

PICKLEJAR ENTERTAINMENT GROUP, INC.

(OTC: PKLE)

ANNUAL REPORT

For the Fiscal Year Ended December 31, 2025

Pursuant to OTC Markets Pink Disclosure Guidelines

UNAUDITED

These financial statements have not been audited or reviewed by an independent registered public accounting firm. They are prepared from the Company's internal accounting records and are subject to material adjustment upon completion of a formal audit. Readers are cautioned that the financial information herein may differ materially from audited results.

Prepared by Management

PickleJar Entertainment Group, Inc.

Date of Preparation: March 25, 2026

PART I – COMPANY INFORMATION

Company Name:	PickleJar Entertainment Group, Inc.
State of Incorporation:	Delaware
Date of Incorporation:	April 13, 2021
Fiscal Year End:	December 31
OTC Trading Symbol:	PKLE
OTC Tier:	OTC Pink
Common Shares Outstanding:	124,639,472 shares (as of December 31, 2025)
Class A Preferred Shares Outstanding:	36,412,790 shares (as of December 31, 2025)
Authorized Common Shares:	750,000,000
Authorized Preferred Shares:	100,000,000 (40,000,000 designated as Class A Preferred)
Par Value:	\$0.00001 per share (Common and Preferred)
Period Covered:	January 1, 2025 – December 31, 2025
Report Date:	March 25, 2026

PART II – DESCRIPTION OF BUSINESS

Overview. PickleJar Entertainment Group, Inc. ("PickleJar," the "Company," "we," "us," or "our") was incorporated in the State of Delaware on April 13, 2021. PickleJar is a technology-driven entertainment platform company that unlocks the potential of shared entertainment experiences through an integrated suite of software and services. The Company's platform is designed to inspire human creativity and enrich lives by connecting fans with emerging artists, mid-sized venues, and global brands within the era of social commerce.

Principal Products and Services. The Company generates revenues from the following segments: (1) Artist Promotions – processing tips and merchandise transactions on behalf of artists through the Company's mobile application (agent basis, net of amounts due to artists); (2) Venue-Managed Event Ticket Sales – facilitating ticket sales for venue-managed events, acting as agent; (3) Related Party IT Services – software development and IT design services provided to an affiliated entity; (4) Radio Show Bookings – placement of promotional content on the PickleJar radio show (previous show expired November 2024; new show launched August 18, 2025); (5) Point-of-Sale Services – enabling merchants to process payments through the Company's platform; and (6) Sponsorship Income – brand visibility positioning on the Company's electronic platform.

Reverse Merger / Recapitalization. On November 25, 2023, NewRegen Inc. closed an asset contribution agreement with the Company (the "Merger"). For accounting purposes, the Merger was treated as a reverse recapitalization whereby PickleJar is the accounting acquirer. As a result, the historical financial statements of PickleJar became the historical financial statements of the combined entity. The Company's common stock is traded on the OTC Markets under the symbol PKLE.

Key Developments During 2025. (i) Esroh Equity, a related party, advanced the Company \$1,304,600 in various installments to fund operations. (ii) A new radio show, "PickleJar Up All Night," was launched on August 18, 2025, under a new affiliation and distribution agreement. (iii) Effective August 1, 2025, the Company entered into a three-month Facility and Use Agreement with Midwest Communications, Inc. for production of the overnight radio show at a rate of \$10,000 per month. (iv) On September 25, 2025, the Company entered into a non-binding term sheet to acquire substantially all assets of SonicBids, LLC, including its platform, intellectual property, artist and venue databases, and customer contracts, with consideration entirely in PKLE common stock at \$0.05 per share. The accounting treatment for this potential transaction was not complete as of the date these financial statements were issued. (v) Effective November 5, 2025, the Company entered into an Affiliate and Distribution Service Agreement with Local Radio Networks, Inc. ("LRN") for distribution of its programming, with an initial term of December 1, 2025 through November 30, 2026.

Going Concern. For the year ended December 31, 2025, the Company had total revenues of \$84,365 and incurred a net loss of approximately \$1,913,145. As of December 31, 2025, the Company had an accumulated deficit of approximately \$8,172,553 and a working capital deficit of approximately \$7,977,005. The Company

remains in default under multiple debt instruments, including its \$2,000,000 revolving line of credit with Celia Holdings (NA), Inc. These conditions raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued. Management is actively pursuing additional financing and exploring strategic alternatives to address the Company's liquidity challenges. No assurance can be given that such efforts will be successful. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

PICKLEJAR ENTERTAINMENT GROUP, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)
WITH COMPARATIVE YEAR ENDED DECEMBER 31, 2024 (AUDITED)

TABLE OF CONTENTS

Balance Sheets	F-1
Statements of Operations	F-2
Statements of Shareholders' Deficit	F-3
Statements of Cash Flows	F-4
Notes to the Financial Statements	F-5 – F-22

PICKLEJAR ENTERTAINMENT GROUP, INC.

BALANCE SHEETS

(UNAUDITED – SEE ACCOMPANYING NOTES)

	December 31, 2025	December 31, 2024
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Current Assets:		
Cash	15,419	114
Accounts receivable, net of allowance of \$9,655 and \$9,655, respectively	(6,713)	44,718
Related party receivables	23,444	29,944
Other current assets	7,558	72,415
Total Current Assets	39,708	147,191
Other Assets:		
Software in development	66,014	4,066
Developed software, net	476,216	881,937
Total Other Assets	542,230	886,003
Total Assets	\$581,938	\$1,033,194
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	1,202,024	302,639
Related party payables	1,260,100	1,182,467
Accrued compensation	288,000	192,000
Accrued interest – related parties	162,921	115,379
Accrued interest – other	792,541	497,728
Notes payable – related parties	774,148	759,898
Notes payable, net of debt discount of \$112,704 and \$112,704, respectively	842,499	892,499
Short term loans	50,000	100,000
Revolving line of credit, net of debt discount of \$311,856 and \$311,856, respectively	1,688,144	1,688,144
Derivative liability	956,207	960,105
Other current liabilities	129	3
Total Current Liabilities	8,016,713	6,690,862
Long-Term Liabilities:		
Notes payable	1,158,738	1,022,699
Notes payable – related party	20,000	20,000
Total Long-Term Liabilities	1,178,738	1,042,699
Total Liabilities	9,195,451	7,733,561

Commitments and Contingencies (Note 10)

Shareholders' Deficit:

Class A Preferred Stock, \$0.00001 par; 40,000,000 shares authorized; 36,412,790 issued and outstanding	364	364
Common Stock, \$0.00001 par; 750,000,000 shares authorized; 124,639,472 issued and outstanding	1,246	1,246
Additional paid-in capital	(442,568)	(442,568)
Accumulated deficit	(8,172,553)	(6,259,408)
Total Shareholders' Deficit	(8,613,511)	(6,700,366)
Total Liabilities and Shareholders' Deficit	\$581,940	\$1,033,195

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

PICKLEJAR ENTERTAINMENT GROUP, INC.
STATEMENTS OF OPERATIONS
(UNAUDITED – SEE ACCOMPANYING NOTES)

	Year Ended December 31, 2025 <i>(Unaudited)</i>	Year Ended December 31, 2024 <i>(Audited)</i>
Revenue:		
Sponsorship income	—	5,100
Radio show bookings	—	366,576
Artist promotion, net	1,063	1,639
Venue-managed event ticket sales, net	37,362	37,152
Point-of-sale services	—	8,718
Related party IT services	45,940	138,400
Total Revenues	84,365	557,585
Cost of Revenue:		
Artist promotions	721	14,175
Venue-managed event ticket sales ¹	37,955	—
Point-of-sale services	—	4,223
Radio show bookings	—	86,532
Related party IT services	40,302	47,172
Total Cost of Revenue	78,978	152,102
Gross Profit	5,387	405,483
Operating Expenses:		
Advertising, marketing and promotion	56,460	268,501
Legal and professional services	225,136	108,803
General and administrative	41,317	75,117
Wages expense	490,973	854,765
Amortization of developed software	448,817	439,542
Rent	103,114	55,305
Technology	39,777	58,199
Venue activation travel and expenses	83,443	82,603
Total Operating Expenses	1,489,037	1,942,835
Loss from Operations	(1,483,650)	(1,537,352)
Other Income (Expense):		
Interest income	—	384
Interest expense	(233,990)	(368,054)
Interest expense – related party	(47,542)	(46,873)
Interest expense – Revolver LOC	(140,000)	(231,183)
Gain on change in fair value of derivative	3,898	3,898
(Loss) on change in fair value of Revolver LOC derivative	—	(85,882)

Loss on extinguishment of debt	—	(10,000)
Total Other Expense	(429,495)	(737,710)
Net Loss Before Provision for Income Taxes	(1,913,145)	(2,275,062)
Provision for Income Taxes	—	—
Net Loss	\$(1,913,145)	\$(2,275,062)
Net Loss Per Share: Basic and Diluted	\$(0.02)	\$(0.02)
Weighted Average Common Shares Outstanding	124,639,472	124,639,472

¹ The 2025 Venue-Managed Events cost of revenue includes gross ticket payouts of \$33,005 which may require reclassification upon audit. Revenue is recorded on a net (agent) basis per ASC 606. See Note 3.

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

PICKLEJAR ENTERTAINMENT GROUP, INC.
STATEMENTS OF SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (UNAUDITED)

	Class A Preferred		Common Stock		Addl. Paid-In Capital	Accumulated Deficit	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2023	30,000,000	\$300	124,639,472	\$1,246	\$(526,045)	\$(3,984,348)	\$(4,508,847)
Designation of incremental shares	6,412,790	64	—	—	70,477	—	70,541
Contributed capital	—	—	—	—	13,000	—	13,000
Net loss	—	—	—	—	—	(2,275,062)	(2,275,062)
Balance, December 31, 2024	36,412,790	\$364	124,639,472	\$1,246	\$(442,568)	\$(6,259,408)	\$(6,700,366)
Net loss (unaudited)	—	—	—	—	—	(1,913,145)	(1,913,145)
Balance, December 31, 2025 (Unaudited)	36,412,790	\$364	124,639,472	\$1,246	\$(442,568)	\$(8,172,553)	\$(8,613,511)

No additional shares were issued during the year ended December 31, 2025. There were no equity-based transactions other than the net loss for the period.

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

PICKLEJAR ENTERTAINMENT GROUP, INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED – PRELIMINARY; SUBJECT TO AUDIT ADJUSTMENT)

	Year Ended December 31, 2025 <i>(Unaudited)</i>	Year Ended December 31, 2024 <i>(Audited)</i>
Cash Flows From Operating Activities:		
Net loss	(1,913,145)	(2,275,062)
Adjustments to reconcile net loss to net cash used in operations:		
Amortization of capitalized software costs	448,817	439,542
Bad debt expense	614	614
Debt discount amortization	120,829	203,248
(Gain) loss on change in fair value of derivatives	(3,898)	1,557
(Gain) loss on change in fair value of Revolver LOC derivative	—	85,882
Loss on extinguishment of debt	—	10,000
Changes in operating assets and liabilities:		
Accounts receivable	51,431	(27,372)
Related party receivables	6,500	5,556
Other current assets	64,857	(14,651)
Accounts payable	899,385	(161,011)
Related party payables	77,633	1,263,258
Accrued interest	342,355	349,587
Accrued compensation	96,000	96,000
Other current liabilities	(70,415)	—
Net Cash Used In Operating Activities	(1,184,251)	(901,793)
Cash Flows From Investing Activities:		
Developed software expenditures	(105,044)	(20,328)
Net Cash Used In Investing Activities	(105,044)	(20,328)
Cash Flows From Financing Activities:		
Proceeds from advances – related party (Esroh Equity)	1,304,600	—
Proceeds from note payable (Chris Kellogg, Feb 2025)	50,000	—
Proceeds from notes payable	—	727,050
Proceeds from short-term loans	—	222,000
Repayments of short-term loans	—	(122,000)
Pre-payment penalty on short-term loans	—	(10,000)
Contributed capital	—	13,000
Reverse merger transaction costs	—	(60,000)
Net Cash Provided By Financing Activities	1,304,600	830,050
Net Increase (Decrease) In Cash	15,305	(1,271)

Cash at Beginning of Year	114	1,385
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Cash at End of Year	\$15,419	\$114
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Supplemental Disclosure of Cash Flow Information:

Cash paid for interest	—	—
Cash paid for income taxes	—	—

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

PICKLEJAR ENTERTAINMENT GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024 (UNAUDITED)

NOTE 1 – ORGANIZATION AND BUSINESS

PickleJar Entertainment Group, Inc. ("we," "us," "our," "PickleJar," or the "Company") was incorporated in the State of Delaware on April 13, 2021. PickleJar unlocks the potential of shared entertainment experiences through an integrated suite of software and services designed to inspire human creativity and enrich lives. Developed for the era of social commerce, we continuously work to advance tools to unify the touchpoints of fan engagement with emerging artists, mid-sized venues, and global brands. By embedding secure payment technology, data intelligence, and content distribution, PickleJar's innovative artist promotion programs, venue-managed services, and wide range of capabilities create an enhanced experience of how fans and patrons connect with the music and moments that matter most.

On November 25, 2023, the Company completed a reverse recapitalization transaction with NewRegen Inc. For accounting purposes, PickleJar is treated as the accounting acquirer, and the historical financial statements of PickleJar became the historical financial statements of the combined entity. The Company's common stock trades on the OTC Markets under the symbol PKLE.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. For the year ended December 31, 2025, the Company had total revenues of \$84,365 and incurred a net loss of approximately \$1,913,145. As of December 31, 2025, the Company has an accumulated deficit of approximately \$8,172,553 and a working capital deficit of approximately \$7,977,005. The Company also remains in default under its \$2,000,000 revolving line of credit with Celia Holdings (NA), Inc. due to incurring additional notes payable in excess of the permitted indebtedness threshold. These conditions raise substantial doubt about our ability to continue as a going concern for one year after the date these financial statements are available to be issued.

The Company's primary source of operating funds for the year ended December 31, 2025, has been advances from related parties, specifically \$1,304,600 advanced by Esroh Equity. The Company has experienced net losses from operations since its inception and expects these conditions to continue in the near term. The Company is attempting to further develop and execute its business model and generate sufficient revenues; however, its cash position may not be sufficient to support its daily operations, which will require additional financing to fund future operations. The accompanying statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation. The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These financial statements are unaudited and have not been reviewed by an independent registered public accounting firm. They are derived from the Company's internal accounting records maintained in QuickBooks and are subject to normal year-end and audit adjustments that could be material.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Significant estimates include the allowance for credit losses, useful lives and recoverability of capitalized software costs, and the fair value of derivatives. Actual results could differ from those estimates.

Cash and Cash Equivalents. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2025, cash consists of bank balances totaling \$15,419. As of December 31, 2024, cash was \$114.

Revenue Recognition. The Company records transactions in accordance with FASB ASC Topic 606, Revenue from Contracts with Customers. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Artist Promotions. The Company acts as an intermediary, or agent, between the artist and their fans. Revenue consists of service fees from tips sent and merchandise sold on behalf of an artist, recognized net of amounts due to the artist at the time the transaction is confirmed through the Company's mobile application.

Venue-Managed Event Ticket Sales. The Company acts as an agent between ticket buyers and ticket sellers. Revenue consists of service fees, recognized when the ticket is sold, net of the face value of the ticket and amounts due to ticket sellers.

Radio Show Bookings. The Company hosts a radio show in which participants pay to be featured or to run promotional campaigns. These transactions are recorded on a gross basis at the time the "flight-time" of the campaign occurs, with cost of revenue recorded separately. The prior syndication agreement expired November 30, 2024. A new radio show, PickleJar Up All Night, was launched August 18, 2025. No revenue was generated under the new arrangement in 2025.

Related Party IT Services. The Company provides IT development services to a related party. Revenue is recognized as services are performed. For the year ended December 31, 2025, the Company recorded related party IT services revenue of \$45,940 (2024: \$138,400).

Developed Software. The Company capitalizes internal-use software development costs under ASC 350. Costs in the application and infrastructure development stage are capitalized and amortized on a straight-line basis over the estimated useful life of 5 years. Research, planning, and post-implementation costs are expensed as incurred. Amortization expense for the year ended December 31, 2025 was \$448,817 (2024: \$439,542).

Derivative Financial Instruments. The Company evaluates whether conversion features embedded in financial instruments require bifurcation under ASC 815. Derivative liabilities are initially recorded at fair value and re-valued at each reporting date, with changes reported in the statements of operations. The Company uses a Monte Carlo valuation model for stock-based derivative instruments.

Income Taxes. The Company follows the liability method of accounting for income taxes under ASC 740. Deferred tax assets and liabilities are recognized for temporary differences. A full valuation allowance has been recorded against all deferred tax assets as it is more likely than not that such assets will not be realized. No income tax expense or benefit has been recognized in 2025 or 2024.

Earnings (Loss) Per Share. Basic loss per share is computed by dividing net loss by the weighted average common shares outstanding. Diluted loss per share is the same as basic in periods of net loss, as all potentially dilutive securities are anti-dilutive. Weighted average common shares outstanding for 2025 and 2024 were 124,639,472.

NOTE 4 – DEVELOPED SOFTWARE, NET

All capitalized software costs are amortized on a straight-line basis over a five-year useful life. A summary of developed software activity follows:

	December 31, 2025	December 31, 2024
Investments in proprietary technology platform	\$2,317,776	\$2,212,732
Less: Accumulated amortization	(1,841,560)	(1,330,795)
Total Developed software, net	\$476,216	\$881,937

Amortization expense was \$448,817 and \$439,542 for the years ended December 31, 2025 and 2024, respectively. The Company also incurred internally developed software costs of \$105,044 during 2025 related to completed and in-progress projects.

Future amortization expense is estimated as follows:

Year	Amount
2026	\$314,503
2027	\$75,496
2028	\$46,387
2029	\$3,005
2030+	\$36,825
Total	\$476,216

NOTE 5 – RELATED PARTY TRANSACTIONS

All related party transactions are presented on an aggregated basis.

IT Services Revenue. The Company has an arrangement to provide IT development services to a related party that is 50% owned by an officer of the Company. During the years ended December 31, 2025 and 2024, the Company recorded related party IT services revenue of \$45,940 and \$138,400, respectively. Related party IT services cost of revenue was \$40,302 and \$47,172 for the years ended December 31, 2025 and 2024, respectively.

IT Development and Maintenance Services. The Company has an arrangement with an entity wholly owned by two officers of the Company that provides IT development and maintenance services. This entity also provides office space and accounting services. The Company capitalized \$47,928 in software development from this entity in 2024. For the year ended December 31, 2025, amounts capitalized and maintenance costs are included in software expenditures and technology expense, respectively. Rent expense to this entity was \$48,000 for each of the years ended December 31, 2025 and 2024. Marketing and accounting employment services within wages expense were \$80,000 (2025) and \$80,000 (2024). Advertising expense related to this entity was \$0 (2025) and \$30,000 (2024).

Employee and Payment Processing Services. The Company has an arrangement with an entity wholly owned by two officers of the Company that provides outsourced employee services and processes certain payments on behalf of the Company. For the year ended December 31, 2025 and 2024, employee services and payment processing charges of approximately \$456,487 and \$810,271, respectively, are included in wages expense.

Related Party Payables. As of December 31, 2025, total related party payables were approximately \$1,260,100 (2024: \$1,182,467), representing amounts owed to entities controlled by officers and directors of the Company. These include payables to CXO5 Partners LLC of approximately \$38,083 and Vista14 LLC of approximately \$65,132 that have not yet been memorialized into formal promissory notes as of December 31, 2025, as well as amounts advanced by Esroh Equity of \$1,304,600 during 2025.

Related Party Receivables. As of December 31, 2025 and 2024, related party receivables were \$23,444 and \$29,944, respectively.

The above transactions were not arms-length transactions.

NOTE 6 – NOTES PAYABLE – RELATED PARTIES

As of December 31, 2025 and 2024, notes payable to related parties consisted of the following principal balances:

Payee / Description	Maturity	Rate	Dec 31, 2025	Dec 31, 2024
CXO5 (5/27/2021)	In default	6%	\$300,000	\$300,000
Esroh Equity LLC (3/31/2022)	In default	6%	\$100,000	\$100,000
Salios Group, LLC (1/16/2023)	In default	6%	\$11,585	\$11,585
CXO5 (8/03/2023)	In default	6%	\$38,147	\$38,147
Shadow Foxtrot (9/01/2023)	In default	6%	\$4,959	\$4,959
CXO5 (8/24/2023)	In default	6%	\$182,986	\$182,986
Vista14 LLC (9/01/2023)	In default	6%	\$122,221	\$122,221
Judy Lakin, Director (8/31/2023)	8/31/2026	6%	\$20,000	\$20,000
Total Notes Payable – Related Parties			\$779,898	\$779,898

As of December 31, 2025, all notes payable to related parties with original maturity dates of December 31, 2024 (aggregate principal of \$759,898) remain outstanding and in default. The Company is in active discussions with the respective noteholders, each of whom are officers, directors, or entities controlled by officers and directors of the Company, regarding extension, restructuring, or conversion of these obligations. No formal extensions or waivers have been executed as of the date these financial statements were issued. Additionally, Esroh Equity, a related party, incurred a 10% late payment penalty of \$10,000 on certain notes payable in 2025.

NOTE 7 – NOTES PAYABLE

As of December 31, 2025 and 2024, notes payable to third parties consisted of the following:

Payee / Note	Maturity	Rate	Dec 31, 2025	Dec 31, 2024
2378493 Ontario, Inc. (8/22/2023)	8/22/2026	6%	\$50,000	\$50,000
David Hargrave (8/31/2023)	8/25/2026	6%	\$150,000	\$150,000
Joseph Tharp (8/31/2023)	8/31/2026	6%	\$200,000	\$200,000
Kenneth Baye (8/31/2023)	8/31/2026	6%	\$50,000	\$50,000
Michael Wright (8/31/2023)	8/31/2026	6%	\$50,000	\$50,000
Philip Wright (8/31/2023)	8/31/2026	6%	\$25,000	\$25,000
Frank Ruppen (8/31/2023)	8/31/2026	6%	\$10,000	\$10,000
Joseph Tharp (11/02/2023)	8/31/2026	6%	\$100,000	\$100,000
Rhon Daguro (11/02/2023)	8/31/2026	6%	\$50,000	\$50,000
Chris Kellogg (11/05/2023)	9/05/2026	6%	\$100,000	\$100,000
Steven Triplett (11/06/2023)	9/06/2026	6%	\$50,000	\$50,000
Everett Dickson (11/24/2023)	In default	6%	\$477,728	\$477,728
Everett Dickson (12/12/2023)	12/12/2026	6%	\$50,000	\$50,000
David Hargrave (2/29/2024)	3/01/2027	6%	\$60,000	\$60,000
Chris Kellogg (5/25/2024)	In default	8%	\$350,000	\$350,000
Thomas Barowsky (5/31/2024)	In default	6%	\$25,000	\$25,000
Chad Thilborger (8/30/2024)	8/31/2027	6%	\$9,575	\$9,575
Frank Ruppen (8/31/2024)	8/31/2027	6%	\$10,000	\$10,000
Kenneth Baye (9/30/2024)	10/31/2027	6%	\$70,000	\$70,000
Chalen Enterprises (10/4/2024)	In default	10%	\$100,000	\$100,000
Jerry James (12/5/2024)	In default	10%	—	\$50,000
Chris Kellogg (2/10/2025)	2/10/2026	TBD	\$50,000	—
Mark Blieden – Short Term Loan (7/21/2024)	In default	10%	—	\$50,000
Kenneth Baye – Short Term Loan (7/21/2024)	7/21/2025	10%	\$50,000	\$50,000

Certain convertible notes contain variable market-based conversion features and were analyzed under ASC 815 by a valuation specialist. As of December 31, 2025, the derivative liability attributable to convertible notes was \$351,069 (2024: \$351,069, per QB balance). The current debt discount on notes payable was \$112,704 as of December 31, 2025 (same as December 31, 2024, pending audit adjustment). Debt discount amortization was \$120,829 for the year ended December 31, 2025.

The following notes were in default as of December 31, 2025 (in addition to all December 31, 2024 defaults carried forward): Chris Kellogg (5/25/2024, maturity June 1, 2025), Thomas Barowsky (5/31/2024, maturity June 1, 2025), Chalen Enterprises (10/4/2024, maturity October 4, 2025), Jerry James (12/5/2024, maturity December 5, 2025), and Mark Blieden short-term loan (7/21/2024, maturity July 21, 2025).

NOTE 8 – REVOLVING LINE OF CREDIT

On August 29, 2022, the Company entered into an agreement with Celia Holdings (NA), Inc. extending a revolving line of credit of up to \$2,000,000. The outstanding balance accrues interest at 7% per annum calculated on a daily basis. The LOC matures on August 29, 2027. The outstanding balance as of December 31, 2025 and 2024 was \$2,000,000, presented net of a debt discount of \$311,856 for both periods. Accrued interest on the revolving line of credit as of December 31, 2025 was \$451,095 (2024: \$311,095).

The Company was in default under the revolving line of credit as of December 31, 2025, as it had incurred additional notes payable with principal amounts in excess of the \$100,000 permitted indebtedness threshold set forth in the agreement. The entire outstanding balance of \$2,000,000 has accordingly been classified as a current liability. The Company has not requested a waiver from the lender and management continues to evaluate options to resolve this default.

The revolving line of credit contains conversion rights allowing the lender to convert outstanding balances into equity. These conversion features resulted in recording a derivative liability of \$609,036 and \$523,154 as of December 31, 2024. The 2025 derivative balance has been carried at \$605,138 (per QB) pending audit valuation.

NOTE 9 – SHAREHOLDERS' EQUITY

Common Stock. The Company has 750,000,000 authorized common shares with a par value of \$0.00001 per share. Each common share entitles the holder to one vote. As of December 31, 2025 and 2024, there were 124,639,472 shares issued and outstanding. No new shares were issued during 2025.

Class A Preferred Stock. The Company has 40,000,000 shares designated as Class A Preferred Stock with a par value of \$0.00001 per share. As of December 31, 2025 and 2024, there were 36,412,790 shares issued and outstanding. Key terms: (i) Dividends – none; (ii) Liquidation – not entitled to any rights upon liquidation; (iii) Hold period – one year and one day before conversion; (iv) Conversion – each Class A Preferred Share converts to one Common Share after the hold period; (v) Voting – Anti-dilutive; Class A holders represent 66.667% of total voting rights; (vi) Redemption – the Company may redeem at market price beginning one calendar year from issuance.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings. The Company is subject to legal proceedings arising in the ordinary course of business:

(i) *Breach of contract suit filed July 7, 2023* – A service provider is demanding payment of \$9,067 for services provided in November 2022, plus accrued interest of approximately \$5,000 as of December 31, 2025. No payments have been made.

(ii) *Breach of contract suit filed September 6, 2023* – A service provider demanded payment of \$25,000 for services provided during June to August 2022. The Company made a \$4,000 payment during 2024. The balance due as of December 31, 2025 is \$21,000, plus accrued interest.

Radio Production Agreement. Effective August 1, 2025, the Company entered into a three-month Facility and Use Agreement with Midwest Communications, Inc. at \$10,000 per month for production of its radio show in Nashville, TN. The agreement provided for a potential 12-month extension.

Radio Distribution Agreement. Effective November 5, 2025 (commencing December 1, 2025), the Company entered into a one-year Affiliate and Distribution Service Agreement with Local Radio Networks, Inc. The agreement auto-renews annually and includes distribution through 15 stations at the base rate, with additional stations at \$100 per station per month.

SonicBids Acquisition. On September 25, 2025, the Company entered into a non-binding term sheet to acquire substantially all assets of SonicBids, LLC, with consideration entirely in PKLE common stock at \$0.05 per share. Payment consists of \$50,000 at closing and an \$18,800 earn-out over 18 months. Post-closing, assets will be contributed to a newly formed joint venture in which PickleJar holds 51%. As of March 25, 2026, accounting treatment for this transaction had not been determined.

NOTE 11 – INCOME TAXES

No current federal or state income tax expense was recognized for the years ended December 31, 2025 and 2024. The Company has recorded a full valuation allowance against all deferred tax assets based on cumulative losses and uncertainty regarding future taxable income. As of December 31, 2025, the Company had estimated net operating loss carryforwards of approximately \$8.7 million for federal and state income tax purposes. These net operating losses were generated in tax years beginning after December 31, 2020 and have an indefinite carryforward period.

In accordance with Section 382 of the Internal Revenue Code, the use of the Company's net operating loss carryforwards may be limited in the event of a change in ownership. A full Section 382 analysis has not been performed.

Effective Tax Rate Reconciliation	2025	2024
Federal statutory rate	21.0%	21.0%
State income tax rate	8.7%	8.7%
Valuation allowance	(29.7%)	(29.7%)
Effective tax rate	0.0%	0.0%

NOTE 12 – SEGMENT REPORTING

The Company currently manages its operations as a single operating segment focused on offering customers an integrated suite of software and services to develop fan engagement with emerging artists, mid-sized venues, and global brands. The Chief Executive Officer, as the chief operating decision maker (CODM), manages and allocates resources at the corporate level using consolidated GAAP financial statements. Revenue is disaggregated by product offering on the Statements of Operations as required by ASC 606.

NOTE 13 – DERIVATIVE LIABILITIES

The Company's derivative liabilities arise from conversion features embedded in the convertible notes payable and revolving line of credit. The Company uses a Monte Carlo simulation model to value these instruments at inception and at each reporting date. Changes in fair value are reported in the Statements of Operations.

	December 31, 2025	December 31, 2024
LOC – Derivative (Level 3)	\$605,138	\$609,036
Convertible Notes – Derivative (Level 3)	\$351,069	\$351,069
Total Derivative Liability	\$956,207	\$960,105

Note: 2025 derivative fair values are preliminary estimates carried from December 31, 2024 balances per QB records and are subject to independent valuation and audit adjustment.

NOTE 14 – SUBSEQUENT EVENTS

In accordance with ASC 855-10, management has performed an evaluation of subsequent events through March 25, 2026 (the date these financial statements were available to be issued) and has identified the following material events:

SonicBids Acquisition Term Sheet: On September 25, 2025, the Company entered into a non-binding term sheet to acquire substantially all assets of SonicBids, LLC. See Note 10 for details. As of March 25, 2026, accounting treatment had not been determined.

Radio Distribution Agreement: Effective November 5, 2025, the Company entered into an Affiliate and Distribution Service Agreement with Local Radio Networks, Inc. with an initial term commencing December 1, 2025.

Continued Related Party Advances: Subsequent to December 31, 2025, Esroh Equity may continue to advance funds to the Company to support operations, though no formal commitment exists.

Default Status: Multiple notes payable remain in default as of March 25, 2026, including the revolving line of credit with Celia Holdings (NA), Inc. The Company continues to evaluate resolution options.

PART III – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview. The following discussion and analysis of the Company's financial condition and results of operations for the year ended December 31, 2025, compared to the year ended December 31, 2024, should be read in conjunction with the financial statements and related notes included in this report. These financial statements are unaudited and are prepared from the Company's internal accounting records. They are subject to audit adjustment.

Cautionary Note Regarding Forward-Looking Statements. This report contains forward-looking statements within the meaning of applicable securities laws. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied by such statements. The Company undertakes no obligation to update forward-looking statements.

RESULTS OF OPERATIONS

Revenue. Total revenues for the year ended December 31, 2025 were \$84,365, compared to \$557,585 for the year ended December 31, 2024, representing a decrease of \$473,220 or approximately 85%. The primary driver of this decrease was the expiration of the Company's radio show syndication agreement in November 2024, which contributed \$366,576 in revenue during 2024 compared to \$0 in 2025. The new radio show launched in August 2025 had not yet generated revenue by year-end. Related party IT services revenue also declined from \$138,400 in 2024 to \$45,940 in 2025, reflecting reduced development activity during the year. Artist promotion income of \$1,063 and venue-managed event ticket sales of \$37,362 remained relatively stable year-over-year.

Cost of Revenue. Total cost of revenue for the year ended December 31, 2025 was \$78,978, compared to \$152,102 in 2024. The decline corresponds directly to the cessation of radio show bookings. Gross profit decreased from \$405,483 (73% margin) in 2024 to \$5,387 (6% margin) in 2025, reflecting the Company's minimal remaining revenue base and fixed costs associated with IT service delivery.

Operating Expenses. Total operating expenses decreased from \$1,942,835 in 2024 to \$1,489,037 in 2025, a reduction of approximately \$454,000 or 23%. Key changes include:

- *Wages expense* decreased from \$854,765 to \$490,973, reflecting reduced headcount and outsourced services. However, accrued executive compensation grew by \$96,000 in 2025.
- *Legal and professional services* increased from \$108,803 to \$225,136, primarily due to audit fees of \$132,401 related to the prior year audit.
- *Rent* increased from \$55,305 to \$103,114, due to the addition of the Midwest Communications facility agreement at \$10,000/month beginning August 2025.
- *Advertising and marketing* decreased from \$268,501 to \$56,460, reflecting cost-reduction efforts.
- *Amortization of developed software* remained relatively flat at \$448,817 (2024: \$439,542).

Loss from Operations. Loss from operations was \$1,483,650 for the year ended December 31, 2025, compared to \$1,537,352 in 2024, a modest improvement of approximately \$54,000 attributable to reduced operating expenses partially offset by lower gross profit.

Other Income (Expense). Total other expense was \$429,495 in 2025 compared to \$737,710 in 2024. The 2024 period included significant non-cash items including a \$85,882 loss on the revolving line of credit derivative and \$10,000 loss on extinguishment of debt. Interest expense in 2025 was \$433,393 in total, driven by the revolving line of credit (\$140,000), other notes payable (\$233,990), related party notes (\$47,542), and short-term loans (\$11,861).

Net Loss. Net loss for the year ended December 31, 2025 was \$1,913,145, or \$(0.02) per basic and diluted share, compared to a net loss of \$2,275,062 for 2024. The decrease in net loss of approximately \$362,000 reflects lower operating expenses and reduced other expense, partially offset by significantly lower gross profit.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2025, the Company had cash of \$15,419 and a working capital deficit of approximately \$7,977,005. The Company's ability to continue as a going concern is contingent upon obtaining additional financing and generating sufficient revenues to fund operations.

Cash Flows from Operating Activities. Net cash used in operating activities was \$1,184,251 for the year ended December 31, 2025, compared to \$901,793 in 2024. The primary driver was the net loss of \$1,913,145, partially offset by non-cash items including software amortization of \$448,817, debt discount amortization of \$120,829, and increases in accounts payable of \$899,385. The increase in related party payables reflects timing of amounts owed but not yet paid to related party service providers.

Cash Flows from Investing Activities. Net cash used in investing activities was \$105,044 for the year ended December 31, 2025 (2024: \$20,328), reflecting capitalization of internally developed software and costs associated with software projects in progress.

Cash Flows from Financing Activities. Net cash provided by financing activities was \$1,304,600 for the year ended December 31, 2025. This was entirely composed of advances from Esroh Equity, a related party, of \$1,304,600 and a \$50,000 note issued to Chris Kellogg in February 2025. These advances were the Company's sole source of operating capital during 2025.

Capital Resources and Future Needs. The Company has no committed external financing facilities available beyond its defaulted revolving line of credit. Management is pursuing additional financing through notes payable and strategic partnerships. The Company's existing obligations, including the defaulted revolving line of credit of \$2,000,000 and multiple defaulted convertible notes, represent significant near-term liquidity risks. There can be no assurance that additional financing will be available on acceptable terms or at all.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and judgments that affect reported amounts. The Company's most critical accounting estimates include:

(1) *Capitalized Software Costs:* Management determines which development costs qualify for capitalization under ASC 350 and estimates the useful life (5 years). Changes in these estimates could materially affect reported assets and amortization expense.

(2) *Derivative Liability Fair Value:* The Company employs a Monte Carlo simulation model to value embedded conversion features. This model requires significant assumptions including volatility, discount rates, and probability of conversion events. The 2025 derivative valuations are preliminary estimates pending independent valuation.

(3) *Allowance for Credit Losses:* Management estimates the allowance based on historical experience, customer creditworthiness, and current conditions. As of December 31, 2025, the allowance was \$9,655.

(4) *Going Concern Assessment:* Management has determined that substantial doubt exists regarding the Company's ability to continue as a going concern. This assessment requires significant judgment regarding the probability and timing of future financing and revenue generation.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements, special purpose entities, or material contingent obligations not reflected in the financial statements, other than those described in Notes 10 and 14.

RELATED PARTY TRANSACTIONS

All material related party transactions are disclosed in Note 5 to the financial statements. Related party transactions during 2025 were not conducted on an arms-length basis and included significant service arrangements, advances, and notes payable with entities controlled by the Company's officers and directors.

CERTIFICATIONS

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

I, the undersigned, certify that:

1. I have reviewed the annual report on Form [Annual Disclosure] for the fiscal year ended December 31, 2025, of PickleJar Entertainment Group, Inc.;
2. Based on my knowledge, the annual report 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 the report;
3. Based on my knowledge, the financial statements and other financial information included in the annual report fairly present in all material respects the financial condition, results of operations, and cash flows of PickleJar Entertainment Group, Inc. as of, and for, the period presented in the annual report;
4. I acknowledge that these financial statements are unaudited and are subject to material adjustment upon completion of an independent audit.

Dated: March 25, 2026

Chief Executive Officer / Chief Financial Officer

PickleJar Entertainment Group, Inc.