to satisfy these consumer preferences could adversely affect the Company's profitability.

Changes in government regulations related to alcoholic beverages, including regulations related to obesity, public health, artificial ingredients, recycling, sustainability and product safety, could reduce demand for the Company's products and reduce profitability.

The Company's business and properties are subject to various federal, state and local laws and regulations, including those governing the production, packaging, quality, labeling and distribution of beverage products. Compliance with or changes in existing laws or regulations could require material expenses and negatively affect our financial results through lower sales or higher costs.

The production and marketing of beverages are subject to the rules and regulations of the FDA and other federal, state and local health agencies, and extensive changes in these rules and regulations could increase the Company's costs or adversely impact its sales. The Company cannot predict whether any such rules or regulations will be enacted or, if enacted, the impact that such rules or regulations could have on its business.

In response to growing health, nutrition and wellness concerns for today's youth, a number of state and local governments have regulations restricting the sale of soft drinks and other foods in schools, particularly elementary, middle and high schools. Many of these restrictions have existed for several years in connection with subsidized meal programs in schools. Additionally, legislation has been proposed by certain state and local governments to limit or restrict the sale of energy drinks to minors and/or persons below a specified age and/or to restrict the venues in which energy drinks can be sold. Restrictive legislation, if widely enacted, could have an adverse impact on the Company's products, sales and reputation.

Legislation has been proposed in Congress and by certain state and local governments which would prohibit the sale of soft drink products in non-refillable bottles and cans or require a mandatory deposit as a means of encouraging the return of such containers, each in an attempt to reduce solid waste and litter. Similarly, the Company is aware of proposed legislation that would impose fees or taxes on various types of containers that are used in its business, implement new recycling regulations and the reduction of single-use plastics and place the onus on plastic suppliers to identify recycling solutions. The Company is not currently impacted by the policies in such proposed legislation, but it is possible that similar or more restrictive legal requirements may be proposed or enacted within its distribution territories in the future which could adversely impact bottle/can sales. Additionally, legislative priorities for increased recycled content in packaging could adversely impact our margins due to increased demand for such materials. It is also possible that the Company could be a named party in a lawsuit related to the environmental impact of plastics or littering. Any such lawsuit could subject us to liability or damage the reputation of the Company, which could adversely affect the Company's profitability.

Concerns about perceived negative safety and quality consequences of certain ingredients in the Company's products, such as non-nutritive sweeteners or ingredients in energy drinks, could result in additional governmental regulations concerning the production, marketing, labeling or availability of the Company's products or the ingredients in such products, possible new taxes or negative publicity resulting from actual or threatened legal actions against the Company or other companies in the same industry. It has also been proposed that the federal government enact policies through agencies such as the United States Department of Health and Human Services that would ban or restrict the usage of certain ingredients used in the manufacture of the products that we sell. Any such government actions could damage the reputation of the Company or reduce demand for the Company's products, which could adversely affect the Company's profitability.

The FDA occasionally proposes major changes to the nutrition labels required on all packaged foods and beverages, including those for most of the Company's products, which could require the Company and its competitors to revise nutrition labels to include updated serving sizes, information about total calories in a beverage product container and information about any added sugars or nutrients. Any pervasive nutrition label changes could increase the Company's costs and could inhibit sales of one or more of the Company's major products.

Most beverage products sold by the Company are classified as food or food products and are therefore eligible for purchase using SNAP benefits by consumers purchasing them for home consumption. Energy drinks with a nutrition facts label are also classified as food and are eligible for purchase for home consumption using SNAP benefits, whereas energy drinks classified as a supplement by the FDA are not. Regulators may restrict the use of benefit programs, including SNAP, to purchase certain beverages and foods currently classified as food or food products.

Changes in the inputs used to calculate the Company's acquisition related contingent consideration liability could have a material adverse impact on the Company's financial condition and results of operations.

Changes in business conditions or other events could materially change both the future cash flow projections and the estimated weighted average cost of capital ("WACC") used in the calculation of the fair value of contingent consideration under the CBA. These changes could result in material changes to the fair value of the acquisition related contingent consideration liability and could materially impact the amount of non-cash expense (or income) recorded each reporting period.

General Risk Factors

Technology failures or cyberattacks on the Company's information technology systems or the Company's effective response to technology failures or cyberattacks on its third-party service providers', business partners', customers', suppliers' or other third parties' information technology systems could disrupt the Company's operations and negatively impact the Company's reputation, business, financial condition or results of operations.

The Company increasingly relies on information technology systems to process, transmit and store electronic information. The Company's information technology systems are vulnerable to interruption due to a variety of events beyond the Company's control, including, but not limited to, power outages, computer and telecommunications failures, computer viruses, other malicious computer programs and cyberattacks, denial-of-service attacks, security breaches, catastrophic events such as fires, tornadoes, earthquakes and hurricanes, usage errors by employees and other security issues. In addition, third-party providers of data hosting or cloud services, as well as other vendors, customers and suppliers, are vulnerable to cybersecurity incidents involving data the Company shares with them or data systems the Company relies on. While incidents at our third-party service providers have not materially impacted our business operations, one or more of these incidents could significantly impact the Company in the future.

The Company depends heavily upon the efficient operation of technological resources and a failure in these information technology systems or controls could negatively impact the Company's business, financial condition or results of operations. In addition, the Company continuously upgrades and updates current technology or installs new technology. In order to address risks to its information technology systems, the Company continues to monitor networks and systems, to upgrade security policies and to train its employees, and it requires third-party service providers and business partners, customers, suppliers and other third parties to do the same. The inability to implement upgrades, updates or installations in a timely manner, to train employees effectively in the use of new or updated technology or to obtain the anticipated benefits of the Company's technology could adversely impact the Company's business, financial condition, results of operations or profitability. Additionally, the failure of the Company to successfully migrate key data to new systems could lead to data integrity issues, service interruptions or delays and other increased costs that could adversely impact the Company's business, financial condition or results of operations.

The Company has technology security initiatives and disaster recovery plans in place to mitigate its risk to these vulnerabilities. However, these measures may not be adequate or implemented properly to ensure that the Company's operations are not disrupted. If the Company's information technology systems, or those of its third-party service providers or business partners, are damaged, breached or cease to function properly, the Company may incur significant costs and require other resources to mitigate, upgrade, repair or replace them, and the Company may suffer interruptions in its business operations, resulting in lost revenues and potential delays in reporting its financial results.

Further, misuse, leakage or falsification of the Company's information could result in violations of data privacy laws and regulations and damage the reputation and credibility of the Company. The Company may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to the Company, current or former employees, bottling partners, other customers, suppliers or consumers and may become subject to legal action and increased regulatory oversight. The Company could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information technology systems, including liability for stolen information, increased cybersecurity protection costs, litigation expense and increased insurance premiums.

The Company's financial condition can be impacted by the stability of the general economy.

Unfavorable changes in general economic conditions or in the geographic markets in which the Company does business may have the effect of reducing the demand for certain of the Company's products. For example, economic forces may cause consumers to shift away from purchasing higher-margin products and packages sold through immediate consumption and other highly profitable channels. Periods of sustained high inflation may have adverse impacts on demand for the Company's products and on the Company's ability to sustain margins due to higher input costs. In addition, efforts by the government to curb inflation may cause a general economic slowdown. Adverse economic conditions could also increase the likelihood of customer delinquencies and bankruptcies, which would increase the risk of collectability of certain accounts. Each of these factors could adversely affect the Company's overall business, financial condition and results of operations.

The Company's capital structure, including its cash positions and borrowing capacity with banks or other financial institutions and financial markets, exposes it to the risk of default by or failure of counterparty financial institutions. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty in the financial markets. If one of the Company's counterparties were to become insolvent or enter bankruptcy, the Company's ability to recover losses incurred as a result of default or to retrieve assets that are deposited or held in accounts with such counterparty may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. Consequently, the Company's access to capital may be diminished. Any such event of default or failure could negatively impact the Company's business, financial condition and results of operations.

Changes in trade policies, including the imposition of, or increase in, tariffs on imported goods, could negatively affect our business.

Our business operations are subject to the impact of trade policies, including the imposition of tariffs, trade restrictions and duties on imported goods used within our supply chain to produce our products. Certain trade restrictions or the imposition of, or increases in, tariffs on imported goods could increase the cost to produce our products and, to the extent these costs are passed along to consumers, could make our products less affordable, which may negatively impact our net sales and profitability. Further, the imposition of so-called “across-the-board” tariffs has the potential to substantially reduce overall levels of aggregate demand within the U.S. economy, which could reduce consumer demand for the products which we offer or the financial stability of our customers.

The concentration risks among the Company’s customers and suppliers could impact our sales and our ability to access necessary product inputs at commercially advantageous prices.

The Company faces concentration risks related to a few customers comprising a large portion of the Company’s annual sales volume and net sales. The Company’s business, financial condition and results of operations could be adversely affected if net sales from one or more of these significant customers is materially reduced or if the cost of complying with the customers’ demands is significant. Additionally, if receivables from one or more of these significant customers become uncollectible, the Company’s financial condition and results of operations may be adversely impacted.

Moreover, the Company’s net sales are affected by promotion of the Company’s products by significant customers, such as in-store displays created by customers or the promotion of the Company’s products in customers’ periodic advertising. If the Company’s significant customers change the manner in which they market or promote the Company’s products, or if the marketing efforts by significant customers become ineffective, the Company’s sales volume and net sales could be adversely impacted.

Revenue for new product launches, including Adios™, involves estimates related to returns, incentives, and other variable consideration. If actual results differ from these estimates or additional information becomes available, the Company may be required to adjust previously reported revenue.

Material adjustments could lead to revisions or restatements of prior financial statements under ASC 250 and may affect investor confidence, results of operations, and liquidity.

Further, the suppliers of certain inputs of the Company’s key products, particularly plastic bottles and aluminum cans, are highly concentrated. This concentration could have an adverse effect on the Company’s ability to negotiate the lowest costs and, in light of the Company’s relatively low in-plant raw material inventory levels, has the potential for causing interruptions in the Company’s supply of raw materials and in its manufacture of finished goods. Because some of the limited number of suppliers are located outside the United States, disruptions to the supply chain or tariffs levied on the inputs we purchase may increase input costs.

The Company may not be able to respond successfully to changes in the marketplace.

The Company operates in the highly competitive nonalcoholic beverage industry and faces strong competition from other general and specialty beverage companies. The Company’s response to continued and increased customer and competitor consolidations and marketplace competition may result in lower than expected net pricing of the Company’s products. The Company’s ability to gain or maintain the Company’s share of sales or gross margins may be limited by the actions of the Company’s competitors, which may have advantages in setting prices due to lower raw material costs.

Competitive pressures in the markets in which the Company operates may cause channel and product mix to shift away from more profitable channels and packages. If the Company is unable to maintain or increase volume in higher-margin products and in packages sold through higher-margin channels, such as immediate consumption, pricing and gross margins could be adversely affected. Any related efforts by the Company to improve pricing and/or gross margin may result in lower-than-expected sales volume.

Macroeconomic Factors Macroeconomic factors, including inflation, interest rate changes, capital market volatility, global supply chain constraints, tariffs, and global economic and geopolitical developments, have had and may continue to have direct and indirect impacts on our business and results of operations, particularly demand for our products and net sales. While difficult to isolate and quantify, these macroeconomic factors have also impacted and may continue to impact our supply chain and manufacturing costs, employee wages, costs for capital equipment and value of our investments. Further, while many of these macroeconomic factors could have a long term impact, others may have a short term impact which could lead to our financial results not being comparable on a period-to period basis.

Changes in the Company’s level of debt, borrowing costs and credit ratings could impact the Company’s access to capital and credit markets, restrict the Company’s operating flexibility and limit the Company’s ability to obtain additional financing to fund future needs.

The Company’s level of debt requires a substantial portion of future cash flows from operations to be dedicated to the payment of principal and interest, which reduces funds available for other purposes. The Company’s debt level can negatively impact its operations by limiting the Company’s ability to, and/or increasing its cost to, access credit markets for working capital, capital expenditures and other general corporate purposes; increasing the Company’s vulnerability to economic downturns and adverse industry conditions by limiting the Company’s ability to react to changing economic and business conditions; and exposing the Company to increased risk that the Company will not be able to refinance the principal amount of debt as it becomes due or that a significant decrease in cash flows from operations could make it difficult for the Company to meet its debt service requirements and to comply with financial covenants in its debt agreements.

The Company’s acquisition related contingent consideration, revolving credit facility and pension and postretirement medical benefits are subject to changes in interest rates. If interest rates increase in the future, the Company’s borrowing costs could increase, which could negatively impact the Company’s financial condition and results of operations and limit the Company’s ability to spend in other areas of the business. Further, a decline in the interest rates used to discount the Company’s pension and postretirement medical benefits could increase the cost of these benefits and the amount of the liabilities.

In assessing the Company’s credit strength, credit rating agencies consider the Company’s capital structure, financial policies, consolidated balance sheet and other financial information and may also consider financial information of other bottling and beverage companies. The Company’s credit ratings could be significantly impacted by the Company’s operating performance, changes in the methodologies used by rating agencies to assess the Company’s credit ratings, changes in KULTURA BRANDS’s credit ratings and the rating agencies’ perception of the impact of credit market conditions on the Company’s current or future financial performance. Lower credit ratings could significantly increase the Company’s borrowing costs or adversely affect the Company’s ability to obtain additional financing at acceptable interest rates or to refinance existing debt.

Failure to attract, train and retain qualified employees while controlling labor costs and other labor issues could have an adverse effect on the Company’s reputation, business, financial condition and results of operations or profitability.

The Company’s future growth and performance depend on its ability to attract, hire, train, develop, motivate and retain a highly skilled, diverse and properly credentialed workforce, including front-line employees. The Company’s ability to meet its labor needs while controlling labor costs is subject to many external factors, including competition for and availability of qualified personnel in a given market, unemployment levels within those markets, prevailing wage rates, minimum wage laws, health and other insurance costs and changes in employment and labor laws or other workplace regulations. The Company's labor costs could be impacted by new or revised labor laws, rules or regulations or healthcare laws that are adopted or implemented. Any unplanned turnover or unsuccessful implementation of the Company's succession plans could deplete the Company's institutional knowledge base and erode its competitive advantage or result in increased costs due to increased competition for employees, higher employee turnover or increased employee benefit costs. Any of the foregoing could adversely affect the Company's reputation, business, financial condition or results of operations.

The Company uses various insurance structures to manage costs related to workers' compensation, auto liability, medical and other insurable risks. These structures consist of retentions, deductibles, limits and a diverse group of insurers that serve to strategically finance, transfer and mitigate the financial impact of losses to the Company. Losses are accrued using assumptions and procedures followed in the insurance industry, then adjusted for company-specific history and expectations. Although the Company has actively sought to control increases in these costs, there can be no assurance the Company will succeed in limiting future cost increases, which could reduce the profitability of the Company's operations.

Additionally, the Company's profitability is substantially affected by the cost of pension retirement benefits, postretirement medical benefits and current employees' medical benefits. Macroeconomic factors beyond the Company's control, including increases in healthcare costs, declines in investment returns on pension assets and changes in discount rates used to calculate pension and related liabilities, could result in significant increases in these costs for the Company. Although the Company has actively sought to control increases in these costs, there can be no assurance the Company will succeed in limiting future cost increases, which could reduce the profitability of the Company's operations.

Changes in tax laws, disagreements with tax authorities or additional tax liabilities could have a material adverse impact on the Company's financial condition and results of operations.

The Company is subject to income taxes within the United States. The Company's annual income tax rate is based upon the Company's income, federal tax laws and various state and local tax laws within the jurisdictions in which the Company operates. Changes in federal, state or local income tax rates and/or tax laws could have a material adverse impact on the Company's financial results.

Excise or other taxes imposed on the sale of certain of the Company's products by the federal government and certain state and local governments, particularly any taxes incorporated into shelf prices and passed along to consumers, could cause consumers to shift away from purchasing products of the Company, which could have a material adverse impact on the Company's business and financial results.

In addition, an assessment of additional taxes resulting from audits of the Company's tax filings could have an adverse impact on the Company's profitability, cash flows and financial condition.

Litigation or legal proceedings could expose the Company to significant liabilities and damage the Company's reputation.

The Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business, including, but not limited to, litigation claims and legal proceedings arising out of its advertising and marketing practices, product claims and labels, intellectual property and commercial disputes, and environmental and employment matters. With respect to all such lawsuits, claims and proceedings, the Company records reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Although the Company does not believe a material amount of loss in excess of recorded amounts is reasonably possible as a result of these claims, the Company faces risk of an adverse effect on its results of operations, financial position or cash flows, depending on the outcome of the legal proceedings.

Natural disasters, changing weather patterns and unfavorable weather could negatively impact the Company's business, financial condition and future results of operations or profitability.

Natural disasters or unfavorable weather conditions in the geographic regions in which the Company or its suppliers operate could have an adverse impact on the Company's revenue and profitability. For instance, unusually cold or rainy weather during the summer months may have a temporary effect on the demand for the Company's products and contribute to lower sales, which could adversely affect the Company's profitability for such periods. Prolonged drought conditions could lead to restrictions on water use, which could adversely affect the Company's cost and ability to manufacture and distribute products. Hurricanes or similar storms may have a negative sourcing impact or cause shifts in product mix to lower-margin products and packages.

Climate change may have a long-term adverse impact on our business and results of operations.

There is concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere could cause significant changes in weather patterns and an increase in the frequency or duration of extreme weather and climate events. These changes could adversely impact some of the Company's facilities, the availability and cost of key raw materials used by the Company in production or the demand for the Company's products. Public expectations for reductions in greenhouse gas emissions could result in increased energy, transportation and raw material costs and may require the Company to make additional investments in facilities and equipment. In addition, federal, state or local governmental authorities may propose legislative and regulatory initiatives in response to concerns over climate change, which could directly or indirectly adversely affect the Company's business, require additional investments or increase the cost of raw materials, fuel, ingredients and water. As a result, the effects of climate change could have a long-term adverse impact on the Company's business and results of operations.

Risk Management and Strategy

The Company is committed to maintaining robust processes to assess, identify and mitigate material risks from cybersecurity threats and to protect against, detect and respond to cybersecurity incidents. We integrate these processes into the Company's overall risk management program and, through the Company's Cybersecurity Incident Response Plan, we document the intended processes and the roles and responsibilities of teammates involved in assessing, identifying and managing material risks from cybersecurity threats. Periodically, the Company engages third parties to assist in the assessment and ongoing development of cybersecurity processes.

Our cybersecurity processes are grounded in the National Institute of Standards and Technology Cybersecurity Framework and include a number of different preventative measures. The Company performs periodic risk assessments of systems and applications to identify risks, vulnerabilities and threats in systems and software, performs an annual assessment of the effectiveness of the current cybersecurity response process by conducting incident response tabletop exercises that involve participation by members of the management team, and requires all teammates to participate in user awareness training for information technology and cybersecurity.

Our systems are reasonably designed to enable the information technology infrastructure group to capture application, system and network alerts. In the event of a cybersecurity incident, the Cyber Incident Response Team (the "CIRT"), led by a designated Cyber Incident Coordinator (the "CIC"), is responsible for collecting and analyzing relevant data about the incident and its risks. Members of the CIRT, including the CIC, are selected based on their knowledge of either cybersecurity or the specific information systems or business function affected by the incident.

As part of planning for any suspected cybersecurity incident, the CIRT has developed certain incident response strategies to help collect and preserve forensic data, to mitigate the threat and to perform other activities to restore systems to normal operation. These strategies include many of the practices recommended by the United States Department of Homeland Security's Industrial Control Systems Computer Emergency Response Team. In addressing and resolving a significant cybersecurity incident, the Company may engage external experts in relevant fields, such as legal or forensic services, as needed. The Company also has a process whereby the Chief Information Officer (the "CIO") periodically meets with and assesses third-party service providers in order to help ensure the Company is made aware of any potential material cybersecurity threats or incidents in a timely manner. The Company's largest external service provider is CONA, as further discussed in "Item 1A. Risk Factors" of this report.

During 2024, there were no identified cybersecurity risks or threats, including as a result of previous cybersecurity incidents, that had, or were reasonably likely to have, a material effect on our business strategy, results of operations or financial condition. While we maintain cybersecurity insurance, the costs related to cybersecurity incidents or disruptions may not be fully insured. See "Item 1A. Risk Factors" for a discussion of cybersecurity risks.

Going Concern

The accompanying condensed consolidated unaudited financial statements have been prepared, assuming a continuation of the Company as a going concern. The Company had a working capital deficit balance of $20,015,239 and an accumulated deficit of $10,268,053 as of and for the twelve months ended December 31, 2024. This raises substantial doubt about our ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that this series of events will be satisfactorily completed.

Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. If additional financing is not available or is not available on acceptable terms, we will have to curtail or cease our operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These financial statements do not include any adjustments that might arise from this uncertainty.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements and accompanying notes. Significant estimates include the assumption used in the valuation of equity-based transactions, valuation of intangible assets, allowance for doubtful accounts and inventory valuation and reserves. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less at the time of purchase. On September 30, 2025 and March 31, 2025 the Company had $4,637 and $12,400 respectively of cash and cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, prepaid expenses, inventory and other assets, accounts payable, accrued liabilities, note payable and convertible note payable approximate their fair values as of September 30 , 2025, and December 31, 2024, respectively, because of their short-term natures and the Company's borrowing rate of interest.

Accounts Receivable

Accounts receivable are recorded at fair value on the date revenue is recognized. The Company provides allowances for doubtful accounts for estimated losses resulting from the inability of its customers to repay their obligation. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to repay, additional allowances may be required. The Company provides for potential uncollectible accounts receivable based on specific customer identification and historical collection experience adjusted for existing market conditions. If market conditions decline, actual collection experience may not meet expectations and may result in decreased cash flows and increased bad debt expense.

The policy for determining past due status is based on the contractual payment terms of each customer, which are generally net 30 or net 60 days. Once collection efforts by the Company and its collection agency are exhausted, the determination to charge of uncollectible receivables is made. At September 30, 2025 and December 31, 2024, the Company has recorded an allowance for doubtful accounts of $681,000.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out basis and net realizable value. Net realizable value is defined as sales price, less cost of completion, disposition and transportation and a normal profit margin. As of Sept 30, 2025 , and December 31, 2024, inventory amounted to $224,726 and$1,621,205 respectively. As of Sept 30, 2025 , and December 31, 2024, inventory reserves were $0.

Revenue Recognition

We account for revenue in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 606, "Revenue from Contracts with Customers". Revenue is measured based on the amount of consideration that we expect to receive, reduced by discounts and estimates for credits and returns (calculated based upon previous experience and management's evaluation). Outbound shipping charged to customers is recognized at the time the related merchandise revenues are recognized and are included in net revenues. Inbound and outbound shipping and delivery costs are included in cost of revenues.

Our products are sold through our online and telephonic channels. Revenue is recognized when control of the merchandise is transferred to the customer, which generally occurs upon shipment. Payment is typically due on the date of shipment. The Company offers a 30- day return policy on sales.

Adios™ Revenue and Supply Chain Constraints
During the quarter ended September 30, 2025, the Company recognized approximately $3.2M in Adios™ revenue in accordance with ASC 606 upon transfer of control to distributors and customers.

Following quarter-end, continued supply chain delays and launch-related challenges affected the timing of certain distributor and retail programs. Management is reviewing Adios-related contractual terms and variable-consideration estimates to confirm that Q3 revenue appropriately reflects conditions existing at period end.

Based on current information, management believes Adios revenue was recognized in accordance with GAAP. However, as the review continues, it is reasonably possible that a portion of such revenue may need to be deferred and recognized in subsequent periods. Any adjustments will be evaluated under ASC 250 to determine whether they require prospective treatment, interim-period revision, or restatement of previously issued financial statements.

Stock Based Compensation

Stock options and warrants issued to consultants and other non-employees as compensation for services provided to the Company are accounted for based on the fair value of the services provided or the estimated fair market value of the option or warrant, whichever is more reliably measurable, and in accordance with FASB ASC 718, Compensation- Stock Compensation, including related amendments and interpretations.

Net Income / (Loss) per Share

Basic income / (loss) per share amounts are computed based on net income / (loss) divided by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock.

Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date.

Income Taxes

We utilize the asset and liability method of accounting for income taxes. We recognize deferred tax liabilities or assets for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities. We regularly assess the likelihood that our deferred tax assets will be recovered from future taxable income. We consider projected future taxable income and ongoing tax planning strategies in assessing the amount of the valuation allowance necessary to offset our deferred tax assets that will not be recoverable. We have recorded and continue to carry a full valuation allowance against our gross deferred tax assets that will not reverse against deferred tax liabilities within the scheduled reversal period. If we determine in the future that it is more likely than not that we will realize all or a portion of our deferred tax assets, we will adjust our valuation allowance in the period we make the determination. We expect to provide a full valuation allowance on our future tax benefits until we can sustain a level of profitability that demonstrates our ability to realize these assets. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences.

2. **LICENSING AGREEMENT**

On May 12, 2021, the Company entered into a joint venture agreement with Manny Pacquiao for distribution and sales of products throughout Asia. On December 31, 2022 and 2021, the Company had licensing expenses of $475,000 and $336,800, respectively. The Company had licensing expenses on December 31, 2021 of $325,000 to Manny Pacquiao for the agreement with Pacquiao and his non-profit Foundation as of December 31, 2022 and 2021 the Company recorded an accrued liability of $708,333 and $233,333, respectively. During the year ended December 31, 2023, the Company negotiated a settlement with Manny Pacquiao for $200,000 and 400,000,000 shares of common stock. As of December 31, 2023, the Company recognized a gain of $508,333.

3. **NOTES PAYABLE**

On December 2, 2022, James V. Deppoleto, Jr. filed suit against Takeover Industries, Inc. in the Federal District Court in Nevada, case number 22-CV-02013-GMN-VCF. This case is currently in settlement negotiations. As part of the Nevada litigation, Deppoleto has asserted that Takeover Industries Incorporated owes Deppoleto a substantial amount of

money, in excess of Two Million Dollars ($2,000,000). Furthermore, Deppoleto has asserted in his complaint and subsequent motions, that this sum is a “secured debt interest” in Takeover. Deppoleto, in his Declaration dated December 28, 2022 (the “Declaration”), stated that he “loaned” Takeover, One Million Five Hundred Thousand Dollars ($1,500,000) between May 25, 2022, and August 19, 2022, and that as of November 22, 2022, “Takeover owed [Deppoleto] at least $2,070,098.36”. The Company asserts the Deppoleto debt was not properly authorized by the board of directors of the Company, and furthermore, that Zarro is the secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. Lastly, Zarro asserts that Joe Pavlik (hereinafter, “Pavlik”), was an authorized officer of the Company, that authority having been conveyed upon him by the board of directors, and that Pavlik entered into a valid and enforceable agreement with Zarro on June 18, 2021, eleven months and seven days prior to the Deppoleto event, according to Section 7 of Zarro’s Note. The Company is currently in ongoing negotiations with the other parties to settle the lawsuit and believes it will resolve to everyone’s mutual agreement.

4. CONVERTIBLE NOTES PAYABLE – RELATED PARTY

On June 18, 2021 Labor Smart, Inc entered a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars ($300,000) together with interest of 8%. secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of $26,096.53 which included principal and interest with the last payment due on November 16, 2022. The loan has a conversion price is $.01 per share The Loan had assumed by the Company and the Company was making payment on it. During the year ended December 31, 2022 and 2021 the company repaid a total of $147,990 and $24,097, respectively. As of March 31, 2025, and December 31, 2024 the amount owed $127,912 and $127,912. Accrued interest at December 31, 2024 amounted to $25,088. This note has been updated to reflect additional monies owed and as of September 30, 2025 the updated amount of the convertible note is $1,479,925. The note balance was amended to include accrued interest as well as additional advances made to the Company, which were recorded as amounts due to the note holder to ensure the financial statements accurately reflect the total obligation.

The Company maintains a related-party financing arrangement that was consolidated into a secured 12% Convertible Promissory Note effective July 23, 2025, with formal execution on October 31, 2025. The note reflects $5,450,000 in principle, accrues interest at 12% per annum compounded monthly, and matures on February 14, 2027. The obligation includes prior cash advances, share-related entitlements, and an additional $200,000 funded contemporaneously with the repayment alignment agreement. The note is convertible at a price equal to 60% 30-day VWAP or approximately 40% discount to market and is secured by substantially all Company assets. It is also a joint and several obligations of the Company and its subsidiaries.

Under the alignment arrangement, 30% of the Company’s monthly net profits are required to be applied toward accrued interest and principal until the note is repaid. Royalty rights previously granted under earlier agreements remain in effect, and certain governance provisions apply for the duration of the obligation.

5. STOCK SUBSCIRPTION PAYABLE

On May 9, 2024, the Company entered into a private placement agreement for $500,000. The investor purchased the rights to receive six Preferred Series H Shares which will then convert to 100,000,000 shares of Common Stock. The Series H shares will be filed before the fourth quarter of 2024 and the shares issued. These shares are considered subscribed for and paid for and not yet issued.

6. EQUITY

On October 6, 2014, the Company filed a Certificate of Designation with the Nevada Secretary of State to amend its Articles of Incorporation to create and designate the rights and preferences of a new series of preferred stock designated the Series A Preferred Stock. The number of shares authorized as Series A

Preferred Stock shall be fifty-one (51) shares. Each share of Series A Preferred Stock shall be convertible into one (1) share of common stock of the Company at the election of the holder and shall have voting rights equal to: (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator.

On October 22, 2014, the Board of Directors adopted and approved and the majority shareholder, Ryan Schadel, ratified a Company proposed amendment to the Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 150,000,000 to 1,000,000,000. The amendment is effective November 25, 2014.

Effective February 16, 2015, the Company filed a Certificate of Amendment to the Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 1,000,000,000 to 25,000,000,000 and to decrease the par value common stock from $0.001 per share to $0.00001 per share. The increase in authorized shares and change in par value have been accounted for retroactively in these financial statements.

Preferred Stock – The Company has 5,000,000 shares of "blank check" preferred stock authorized. As of December 26, 2014 and December 31, 2013, the Company had no preferred shares issued and outstanding, respectively. On October 20, 2014, the Company issued fifty-one (51) shares of Series A Preferred Stock to Ryan Schadel for his service as the Chief Executive Officer and director of the Company.

Takeover Industries, Inc negotiated a deal with a publicly traded OTC Markets entity known as Labor Smart, Inc. By a stock purchase agreement dated February 26, 2021, LTNC agreed to the purchase of Takeover's equity in exchange for 6,800,000,000 restricted shares of LTNC (The "Stock Purchase Agreement"). As part of the Stock Purchase Agreement, the principles of Takeover received all 51 Series A Preferred Shares of LTNC.

During the year ended December 31, 2022, the Company sold 5,000,000 shares of common stock for $10,000. During the year ended December 31, 2023, the Company sold 520,000,000 shares of common stock for $160,000. During the year ended December 31, 2023, the Company sold a total of $541,000 of redeemable common stock.

During the year ended December 31, 2023 the Company owed a total of 1,720,000,000 shares of common stock valued at $541,000 for services.

During the nine months ended September 30, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for $1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for $50,000, Director Tom Fitzgerald 125,000,000 shares for $125,000. Director Luis Sequeria purchased 50,000,000 shares for $50,000. Director Michael Araghi purchased 6 shares of Preferred H for $500,000.

Common Stock - The Company has 25,000,000,000 shares of $0.00001 par value common stock authorized. As of March 31, 2025 and December 31, 2024, the Company had 18,238,633,582 and 16,736,633,535 shares issued and outstanding, respectively. An additional 750,000,000 shares were issued as part of the acquisition of Illumination Holding, Inc.

Takeover Industries, Inc.

As part of the Stock Purchase Agreement, Jason Tucker, Toby McBride and Joseph Pavlik each received shares of the Preferred Series A shares of the parent company, for a total of 160,825 Series A Preferred issued for cash consideration of $1,608. The Series A Preferred Series has a voting power equal to 1,000 votes per share of preferred stock. The voting are eligible to vote on any respective matter. Toby McBride shares of preferred stock were subsequently transferred to Mike Holley.

On February 24, 2021, the Company issued a total of 6,800,000,000 shares of common stock to founders for consideration of $11,000.

During the year ended December 31, 2021, the Company sold a total of 400,000,000 shares of common stock for proceeds of $1,000,000.

There were several loans from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of $1,381,800 and was reclassified to a capital contribution.

7. RELATED PARTY TRANSACTIONS

There were several loan notes from Labor Smart to various entities that were assumed by the prior CEO of Labor Smart on April 20, 2021 in the amount of $1,381,800 and was reclassified to a capital contribution. A related party was owed $60,000. The amount was subsequently repaid during the year ended December 31, 2021.

On June 18, 2021, Labor Smart, Inc entered into a Secured Convertible Promissory Note, in the amount of Three Hundred Thousand Dollars ($300,000) together with interest of 8% to a secured creditor of the Company with a priority claim senior on all collateral, both tangible and intangible, including its subsidiary, Takeover. The terms of the loans were 12 monthly payments of $26,096.53 which included principal and interest with the last payment due on November 16, 2022. The loan has a conversion price is $.01 per share. The Loan was assumed by the Company and the Company was making payment on it. During the year ended December 31, 2022, the company repaid a total of $147,000. As of December 31, 2024, and September 30, 2024 the amount owed $127,912 and $127,912 with accrued interest of $25,088 on December 31, 2024.

During the six months ended June 30, 2023, the Company CEO Tom Zarro purchased $180,024 of products from the Company.

During the nine months ended September 30, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for $1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for $50,000, Director Tom Fitzgerald 125,000,000 shares for $125,000. Director Luis Sequeria purchased 50,000,000 shares for $50,000. Director Michael Araghi purchased 6 shares of Preferred H for $500,000.

During the year ended December 31, 2024, the Company sold 1,237,315,000 shares of redeemable common stock for $1,099,630. Included in the amount Tom Zarro the Company's CEO purchased 50,000,000 shares for $50,000, Director Tom Fitzgerald 125,000,000 shares for $125,000. Director Luis Sequeria purchased 50,000,000 shares for $50,000. Director Michael Araghi purchased 6 shares of Preferred H for $500,000. During the year ended December 31, 2024 the Company is obligated to issue a total of 486,250,000 shares of common stock valued at $132,750. During the year ended December 31, 2024 the Company sold a total of issue a total of 1,078,064,998 shares of common stock for $2,298,277.00. During the year ended December 31, 2024 the Company issued 750,000,000 shares for the acquisition. During the year ended December 31, 2024 the Company issued 40,000 shares for services. During the year ended December 31, 2024 the Company issued 325,000,000 shares owed from subscriptions in prior periods. During the year ended December 31, 2024 the Company reserved 800,000,000 shares for the acquisitions made in October of Go Fast and Creger Mercantile, Inc. During the three months ended March 31, 2025 the Company issued One Billion 500 Hundred and Two Million and Two shares of Common Stock for Services Rendered and subscription agreements.

Common Stock - The Company has 25,000,000,000 shares of $0.00001 par value common stock authorized. As of March 31, 2025 and December 31, 2024, the Company had 18,238,633,582and 16,736,633,535 shares issued and outstanding, respectively.

8. COMMITMENTS AND CONTINGENCIES.

A five -year licensing agreement dated April 23, 2025 with CKS to use in conjunction with CKS and Next Gen AP the Cookies TM 23, 2025 and other TM's created in conjunction with CKS (ie. Adios), for collective use between the companies on the RTD project and other projects that might be created under the agreement.

On August 5, 2025 Manny Pacquiao "Team Pac" and Labor Smart extended its agreement between the two organizations that presented the ability for future use of Manny's likeness and represent brands such as Adios in key venues and events. The agreement extends for an additional five years and describes usage, permissions and Manny's / Team Pac's compensation for said support.

On September 15, 2025 LTNC signed a consulting agreement with Ernesto Armandor, internationally renowned sports broadcaster and cultural figure. Amador, who recently served as the Spanish-language voice for Netflix's historic Canelo Álvarez vs. Terence Crawford super fight, will join the Adios Spirits team as Strategic Brand Ambassador and Market Development Consultant. His role will help advance the Company's mission to position Adios Spirits as a leading ready-to-drink (RTD) brand in the marketplace.

9. MAJOR CUSTOMERS

For the six months ended June 30, 2025, a related party comprised 0% of sales and others over 10% were CKS Distro with Adios, for the twelve months ended December 31, 2024 no customer was over 10% of sales.

10. OFFICERS AND DIRECTORS

The Board of Directors, who are also officers, consists of Thomas Zarro, Brad Wyatt, and Scott Darnell. Scott Darnell is a Director, interim CFO and Company Secretary. The independent members of the Board of Directors are Manny Pacquiao, Luis Sequeira, and Michael Araghi. The Company elected Brad Wyatt as the CEO. Thomas Zarro remains the Chairman of the Board of Directors. The Company brought in independent board member, Rabih Safadi. Mr. Safadi working as a consultant professionalized corporate operations, developed a 5-year business plan, built data pipelines and technology infrastructure, and launched sales channels on Amazon and Walmart. He has a deep understanding to help LTNC as it transitions into a diversified leader in functional beverages.

11. SUBSEQUENT EVENTS

July 17, 2025, Labor Smart Inc. announced the official launch of Adios, a premium, all-natural, ready-to-drink (RTD) tequila cocktail developed in partnership with global lifestyle brand Cookies, boutique tequila distiller Casa Rica, and direct-to-consumer (DTC) leader Flaviar. Crafted with real fruit juice, zero additives, and ultra-premium tequila from Jalisco, Mexico, Adios launches in four bold flavors, with four additional SKUs planned shortly after. Presales begin today at AdiosSpirits.com, ahead of the California retail launch on August 15th. **Update as of 8/14/2025** The Aug 15 launch date, due to flavor perfection and coordinated efforts of distributors handling the launch alongside of LTNC and Cookies / CKS, the launch window could extend up to 30 days beyond the Aug 15 projected date.

November 26, 2025 is the date that Adios started ordering and shipments direct to consumer (DTC) in authorized states, the list of states continuing to expand. This distribution is being completed with third party distributor Flaviar, a company that specializes in the distribution of alcoholic beverages in most states and the EU.

October 22, 2025 LTNC announced that the State of Wyoming has approved the Company's name change to Kultura Brands Inc.. Following shareholder feedback, the Company is moving forward with filings and intends to submit the ticker change with FINRA, thereby aligning our corporate identity, branding strategy, and investor communications under a unified platform. The new name, Kultura Brands, embodies the

Company's strategic evolution from a labor-services association to a dynamic branding enterprise focused on culture, community, and brand-led growth. "Kultura" underscores our belief that building great brands begins with building shared culture and values.

On October 6, 2025, the Company issued 250,000,000 shares to Michael Holley in accordance with a share offer letter, offered to and signed by the Company and Mr. Holley on December 1, 2023. The shares were deemed “earned and vested” on the date of the agreement. On January 13, 2026, Mr. Holley was issued 500,000,000 shares. 250,000,000 shares were from shares offered to serve on the board of directors of the Company and were “earned and vested” on the date of the signed agreement, which was January 1, 2024. The other 250,0000,000 shares were from a share offer from the Board dated June 1, 2023, for using his expertise and diligence in bringing the Company back into OTC Compliance, enabling it to trade. The offer was given and accepted and signed by all parties on June 1, 2023.

The Company’s fiscal year ends on December 31. The statements presented include:

The financial position as of September 30, 2025 and December 31, 2024.

The results of operations, comprehensive income and changes in stockholders’ equity for the three-month periods ended September 30, 2025 (the “third quarter” of fiscal 2025 (“2025”)) and September 30, 2024 (the “third quarter” of fiscal 2024 (“2024”)) and the nine-month periods ended September 30, 2025 (the “first nine months” of 2025) and September 30, 2024 (the “first nine months” of 2024).

The changes in cash flows for the first nine months of 2025 and the first nine months of 2024.

These statements are prepared in accordance with U.S. GAAP for interim reporting, following the guidelines of Form 10-Q and Regulation S-X, Article 10. The accounting policies applied are consistent with those in the Company’s 2024 Annual Report on Form 10-K filed with the SEC. Preparation of these statements requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates.