

Perpetual Industries Inc.

Amendment to [Annual Report](#) for 12/31/2025 originally published through the OTC Disclosure & News Service on 04/30/2026

Explanatory Note:

A correction needed to be made on the balance sheet due to transposition error.

***This coversheet was automatically generated by OTC Markets Group based on the information provided by the Company. OTC Markets Group has not reviewed the contents of this amendment and disclaims all responsibility for the information contained herein.*

Perpetual Industries Inc.

A Nevada Corporation
2193 Rotunda Dr.
Auburn, IN 46706

702-707-9811

www.perpetualindustries.com

info@perpetualindustries.com

Annual Report

For the period ending December 31, 2025 (the “Reporting Period”)

Outstanding Shares

The number of shares outstanding of our Common Stock was:

123,848,600 as of December 31, 2025

123,848,600 as of December 31, 2024

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 Control⁵ of the company has occurred during this reporting period:

Yes: No:

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.

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.

Perpetual Industries Inc.

Current State and Date of Incorporation or Registration: January 26, 2005 State of Nevada

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
none

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

none

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:

700 S. Carson St, Suite 200
Carson City, NV 89701

Address of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

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: Securities Transfer Corporation (STC)
Phone: (469) 633-0101
Email: info@stctransfer.com
Address: 2901 N. Dallas Parkway, Suite 380, Plano Texas 75093

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: | <u>PRPI</u> | |
| Exact title and class of securities outstanding: | <u>PERPETUAL INDUSTRIES INC. COMMON</u> | |
| CUSIP: | <u>71428B100</u> | |
| Par or stated value: | <u>\$0.001</u> | |
| Total shares authorized: | <u>500,000,000</u> | as of date: <u>December 3, 2020</u> |
| Total shares outstanding: | <u>123,848,600</u> | as of date: <u>December 31, 2025</u> |
| Total number of shareholders of record: | <u>211</u> | as of date: <u>December 31, 2025</u> |

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.
None

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: | <u>Series A Preferred Stock</u> | |
| CUSIP (if applicable): | <u>N/A</u> | |
| Par or stated value: | <u>\$0.0001</u> | |
| Total shares authorized: | <u>160</u> | as of date: <u>November 15, 2021</u> |
| Total shares outstanding (if applicable): | <u>2</u> | as of date: <u>December 31, 2023</u> |
| Total number of shareholders of record (if applicable): | <u>1</u> | |

| | | |
|---|---------------------------------|--------------------------------------|
| Exact title and class of the security: | <u>Series B Preferred Stock</u> | |
| CUSIP (if applicable): | <u>N/A</u> | |
| Par or stated value: | <u>\$0.0001</u> | |
| Total shares authorized: | <u>2,000,000</u> | as of date: <u>June 30, 2021</u> |
| Total shares outstanding (if applicable): | <u>0</u> | as of date: <u>December 31, 2023</u> |
| Total number of shareholders of record (if applicable): | <u>0</u> | |

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.
none

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 Company is authorized to issue up to 500,000,000 shares of Common Stock, par value \$0.001, and 100,000,000 shares of Preferred Stock, par value \$0.0001. Each share of Common Stock is entitled to one vote and, unless otherwise set forth in the certificate of designation for another series or class of stock, is entitled to receive dividends and distributions upon the liquidation or winding up of the Company pari passu with every other series and class of the Company's stock.

Shares of common stock have the following rights and privileges:

- The holder of each share of common stock is entitled to one vote per share held.
- The holders of common stock shall be entitled to elect members of the Board of Directors.
- Common stockholders are entitled to receive dividends, if and when declared by the Board of Directors, subject to the rights of holders of all classes of stock outstanding having priority rights as to dividends.

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

Series A Preferred Shares – Non-Voting

The authorized number of Series A Preferred Shares shall be 160 shares, with a par value of \$0.0001 each. All Series A Preferred Shares shall rank senior to all shares of Common Stock of the Company and to all current and future series of Preferred Stock. Each Series A Preferred Share shall be convertible into 100,000 validly issued, fully paid and non-assessable shares of Common Stock. Pursuant to the terms in the Certificate of Designation, a holder of outstanding Series A Preferred Shares shall be entitled to receive dividends equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company's GEM Sector 450 cryptocurrency mining activities.

Series B Preferred Shares- Non Voting

The authorized number of Series B Preferred Shares shall be 2,000,000 shares, with a par value of \$0.0001 each. The holders shall be entitled to convert any whole number of Series B Preferred Shares into 10 (ten) validly issued, fully paid and non-assessable shares of Common Stock.

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: (If yes, you must complete the table below)

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:

None

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 ⁵ | Name of Noteholder (entities must have individual with voting / investment control disclosed). | Reason for Issuance (e.g., Loan, Services, etc.) |
|-----------------------|-----------------------------------|---|-------------------|---|----------------------------|---|--|--|
| <u>12/15/2023</u> | <u>\$150,000</u> | <u>\$169,736</u> | <u>12/15/2024</u> | convertible at a fixed price of \$0.05 per share. | 0 | 3,394,726 | <u>Bulldawg Capita, LLC</u> <u>Jason Bontraeger</u> | <u>Loan</u> |
| <u>10/25/2024</u> | <u>\$523,966</u> | <u>\$471,046</u> | <u>01/01/2029</u> | convertible at a fixed price of \$0.04 per share. | 0 | 11,776,143 | <u>Plectrum Enterprises</u> <u>Brent Bedford</u> | <u>Loan and Services</u> |
| <u>10/25/2024</u> | <u>\$85,976</u> | <u>\$53,770</u> | <u>01/01/2029</u> | convertible at a fixed price of \$0.04 per share. | 0 | 1,344,261 | <u>Flip Flop Studios</u> <u>Shelley Bedford</u> | <u>Services</u> |

⁵ 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.

| | | | | | | | | |
|-----------------------------------|-----------|-------------|----------------------|---|---|------------|--|-------------------|
| 10/25/2024 | \$121,900 | \$145,129 | 01/01/2029 | convertible at a fixed price of \$0.04 per share. | 0 | 3,628,220 | Twin Grille Holdings Rod Egan | Loan and Services |
| 10/25/2024 | \$42,115 | \$50,141 | 01/01/2029 | convertible at a fixed price of \$0.04 per share. | 0 | 1,253,517 | Craig Dansereau | Loan and Services |
| 10/25/2024 | \$87,500 | \$104,174 | 01/01/2029 | convertible at a fixed price of \$0.04 per share. | 0 | 2,604,342 | Thomas Ristow | Services |
| 10/25/2024 | \$26,483 | \$27,656 | 01/01/2029 | convertible at a fixed price of \$0.04 per share. | 0 | 691,399 | A-Frame Accounting Inc. Trip Thomas | Services |
| Total Outstanding Balance: | | \$1,021,652 | Total Shares: | | 0 | 24,692,607 | | |

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

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")

As of December 31, 2025, the Company operates primarily through its wholly owned subsidiary, Worldwide Group, LLC ("Worldwide"), which conducts business as Worldwide Auctioneers. Worldwide is a U.S.-based boutique auction house specializing in the acquisition and sale of classic and vintage motorcars at auction around the globe.

Worldwide conducts two live and online car auction events in Auburn, IN, annually:

- The Spring Enthusiast Sale in late February
- The Labor Day Auburn Action during the Labor Day long weekend in Aug/Sept

Worldwide also provides a wide range of personalized services to automotive collectors, including private sales, appraisals, collection management, estate planning, and asset consultancy. With a 20+ year track record, a seasoned team of expert staff, and a physical and virtual showroom at its Auburn, Indiana headquarters, Kruse Plaza. Worldwide has established itself as a leader in the collector car auction industry.

During the year ended December 31, 2025, the Company continued to transition its operational focus toward the collector automobile market through Worldwide, while reducing emphasis on certain legacy activities, including prior initiatives in digital asset mining and energy-related research and development.

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

Subsidiary Operations – The Worldwide Group, LLC

The Company's sole wholly owned subsidiary, The Worldwide Group, LLC, operating as **Worldwide Auctioneers**, is a U.S.-based boutique auction firm specializing in the sale and acquisition of classic and vintage collector motorcars through auctions. With over 20 years of operational history, Worldwide Auctioneers is recognized as a leader in the collector car auction industry. The business is supported by an experienced leadership team and operates from its headquarters in Auburn, Indiana.

C. Describe the issuers' principal products or services.

The Company's principal business is conducted through its wholly owned subsidiary, *The Worldwide Group, LLC*, which operates as **Worldwide Auctioneers**. Worldwide Auctioneers primary revenues are generated through live and online auctions in the United States and serves a global clientele of automotive collectors and enthusiasts.

In addition to its auction events, Worldwide Auctioneers offers a full range of personalized services, including private car sales, appraisals, car collection consulting and management, estate planning, and asset advisory. The company operates from its headquarters in Auburn, Indiana, which includes a dedicated auction gallery, vehicle showroom, memorabilia division, and an online sales platform.

Worldwide Auctioneers has established a strong reputation in the collector car industry through its 20+ year history, expert team, and commitment to client service, making it the Company's primary source of revenue and strategic focus.

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.

The issuer's wholly owned subsidiary Worldwide Auctioneers, leases 38,000 square feet of office and gallery space located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. The lease commencement date was November 1, 2023 for a period of 60 months.

The issuer and its subsidiary lease an aggregate total of 60,000 square feet. All of the issuer and subsidiary's operations are performed and administered at these locations.

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) |
|--|--|--|---|-----------------------------|---|
| <u>William Griffin (Trip) Thomas</u> | <u>CFO</u> | <u>Tampa, FL</u> | <u>475,500</u> | <u>Common</u> | <u>0.38%</u> |
| <u>Rod Egan</u> | <u>Managing Director, Director</u> | <u>Kirkland, WA</u> | <u>11,400,000</u> | <u>Common</u> | <u>9.20%</u> |
| <u>Thomas Ristow</u> | <u>Director</u> | <u>Cologne, Germany</u> | <u>300,000</u> | <u>Common</u> | <u>0.24%</u> |
| <u>Brent W. Bedford</u> | <u>Owner more than 5%</u> | <u>Calgary AB</u> | <u>13,260,000</u> | <u>Common</u> | <u>10.71 %</u> |
| <u>Jason Bontrager</u> | <u>Owner more than 5%</u> | <u>Bristol, IN</u> | <u>1,000,000</u> | <u>Common</u> | <u>0.81%</u> |
| <u>Junebug Holdings Inc. John Kruse</u> | <u>Owner more than 5%</u> | <u>Auburn, IN</u> | <u>11,000,000</u> | <u>Common</u> | <u>8.88%</u> |
| <u>Osmium Holdings LLC</u> | <u>Owner more than 5%</u> | <u>Howe, IN</u> | <u>17,696,000</u> | <u>Common</u> | <u>14.29%</u> |
| <u>John Kruse</u> | | | <u>8,431,335</u> | | <u>6.81%</u> |
| <u>Jason Bontrager</u> | | | <u>9,264,665</u> | | <u>7.48%</u> |
| <u>Bulldawg Capital LLC Jason Bontrager</u> | <u>Owner more than 5%</u> | <u>Bristol, IN</u> | <u>13,174,140</u> | <u>Common</u> | <u>10.64%</u> |
| <u>1045170 BC Ltd. Don Jensen</u> | <u>Owner more than 5%</u> | <u>Sidney, BC</u> | <u>12,800,000</u> | <u>Common</u> | <u>10.34%</u> |

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.

no

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.

no

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.

None as of December 31, 2025

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: Gina Austin
Firm: Austin Legal Group, APC
Address 1: 3990 Old Town Ave., Suite A-112
Address 2: San Diego, California 92110
Phone: 619-924-9600
Email: gaustin@austinlegalgroup.com

Accountant or Auditor

Name: William (Trip) Thomas
Firm: A-Frame Accounting & Advisory Inc.
Nature of Services: Accounting and Financial Statement Preparations
Address 1: 3419 W Gray Court
Address 2: Tampa, Florida 33609
Phone: 813-928-6237
Email: triphomas@aframeaccounting.com

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.

9) Disclosure & Financial Information

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

Name: Trip Thomas, A-Frame Accounting
Title: former CFO
Relationship to Issuer: Service provider

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

- IFRS
 U.S. GAAP

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

Name: William (Trip) Thomas
Title: former CFO
Relationship to Issuer: Service provider

Describe the qualifications of the person or persons who prepared the financial statements:⁷

William Griffin Thomas, Chief Financial Officer (CFO) of Perpetual Industries. Trip has more than 20 years of experience in the field of accounting. His experience includes private industry, public company, public accounting, and non-profit. His experience includes auditing, budget analysis, fixed assets, financial modeling, SEC financial reporting, GAAP compliance, and fair value measurements. Additionally, Trip holds a Bachelor of Science in Accounting from the University of Tampa and a Bachelor of Science in Agribusiness from the University of Florida. He is a licensed CPA in the State of Florida.

Financial report included here

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.

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.

The certifications shall follow the format below:

I, Robert J. Rhodes certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 30, 2026

"/s/ Robert J. Rhodes"

ROBERT J. RHODES, Managing Director

Principal Financial Officer:

I, I William Griffin Thomas (Trip) certify that:

1. I have reviewed this Disclosure Statement for Perpetual Industries 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.

April 30, 2026

"/s/ William Griffin (Trip) Thomas"

WILLIAM GRIFFIN THOMAS (TRIP), former CFO

PERPETUAL INDUSTRIES INC.

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**FOR THE YEAR ENDED
DECEMBER 31, 2025**

Perpetual Industries, Inc. and Subsidiary

Financial Statements

| | |
|--|-------------|
| Consolidated Balance Sheets (Unaudited) at December 31, 2025 and 2024 | F-1 |
| Consolidated Statements of Operations (Unaudited) for the years ended December 31, 2025 and 2024 | F-2 |
| Consolidated Statements of Stockholders' Equity (Unaudited) for the years ended December 31, 2025 and 2024 | F-3 |
| Consolidated Statements of Cash Flows (Unaudited) for the years ended December 31, 2025 and 2024 | F-4 |
| Notes to Unaudited Consolidated Financial Statements | Pages 16-31 |

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
UNAUDITED

| ASSETS | December 31, 2025 | December 31, 2024 |
|--|----------------------|----------------------|
| Current assets | | |
| Cash | \$ 624,232 | \$ 591,085 |
| Accounts receivable | 5,577 | 15,776 |
| Inventory | 2,310 | 21,070 |
| Deposits and prepaids | 63,624 | 50,121 |
| Total current assets | 695,743 | 678,052 |
| Fixed assets, net of accumulated depreciation | 201,529 | 163,618 |
| Intangible assets - net | 3,098,025 | 4,170,136 |
| Right of use asset | 579,270 | 749,361 |
| Goodwill | 3,243,049 | 3,243,049 |
| Total assets | \$ 7,817,616 | \$ 9,004,216 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 443,675 | \$ 508,046 |
| Accounts payable and accrued expenses - related party | 87,857 | 26,232 |
| Accrued rent - related party | 400,372 | 400,372 |
| Notes payable | 131,033 | - |
| Notes payable - related party | 852,410 | 975,225 |
| Convertible notes payable | 133,850 | 61,590 |
| Convertible notes payable, RP | 19,493 | 23,588 |
| Lease liability | 186,971 | 170,090 |
| Total current liabilities | 2,255,661 | 2,165,143 |
| Notes payable, long term | 86,250 | - |
| Convertible notes payable, long term | 357,050 | 554,310 |
| Convertible notes payable, related party, long term | 212,890 | 212,295 |
| Lease liability, long term | 392,299 | 579,271 |
| Economic Injury Disaster Loan Program (EIDL) loan | 150,000 | 150,000 |
| Total liabilities | 3,454,150 | 3,661,019 |
| Commitments and contingencies (Note 15) | | |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, \$0.0001 par value, 100,000,000 shares authorized; | | |
| Series A: 160 shares authorized; 2 shares issued and outstanding | - | - |
| Series B: 2,000,000 shares authorized; 0 shares issued and outstanding | - | - |
| Common stock, \$0.001 par value; 500,000,000 shares authorized; | | |
| 123,848,600 shares issued and outstanding | 123,848 | 123,848 |
| Common stock to be issued | 212,070 | 212,070 |
| Additional paid in capital | 22,819,770 | 22,819,770 |
| Other accumulated comprehensive loss | - | (11,483) |
| Accumulated deficit | (18,792,222) | (17,801,008) |
| Total stockholders' equity | \$ 4,363,466 | \$ 5,343,197 |
| Total liabilities and stockholders' equity | \$ 7,817,616 | \$ 9,004,216 |

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
UNAUDITED

| | For the Years Ended | |
|--|----------------------------|---------------------|
| | December 31, | December 31, |
| | 2025 | 2024 |
| | <hr/> | <hr/> |
| Revenues | | |
| Service revenues | \$ 4,549,947 | \$ 5,054,396 |
| Product sales | - | 3,796,000 |
| Sales, related party | 6,250 | 79,250 |
| Total revenues | <hr/> 4,556,197 | <hr/> 8,929,646 |
| Cost of sales | 1,435,798 | 6,043,705 |
| Gross profit | <hr/> 3,120,399 | <hr/> 2,885,941 |
| Operating expenses | | |
| Personnel expenses | 651,962 | 1,317,948 |
| Management service, related party | 681,404 | 325,000 |
| General and administrative expenses | 592,345 | 1,310,668 |
| General and administrative expenses, related party | 234,000 | 354,079 |
| Depreciation and amortization | 424,144 | 789,880 |
| Outsource consulting fees | 327,625 | 143,494 |
| Research and development | - | 12,800 |
| Total operating expenses | <hr/> 2,911,480 | <hr/> 4,253,869 |
| Net operating income (loss) | <hr/> 208,919 | <hr/> (1,367,928) |
| Other income (expense) | | |
| Interest expense | (239,331) | (226,348) |
| Interest expense, related party | (38,080) | (23,952) |
| Other expense | - | (41,500) |
| Other income | 3,658 | 2,091 |
| Loss on disposal of assets | (18,758) | - |
| Loss on impairment of assets | (908,106) | (51,749) |
| Gain on settlement of debt | - | 100,000 |
| Foreign currency transaction adjustments | 484 | 348 |
| Total other income (expense) | <hr/> (1,200,133) | <hr/> (241,110) |
| Net loss | (991,214) | (1,609,038) |
| Unrealized translation loss (gain) | 11,483 | 8,491 |
| Other comprehensive loss | \$ (979,731) | \$ (1,600,547) |
| Basic and loss per share | \$ (0.01) | \$ (0.02) |
| Basis and diluted weighted average common shares outstanding | <hr/> 123,848,600 | <hr/> 99,683,522 |

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

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
UNAUDITED

| | <u>Preferred Stock</u> | | <u>Common Stock</u> | | <u>Shares to be Issued</u> | | <u>Accumulated</u> | <u>Additional</u> | <u>Accumulated</u> | <u>Total</u> |
|-----------------------------------|------------------------|---------------|---------------------|---------------|----------------------------|---------------|---------------------------------|------------------------|--------------------|--------------|
| | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> | <u>Other Comprehensive Loss</u> | <u>Paid-In Capital</u> | <u>Deficit</u> | |
| Balance, December 31, 2023 | — | \$ — | 123,848,600 | \$123,848 | 726,900 | \$ 212,070 | \$ (19,974) | \$22,819,770 | \$(16,191,970) | \$ 6,943,744 |
| Net loss | — | — | — | — | — | — | 8,491 | — | (1,609,038) | (1,600,547) |
| Balance, December 31, 2024 | — | — | 123,848,600 | 123,848 | 726,900 | 212,070 | (11,483) | 22,819,770 | (17,801,008) | 5,343,197 |
| Net loss | — | — | — | — | — | — | 11,483 | — | (991,214) | (979,731) |
| Balance, December 31, 2025 | — | \$ — | 123,848,600 | \$123,848 | 726,900 | \$ 212,070 | \$ - | \$ 22,819,770 | \$(18,792,222) | \$ 4,363,466 |

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

**PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED**

| | For the Years Ended | |
|--|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| Cash Flows from Operating Activities | | |
| Net loss | \$ (991,214) | \$ (1,609,038) |
| Adjustments to reconcile net loss to net cash from operating activities: | | |
| Depreciation and amortization expense | 424,144 | 789,880 |
| Loss on impairment of assets | 908,105 | 51,749 |
| Loss on disposal of assets | 18,758 | - |
| Expenses paid by related party (notes payable) | 41,725 | - |
| Convertible notes payable issued for director fees | - | 354,500 |
| Changes in operating assets & liabilities | | |
| Right of use activity | - | (61) |
| Accounts receivable | 10,200 | (1,601) |
| Inventory | 1,086 | 15,485 |
| Prepaid expenses | (13,503) | 425,515 |
| Accounts payable and accrued expenses | (64,371) | (84,262) |
| Accounts payable, related party | 30,834 | 119,225 |
| Accrued rent, related party | - | 137,139 |
| Net cash from operating activities | 396,555 | 198,531 |
| Cash Flows from Investing Activities | | |
| Acquisition of intangible assets | (154,239) | - |
| Acquisition of fixed assets | (144,896) | (7,737) |
| Net cash from investing activities | (299,135) | (7,737) |
| Cash Flows from Financing Activities | | |
| Proceeds from notes payable, related party | 1,037,560 | 615,000 |
| Proceeds from notes payable | 144,790 | - |
| Payments on EIDL loan | (56,006) | - |
| Payments on notes payable, related party | (1,202,100) | (640,000) |
| Net cash from financing activities | (75,756) | (25,000) |
| FX translation | 11,483 | 8,491 |
| Change in Cash | 33,147 | 174,285 |
| Cash at beginning of period | 591,085 | 416,800 |
| Cash at end of period | \$ 624,232 | \$ 591,085 |
| Supplemental Cash Flow Information | | |
| Cash paid for interest | \$ 21,854 | \$ 68,250 |
| Cash paid for income taxes | \$ 0 | \$ 0 |

PERPETUAL INDUSTRIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Nature of operations

Perpetual Industries Inc. (the “Company”) was incorporated under the laws of the State of Nevada in January 2005.

As of December 31, 2025, the Company operates primarily through its wholly owned subsidiary, Worldwide Group, LLC (“Worldwide”), which conducts business as Worldwide Auctioneers. Worldwide is a U.S.-based boutique auction house specializing in the acquisition and sale of classic and vintage motorcars at auction around the globe.

Worldwide conducts two live and online car auction events in Auburn, IN, annually:

- The Spring Enthusiast Sale in late February
- The Labor Day Auburn Action during the Labor Day long weekend in Aug/Sept

Worldwide also provides a wide range of personalized services to automotive collectors, including private sales, appraisals, collection management, estate planning, and asset consultancy. With a 20+ year track record, a seasoned team of expert staff, and a physical and virtual showroom at its Auburn, Indiana headquarters, Kruse Plaza. Worldwide has established itself as a leader in the collector car auction industry.

During the year ended December 31, 2025, the Company continued to transition its operational focus toward the collector automobile market through Worldwide, while reducing emphasis on certain legacy activities, including prior initiatives in digital asset mining and energy-related research and development.

The Company is also evaluating potential strategic initiatives, which may include acquisitions, partnerships, or other transactions, to support its long-term business objectives. However, no assurances can be provided as to the timing or outcome of such initiative.

2. Summary of significant accounting policies

Basis of Presentation

The Company has one wholly owned subsidiary: Worldwide. The consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiary, are prepared in conformity with generally accepted accounting principles in the United States of America (“U.S. GAAP”). All significant intercompany balances and transactions have been eliminated. The consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiary, and related disclosures, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The financial statements have been prepared using the accrual basis of accounting and are presented in US dollars. The Company’s financial reporting year end is December 31.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant assumptions and estimates relate to the valuation of equity issued for services. Actual results could differ from these estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Update (“ASU”) 2014-09, “*Revenue from contracts with customers*,” (Topic 606). Revenue is recognized when a customer obtains control of promised goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation. The Company’s main revenue stream is from services. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company’s performance obligations are transferred to customers at a point in time, typically upon delivery.

Service revenues

The Company generates the majority of its service revenue from earning auction and ancillary fees from both buyers and sellers, in each case only upon a successful auction. The auction revenue consists principally of revenue earned from facilitating auctions and arranging for the transportation of vehicles purchased in such auctions.

Product sales

Revenue from product sales is recognized upon delivery of the unit and completion/signing of the associated contract, and are recording the amount of revenue identified in the contract as the sales price of the vehicle.

Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains cash balances at a financial institution that at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risks related to cash.

Accounts Receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. The Company performs ongoing credit evaluations of its customers' financial condition. In limited instances, the Company may require an upfront deposit and, in most cases, the Company does charge interest on past due amounts. Management estimates the allowance for doubtful accounts based on review and analysis of specific customer balances that may not be collectible and how recently payments have been received. Accounts are considered for write-off when they become past due and when it is determined that the probability of collection is remote.

Inventories

Inventories are stated at the lower of cost (using specific identification) or net realizable value. Inventory quantities on hand are reviewed regularly and a write-down for excess and obsolete inventory is recorded based primarily on an estimated forecast of product demand, market conditions and planned design changes.

Property and Equipment

Property and equipment are initially recorded at cost and stated at cost less accumulated depreciation, using the straight-line method over their estimated useful lives of 3 to 15 years. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference, less any amount realized from disposition, is reflected in earnings.

Comparative Figures

Certain comparative figures have been reclassified to conform to current period presentation.

Intangible Assets

Certain intangible assets arose from the acquisition of Worldwide on January 22, 2021 and consist of the following, which have been or are being amortized on a straight-line basis over the following estimated useful lives:

| Asset | Estimated Useful Life |
|------------------------|-----------------------|
| Customer Relationships | 14 |
| Trademarks | 15 |
| Customer List | 1 |
| Below Market Lease | 4 |

Stock Based Compensation Expense

The Company applies the fair value method of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 718, "*Share Based Payment*", in accounting for its stock-based compensation. This standard states that compensation cost is measured at the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period. The Company values stock-based compensation at the market price for the Company's common stock and other pertinent factors at the grant date. There was no stock-based compensation expense recorded during the years ended December 31, 2025 and 2024.

Comprehensive Income (loss)

ASC Topic 220 “*Comprehensive Income*” (SFAS No. 130) establishes standards for reporting comprehensive income and its components. Comprehensive income or loss is defined as the change in equity during a period from transactions and other events from non-owner sources. The Company had comprehensive income of \$11,483 and \$8,491 for years ended December 31, 2025 and 2024, respectively, related to foreign currency translation adjustment.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, under which consideration for the acquisition, including the fair value of any contingent consideration, is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed (both specific and contingent) at the acquisition date, at fair values as determined by management as of the acquisition date. The excess of the consideration over the assets acquired net of liabilities assumed is recognized as goodwill and as bargain purchase where the consideration is less than the assets acquired net of liabilities assumed.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets. Acquisition-related costs are reflected in selling, general and administrative expenses in the consolidated statements of net and comprehensive income.

Long Lived Assets

Long-lived assets and certain identifiable intangible assets related to those assets are periodically reviewed for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recoverable. If the non-discounted future cash flows of the enterprise are less than their carrying amount, their carrying amounts are reduced to fair value, and an impairment loss is recognized. During the years ended December 31, 2025 and 2024, the Company recorded a loss on impairment of assets in the amount of \$908,106 and \$51,749, respectively

Fair Value of Financial Instruments

The Company has adopted the provisions of ASC Topic 820, “*Fair Value Measurements*”, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but it does provide guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity’s own assumptions (unobservable inputs).

The hierarchy consists of three levels:

- Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability; either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3—Inputs that are both significant to the fair value measurement and unobservable.

The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include, accounts receivable, accounts payable and accrued expenses, notes payable, notes payable to related parties, related parties payable, Payroll Protection Program Loan and Economic Injury Disaster Loan Program (EIDL) loans. The Company has also applied ASC 820 for all non-financial assets and liabilities measured at fair value on a non-recurring basis. The adoption of ASC 820 for non-financial assets and liabilities did not have a significant impact on the Company’s financial statements.

Foreign Currencies

The Company determined that its functional currency is the United States dollar since the U.S. dollar is the currency of the environment in which the Company primarily generates and expends cash. Foreign currency transaction gains and losses represent gains and losses resulting from transactions entered into in a currency other than the functional currency of the Company. These transaction gains and losses are included in the results of operations. The Company had comprehensive income of \$11,483 and \$8,491 for the years ended December 31, 2025 and 2024, respectively. The Company had a foreign currency translation gain totalling \$484 and \$348 for the years ended December 31, 2025 and 2024, respectively.

Income Taxes

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits as a component of general and administrative expenses. Our consolidated federal tax return and any state tax returns are not currently under examination.

The Company has adopted FASB ASC 740-10, “*Accounting for Income Taxes*”, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually from differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company has filed its U.S. tax returns for 2016 through 2021, which have all resulted in taxable losses and tax losses available to offset future taxable income. The Company has not determined the amount of the potential benefits for these tax losses.

Net Income (Loss) Per Common Share

The Company computes loss per common share, in accordance with FASB ASC Topic 260, “*Earnings Per Share*”, which requires dual presentation of basic and diluted earnings per share. Basic income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding during the period. Diluted income or loss per common share is computed by dividing net income or loss by the weighted average number of common shares outstanding, plus the issuance of common shares, if dilutive, that could result from the exercise of outstanding stock options and warrants.

For the years ended December 31, 2025 and 2024, the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive:

| | Years ended | |
|--------------------------|--------------|------------|
| | December 31, | |
| | 2025 | 2024 |
| | (Shares) | (Shares) |
| Series A Preferred Stock | 2 | 2 |
| Stock options | 10,163,500 | 10,163,500 |
| Total | 10,163,502 | 10,163,502 |

Segments

The Company determined its reporting units in accordance with ASC 280, “*Segment Reporting*.” Management evaluates a reporting unit by first identifying its’ operating segments under ASC 280. The Company then evaluates each operating segment to determine if it includes one or more components that constitute a business. If there are components within an operating segment that meet the definition of a business, the Company evaluates those components to determine if they must be aggregated into one or more reporting units. If applicable, when determining if it is appropriate to aggregate different operating segments, the Company determines if the segments are economically similar and, if so, the operating segments are aggregated.

Management has determined that the Company has two consolidated operating segments and a non operating segment. The Company’s reporting segment reflects the manner in which its chief operating decision maker reviews results and allocates resources. The Company’s reporting segment meets the definition of an operating segment and does not include the aggregation of multiple operating segments.

The Company’s reporting segment is automotive.

Leases

The Company accounts for leases in accordance with Accounting Standards Update (“ASU”) 2016-02, “*Leases*” (Topic 842).

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, enhancing segment expense transparency. The update requires public entities to disclose significant segment expenses regularly provided to the chief operating decision maker and extends certain annual segment disclosures to interim periods. ASU 2024-07 is effective for fiscal years beginning after December 15, 2024, with an interim period application required starting after December 15, 2025, and early adoption permitted.

The Company does not expect any of the recently issued accounting pronouncements to have a material impact on its financial condition or results of operations for the quarter ended as of December 31, 2025 or on a going forward basis.

The Company has reviewed all the recently issued, but not yet effective, accounting pronouncements and do not believe any of these pronouncements will have a material impact its consolidated financial statements

3. Concentration of credit risks

The Company maintains accounts with financial institutions. All cash in checking accounts is non-interest-bearing and is fully insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, cash balances may exceed the maximum coverage provided by the FDIC on insured depositor accounts. The Company believes it mitigates its risk by depositing its cash and cash equivalents with major financial institutions. As of December 31, 2025 and 2024, the Company had \$145,114 and \$168,881 in excess of FDIC insurance, respectively.

4. Accounts receivable and allowance for doubtful account

The Company has a policy of providing an allowance for doubtful accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to bad debt expense and included in the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

On January 1, 2024, the Company implemented Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326) to account for potential credit losses. It did not have a material impact.

The accounts receivable balance at December 31, 2025 and 2024 was \$5,577 and \$15,776, respectively, and the Company expects to receive the full amount. As such, the Company has elected not to record an allowance for this amount.

5. Fixed Assets

Fixed assets consisted of the following at December 31, 2025 and 2024:

| | December 31, 2025 | December 31, 2024 |
|--------------------------------|------------------------------|------------------------------|
| Computer hardware | \$ 60,104 | \$ 83,942 |
| Machinery and equipment | 112,024 | 117,922 |
| Furniture and fixtures | 59,188 | 102,333 |
| Vehicles | 145,021 | - |
| Trailer | 23,244 | 23,244 |
| Leasehold improvements | 613,806 | 682,889 |
| | <u>1,013,387</u> | <u>1,010,330</u> |
| Less: Accumulated depreciation | (811,858) | (846,712) |
| Property and equipment - net | <u>\$ 201,529</u> | <u>\$ 163,618</u> |

Depreciation expense was \$105,900 and \$397,648 for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, the Company disposed of \$141,963 in assets with accumulated depreciation of \$140,878 resulting in a loss on disposal of assets in the amount of \$1,085.

6. Intangible Assets

| | December 31, 2025 | December 31, 2024 |
|--------------------------------|----------------------|----------------------|
| AutoGrafic software system | \$ - | \$ 907,954 |
| CRM Software | 154,239 | - |
| Customer relationships | 3,105,000 | 3,105,000 |
| Trademarks | 1,380,000 | 1,380,000 |
| Customer list | 52,000 | 52,000 |
| Below market lease | 310,000 | 310,000 |
| | 5,001,239 | 5,754,954 |
| Less: accumulated amortization | (1,903,214) | (1,192,586) |
| Intangible assets - net | \$ 3,098,025 | \$ 4,562,368 |

Amortization expense was \$318,245 and \$392,232 for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, the Company fully impaired the AutoGrafic software system due to its obsolescence.

7. Operating lease right-of-use assets and operating lease liabilities

The Company's consolidated financial statements include lease-related assets and liabilities associated with facilities utilized in the operations of its wholly owned subsidiary, Worldwide.

The Company formerly leased 22,000 square feet of office space located at 2193 Rotunda Drive, Auburn, IN 46706 from USFM, LLC, an entity controlled by a related party, John Kruse. The base rent was \$12,000 per month for a period of 60 months. The lease commencement date was July 1, 2021. The lease was cancelled on December 19, 2024 and is currently under review to determine the balance of rent owing, if any.

Worldwide leases 38,000 square feet of office and gallery space, from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$19,500 per month for a period of 60 months. The lease commencement date was November 1, 2023.

Operating lease right-of-use assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value is our incremental borrowing rate, estimated to be 7%, as the interest rate implicit in most of our leases is not readily determinable. Operating lease expense is recognized on a straight-line basis over the lease term. During the years ended December 31, 2025 and 2024, the Company recorded \$354,080 and \$268,083 as operating lease expense, respectively, which is included in general and administrative expenses on the statements of operations.

Right-of-use assets are summarized below:

| | December 31, 2025 | December 31, 2024 |
|-------------------------------|-------------------|-------------------|
| Office Lease | \$ 928,489 | \$ 928,489 |
| Less accumulated amortization | (349,219) | (179,128) |
| Right-of-use, net | \$ 579,270 | \$ 749,361 |

Operating lease liabilities are summarized below:

| | December 31, 2025 | December 31, 2024 |
|--------------------------|-------------------|-------------------|
| Office Lease | \$ 579,270 | \$ 749,361 |
| Less: current portion | (186,971) | (170,090) |
| Long term portion | \$ 392,299 | \$ 579,271 |

| Maturity of lease liabilities are as follows: | As of December 31, 2025 |
|--|------------------------------------|
| Year ending December 31, 2026 | \$ 234,000 |
| Year ending December 31, 2027 | 234,000 |
| Year ending December 31, 2028 | 195,000 |
| Total future minimum lease payments | \$ 663,000 |
| Less imputed interest | (87,730) |
| PV of Payments | \$ 579,270 |

8. Economic Injury Disaster Loan Program (EIDL) loans

On July 13, 2020, the Company, through its wholly owned subsidiary, Worldwide, received loan proceeds of \$150,000 under the Economic Injury Disaster Loans (EIDL). The loan matures in 30 years and has an interest rate of 3.75%. As of December 31, 2025, the balance is classified as non-current liabilities. The Company began making monthly payments of \$731 on February 3, 2024. The monthly payments are applied against accrued interest.

| Maturity of EIDL loan is as follows: | As of December 31, 2025 |
|---|------------------------------------|
| Year ending December 31, 2026 | \$ 5,946 |
| Year ending December 31, 2027 | 3,144 |
| Thereafter | 140,910 |
| Total future minimum lease payments | \$ 150,000 |

9. Convertible notes payable

As of December 31, 2025, and 2024, the Company had \$490,900 and \$615,900 in outstanding convertible notes payable, respectively, as follows:

| Name | Ref No. | Issuance | Original | Maturity | Interest | Conversion | Principal Balance | |
|--------|---------|------------|------------|----------|----------|-----------------|-------------------|------------|
| | | | Principal | | | | 12/31/2025 | 12/31/2024 |
| | | | Balance | Date | Rate (%) | Price | | |
| Note 1 | 1 | 10/25/2024 | \$ 523,966 | 1/1/2029 | 15 | \$ 0.04 | \$ 407,809 | \$ 487,809 |
| Note 2 | 2 | 10/25/2024 | 85,976 | 1/1/2029 | 15 | \$ 0.04 | 40,976 | 85,976 |
| Note 3 | 3 | 10/25/2024 | 42,115 | 1/1/2029 | 15 | \$ 0.04 | 42,115 | 42,115 |
| | | | \$ 887,940 | | | Total | \$ 490,900 | \$ 615,900 |
| | | | | | | Total Current | \$ 133,850 | \$ 61,590 |
| | | | | | | Total Long Term | \$ 357,050 | \$ 554,310 |

*The notes are convertible at a fixed price of \$0.04 per share. The interest on the notes are compounding at a rate of 15%. The notes have a maturity date of January 1, 2029, but principal and interest payments are payable over the term.

(1) Note 1

The Company owed its former CEO an aggregate of \$523,966 for past severance, loans, accounts payable, and director/audit committee compensation. On October 25, 2024, the Company converted the \$523,966 balance into a secured convertible note payable. The note is convertible at a fixed price of \$0.04 per share. The interest is calculated on the cumulative outstanding principal and any accrued interest balance at an annual rate of 15%, calculated quarterly. The note has a maturity date of January 1, 2029, but principal and interest payments are payable over the term. During the years ended December 31, 2025 and 2024, the Company repaid \$80,000 and \$36,157 related to the convertible note payable. During the year ended December 31, 2025, the Company repaid \$21,854 in accrued interest. During the years ended December 31, 2025 and 2024, the Company recorded \$71,658 and \$13,431 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$471,044 and \$501,240, respectively.

(2) Note 2

A third-party vendor provided digital marketing support and network and website maintenance services to the Company. As of October 25, 2024, the outstanding accounts payable balance to this vendor was \$85,976. On October 25, 2024, this balance was converted to a secured note payable. During the year ended December 31, 2025, the Company repaid \$45,000 related to the convertible note payable. During the years ended December 31, 2025 and 2024, the Company recorded \$10,427 and \$2,367 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$53,771 and \$88,344, respectively.

(3) Note 3

On October 25, 2024, the Company compensated a former director \$39,500 for past board of directors services. Additionally, the Company owed \$2,615 to this director. This compensation and the past due amount of \$42,115 was converted into a convertible note payable. During the year ended December 31, 2025, the Company recorded \$1,160 in interest expense. During the years ended December 31, 2025 and 2024, the Company recorded \$6,866 and \$1,160 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$50,140 and \$43,275, respectively.

10. Related party transactions and commitments

Certain related-party entities described below are owned or controlled by individuals who served as officers and/or directors of the Company and its wholly owned subsidiary, Worldwide, and are significant shareholders. These individuals include, among others, John Kruse and Rod Egan, former executives, and Jason Bontrager. See additional information relating to this section in Note 17. Subsequent Events.

Junebug Holdings, LLC / John Kruse

Junebug Holdings, LLC (“Junebug”) is an entity owned and controlled by John Kruse, a major shareholder of the Company and managing principal executive with Worldwide. Amounts paid to Junebug during the period primarily relate to management fees and operational support services. These amounts are reflected in the Company’s consolidated financial statements as related-party party. As of December 31, 2025 and 2024, the Company recorded payments to Junebug of approximately \$517,654 and \$226,360, respectively. During the years ended December 31, 2025 and 2024, the Company recorded \$493,154 and \$175,000 in management fees, respectively.

Auburn Classic Cars / John Kruse

Auburn Classic Cars (“ACC”) is an entity owned and controlled by John Kruse, a major shareholder of the Company and managing principal executive with Worldwide. During the year ended December 31, 2025, ACC engaged in multiple transactions with Worldwide, including providing financing arrangements and participating in vehicle-related transactions and sales activities. These arrangements included financing provided to Worldwide, subject to a 5% interest fee calculated on the total amount advanced.

In addition, ACC periodically engaged Worldwide to provide auction and sales services in connection with vehicle transactions. Revenue associated with these activities is reflected in the Company’s consolidated financial statements as related-party revenue. As of December 31, 2025 and 2024, the Company recorded net amounts payable to ACC of approximately \$2,410 and \$125,225, respectively.

Kruse Plaza and USFM, LLC / John Kruse

Kruse Plaza and USFM, LLC are entities under common ownership and control of related party John Kruse. Kruse Plaza is the lessor of the office and gallery facility occupied by the Company’s wholly owned subsidiary, Worldwide Auctioneers. USFM, LLC was the lessor of the office space formerly leased by the Company.

Summary of John Kruse’s Related Party Financial Activity

John Kruse is affiliated with multiple entities that engaged in transactions with Worldwide, the Company’s wholly owned subsidiary. Certain of these transactions are considered material to the Company’s financial statements and involve overlapping roles.

The following table summarizes payments made to, and obligations associated with, entities owned or controlled, directly or indirectly, by John Kruse as well as entities affiliated with John Kruse and Jason Bontrager, both of whom are major shareholders of the Company, for the year ended December 31, 2025:

| <u>Entity / Name</u> | <u>Nature</u> | <u>Cash Paid</u> | <u>Financed</u> | <u>Total Exposure</u> |
|--|---|------------------|-----------------|-----------------------|
| Auburn Classic Cars | Car Sale Transactions and Financing Interest | \$1,091,660 | | \$1,101,650 |
| Kruse Plaza | Facility Rent and Office | \$587,723 | | \$587,723 |
| Junebug Holdings, LLC | Management Fees and Office Services | \$517,654 | | \$517,654 |
| Worldwide | Vehicle Purchase - 2025 Cadillac Blackwing for John Kruse | \$30,021 | \$115,000 | \$145,021 |
| Kruse Plaza | Meals and Other Misc. | \$80,893 | | \$80,893 |
| Osmium Holdings, LLC (J. Kruse & J. Bontrager) | Note Interest | \$34,125 | | \$34,125 |
| USFM, LLC | Interest on Osmium Note | \$34,125 | | \$34,125 |

| <u>Entity / Name</u> | <u>Nature</u> | <u>Cash Paid</u> | <u>Financed</u> | <u>Total Exposure</u> |
|---------------------------|---|------------------|-----------------|-----------------------|
| J. Kruse Education Center | Rentals, Casual Labor, and Auction Proceeds | \$27,291 | | \$27,291 |
| Kruse Appraisals, Inc. | Auction Staff | \$7,500 | | \$7,500 |
| TOTAL | | | | \$2,535,982 |

Twin Grille Holdings, LLC / Rod Egan

Twin Grille Holdings (“Twin Grille”) is an entity controlled by Rod Egan, who served as a director and Managing Director (executive) of the Company and held senior management roles in Worldwide during the periods in which certain transactions described herein occurred.

Amounts paid to Twin Grille during the period primarily relate to management fees. Vehicle lease and financing-related interest payments of approx. \$14,000 were made to Twin Grille in addition to management fees. These amounts are reflected in the Company’s consolidated financial statements as related-party expenses.

During 2025, the Company identified an increase in management and service-related fees associated with Twin Grille as compared to prior periods. As of December 31, 2025 and 2024, the Company recorded compensation to Twin Grille (Rod Egan) of approximately \$188,250 and \$150,000, respectively.

Notes Payable, Related Party

Osmium Holdings LLC

The Company, through its wholly owned subsidiary Worldwide, has recorded amounts associated with a line of credit/promissory note arrangement with Osmium Holdings LLC (“Osmium”), a company controlled by John Kruse and Jason Bontrager. The activity related to this arrangement is summarized as follows:

The activity related to this arrangement is summarized as follows:

- Initial borrowing of \$1,500,000 under a line of credit promissory note arrangement on December 1, 2018, with an interest rate of 7.75% and a maturity date of November 30, 2021
- A partial repayment of \$760,945 was made during 2021
- Subsequent renewals resulted in a remaining principal balance of \$700,000 with an interest rate of 9.75%
- As of December 31, 2025, and 2024, the outstanding recorded principal balance is \$700,000

As of December 31, 2025 and 2024, there is no accrued interest on this loan as the Company makes monthly interest payments. During the years ended December 31, 2025 and 2024, the interest expense on this loan amounted to \$68,250.

Bulldawg Capital, LLC

In December 2023, the Company entered into a financing arrangement with Bulldawg Capital, LLC, a company controlled by Jason Bontrager.

- Principal amount: \$150,000
- Interest rate: 15%
- Convertible into Common stock at \$0.05 per share

During the years ended December 31, 2025 and 2024, the Company recorded \$26,250 and \$18,750 in interest expense, respectively. As of December 31, 2025 and 2024, the balance owed is \$150,000. As of December 31, 2025 and 2024, the balance of accrued interest is \$22,500 and \$19,736, respectively.

Convertible Notes Payable, Related Party

As of December 31, 2025 and 2024, the Company had \$232,383 and \$235,883, respectively, in outstanding convertible notes payable to related parties.

These notes were issued on October 25, 2024, in connection with:

- Settlement of prior obligations
- Compensation for board or management services
- Conversion of existing related-party balances

Key Terms (General):

- Conversion price: \$0.04 per share
- Interest rate: 15% (compounding)
- Maturity date: January 1, 2029

Summary of Convertible Notes – Related Party:

| Name | Ref No. | Issuance | Original | Maturity | Interest | Conversion | Principal Balance | | |
|-------------------------------------|---------|------------|-------------------|----------|----------|-----------------|-------------------|-------------------|-------------------|
| | | | Principal Balance | | | | Date | Rate (%) | Price |
| Rod Egan, Managing Director | 1 | 10/25/2024 | 95,000 | 1/1/2029 | 15 | \$ 0.04 | 95,000 | 95,000 | |
| Thomas Ristow, Director | 2 | 10/25/2024 | 87,500 | 1/1/2029 | 15 | \$ 0.04 | 87,500 | 87,500 | |
| Twin Grille Holdings (Rod Egan) | 3 | 10/25/2024 | 26,900 | 1/1/2029 | 15 | \$ 0.04 | 26,900 | 26,900 | |
| A-Frame Accounting & Advisory, Inc. | 4 | 10/25/2024 | 26,483 | 1/1/2029 | 15 | \$ 0.04 | 22,983 | 26,483 | |
| | | | <u>\$ 235,883</u> | | | | Total | <u>\$ 232,383</u> | <u>\$ 235,883</u> |
| | | | | | | Total Current | \$ 19,493 | \$ 23,588 | |
| | | | | | | Total Long Term | \$ 212,890 | \$ 212,295 | |

(1) *Rod Egan, Managing Director and Director / Twin Grille Holdings*

The combined total obligations associated with director compensation for Rod Egan and prior loan advances from Twin Grille Holdings were \$121,900. This amount was converted into convertible notes on October 25, 2024. During the years ended December 31, 2025 and 2024, the Company recorded \$19,872 and \$3,356 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$145,129 and \$125,257, respectively.

(2) *Thomas Ristow, Director*

The Company recorded obligations of \$87,500 related to compensation for board services, which were converted into a convertible note payable on October 25, 2024. During the years ended December 31, 2025 and 2024, the Company recorded \$14,264 and \$2,409 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$104,173 and \$89,909, respectively.

(3) *A-Frame Accounting & Advisory, Inc.*

As of October 25, 2024, the Company owed an entity controlled by Trip Thomas past due amounts of \$26,483 for management fees provided to the Company. This amount was converted into a convertible note payable. During the year ended December 31, 2025, the Company repaid \$3,500 related to the convertible note payable. During the years ended December 31, 2025 and 2024, the Company recorded \$3,944 and \$729 in interest expense, respectively. As of December 31, 2025 and 2024, the total balance owed, including interest, was \$27,656 and \$27,212, respectively.

General and Administrative Expenses

Worldwide leases 38,000 square feet of office space from a related party located at 5634 Opportunity Boulevard, Suites A&E, Auburn, Indiana 46706. Worldwide has a base rent of \$19,500 per month for a period of 60 months. The lease commencement date was November 1, 2024. During the year ended December 31, 2025, the Company recorded rent expense related to this lease in the amounts of \$234,000 and \$354,079, respectively.

Accounts receivable

The related party accounts receivable is included in the accounts receivable balance on the balance sheet. The balance of accounts receivable, related party, was comprised of the following:

| | As of December 31, 2025 | As of December 31, 2024 |
|--|--|--|
| Kruse Plaza | \$ 3,019 | \$ 3,019 |
| Total accounts receivable – related party | \$ 3,019 | \$ 3,019 |

Accounts payable and accrued expenses - related party

The balance of accounts payable and accrued expenses, related party, was comprised of the following:

| | As of December 31, 2025 | As of December 31, 2024 |
|--|--|--|
| Auburn Classic Cars | \$ 63,900 | \$ - |
| Jason Bontrager (Accrued Interest on Loan) | 45,986 | 19,737 |
| Convertible notes payable, related party (accrued interest) | 97,838 | 25,453 |
| Twin Grille Holdings | 21,890 | |
| Junebug | 26,125 | - |
| J. Kruse Education Center | 2,112 | - |
| Kruse Plaza | 910 | 1,391 |
| Total accounts payable and accrued expenses – related party | \$ 258,761 | \$ 277,422 |

11. Notes payable

During the year ended December 31, 2025, the Company issued the following notes payable:

| Type | Ref No. | Issuance | Original Principal Balance | Maturity Date | Interest Rate (%) | Principal Balance |
|------------------------|--------------------|-----------------|---|--------------------------|------------------------------|------------------------------|
| Vehicle Financing | 1 | 05/31/2025 | \$ 115,000 | 5/31/2031 | 10 | \$ 105,417 |
| CRM Software Financing | 2 | 1/01/2025 | 154,239 | 8/1/2026 | N/A | 111,866 |
| | | | \$ 269,239 | | Total | \$ 217,283 |
| | | | | | Total Current | \$ 131,033 |
| | | | | | Total Long Term | \$ 86,250 |

During the year ended December 31, 2025, the Company recorded and paid \$3,267 in interest expense related to the loans. Additionally, during the year ended December 31, 2025, the Company repaid \$51,956 in principal related to the notes.

12. Reportable segments

The Company currently has one primary reportable geographic segment – the United States. The Company has one reportable operating segment – auction. We have also included a Non-operating corporate segment. All inter-segment revenues are eliminated. Summary information with respect to the Company’s operating segments is as follows:

| | Years Ended December 31, | |
|----------------------|-----------------------------|--------------|
| | 2025 | 2024 |
| Revenue | | |
| Automobile: | | |
| Service revenues | \$ 4,549,947 | \$ 5,054,396 |
| Product sales | - | 3,796,000 |
| Sales, related party | 6,250 | 60,000 |
| Total revenue | \$ 4,556,197 | \$ 8,929,646 |

| | Years Ended December 31, | |
|-------------------------------------|-----------------------------|----------------|
| | 2025 | 2024 |
| Income (loss) from operations | | |
| Auction | \$ 573,216 | \$ (92,530) |
| Non-operating corporate | (364,297) | (1,275,398) |
| Total income (loss) from operations | \$ 208,919 | \$ (1,367,928) |

| | Years ended December 31, | |
|-------------------------------|-----------------------------|------------|
| | 2025 | 2024 |
| Depreciation and Amortization | | |
| Automobile | \$ 408,258 | \$ 648,368 |
| Non-operating corporate | 15,886 | 141,512 |
| Total | \$ 424,144 | \$ 789,880 |

| | December 31, | |
|----------------------|--------------|----------|
| | 2025 | 2024 |
| Capital Expenditures | | |
| Automobile | \$ 299,135 | \$ 7,737 |
| Total | \$ 299,135 | \$ 7,737 |

| | December 31, | |
|-------------------------|--------------|--------------|
| | 2025 | 2024 |
| Total Assets | | |
| Automobile | \$ 7,139,469 | \$ 8,073,835 |
| Non-operating corporate | 678,146 | 982,129 |
| Total | \$ 7,817,615 | \$ 9,055,964 |

13. Equity

Preferred Stock

There are 160 authorized shares of Series A Preferred Stock with a par value of \$0.0001 that are eligible for conversion into 100,000 Common Shares. A Holder of Series A Preferred Shares shall be entitled to receive dividends, if available, equal to its ratable ownership of Series A Preferred Shares multiplied by 18% of the total Net Profits from the Company's GEM Sector 450 cryptocurrency mining activities for a minimum period of 36 months. During the years ended December 31, 2024, 2,000,000 shares of Series B Preferred Stock were converted into 20,000,000 shares of common stock.

Stock Options Issuance

On September 12, 2014, the Board of Directors adopted the Company's "2014 Stock Option Plan" (the "Plan") effective immediately. The maximum number of options issuable under the Plan is 15% of the Company's issued and outstanding shares at the time of any grant. If any shares of common stock subject to an award under the Plan are forfeited, expire, are settled for cash or are tendered by the participant, or withheld by the Company to satisfy any tax withholding obligation, then, in each case, the shares subject to the award may be used again for awards under the Plan to the extent of the forfeiture, expiration, cash settlement, or withholding. The stock option awards issuable under the Plan can be made up of non-statutory stock options only; the Plan does not contemplate incentive options. The Plan dictates that stock options will be granted for terms, prices, and quantities determined at the Board's discretion, with quantities being in multiples of 1,000 shares. Non-statutory stock options are available to independent contractors and consultants as well as to employees.

On August 17, 2024, the directors voted to amend the 2014 Stock Option Plan (the "Plan") adopted by the Board of Directors on September 12, 2014, to extend the Plan's original ten (10) year expiration date of September 12, 2025, for an additional ten (10) years. The Plan shall continue in effect until September 12, 2034. All other provisions of the Plan will remain in full force and effect.

Options to purchase common stock were granted to directors and consultants as follows:

| Grant Date | Options Granted | Expiration Date | Vesting Criteria | Grant Date Fair Value |
|-------------------|-----------------|-------------------|------------------|-----------------------|
| July 1, 2022 | 700,000 | July 1, 2027 | Immediate | \$ 16,097 |
| August 18, 2022 | 500,000 | August 18, 2027 | Immediate | \$ 11,497 |
| September 1, 2024 | 1,113,500 | September 1, 2027 | Immediate | \$ 116,947 |
| September 1, 2024 | 1,350,000 | September 1, 2028 | Immediate | \$ 154,856 |
| September 1, 2024 | 6,500,000 | September 1, 2029 | Immediate | \$ 767,586 |

Optionees are precluded from selling, transferring or otherwise disposing of any Optioned Shares during the twelve months immediately following the grant of the Options, and shall be limited to a resale volume not exceeding 1% of the Company's issued and outstanding stock in any three-month period.

The Company valued these options using the Black-Scholes Model using inputs as detailed below:

| Grant Date | Underlying price | Contractual strike price | Expected term | Market Volatility | Interest Rate |
|-------------------|------------------|--------------------------|---------------|-------------------|---------------|
| July 1, 2022 | \$ 0.15 | \$ 0.20 | 2.5 Years | 36.89% | 2.85% |
| August 18, 2022 | \$ 0.16 | \$ 0.20 | 1.5 Years | 36.89% | 2.85% |
| September 1, 2024 | \$ 0.1250 | \$ 0.10 | 2-3 Years | 185.99 - 211.90% | 4.57% - 4.87% |

At December 31, 2025 and 2024, the Company had options outstanding to purchase a total of 10,163,500 shares of common stock under the Plan (the "Option Grant"), respectively. During the years ended December 31, 2025 and 2024, the Company recorded \$0 in stock-based compensation expense.

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life |
|---|---------------------|--|--|
| Options Outstanding – January 1, 2024 | 2,990,000 | \$ 0.22 | 2.88 Years |
| Issued | 8,963,500 | \$ 0.10 | 5.3 Years |
| Exercised | - | | |
| Expired | (700,000) | | |
| Options Outstanding – December 31, 2024 | 11,253,500 | \$ 0.12 | 1.28 Years |
| Issued | - | | |
| Exercised | - | | |
| Expired | (1,090,000) | | |
| Options Outstanding – December 31, 2025 | 10,163,500 | \$ 0.11 | 2.54 Years |
| Outstanding Exercisable – December 31, 2025 | 10,163,500 | \$ 0.11 | 2.54 Years |

14. Going Concern

The Company's financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

At December 31, 2025, the Company had \$624,232 in cash and \$1,559,918 in negative working capital. For the years ended December 31, 2025 and 2024, the Company had net losses of \$991,214 and \$1,609,038, respectively. Continued losses may adversely affect the liquidity of the Company in the future.

The Company has certain secured debt obligations that include defined repayment schedules, as well as default and acceleration provisions. As of December 31, 2025, certain payment obligations under these arrangements were not made in accordance with contractual terms and, as a result, certain amounts may be considered in default under the terms of the respective agreements. The aggregate amount of such obligations that may be considered in default is approximately \$131,269, inclusive of principal and accrued interest.

In view of the matters described in the preceding paragraph, including recurring losses, negative working capital, and the existence of secured debt obligations with potential default and acceleration features, the recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will be required to raise additional capital over the next twelve months to meet its operating and administrative expenses. It may do so in connection with or in anticipation of possible acquisition transactions. This financing may take the form of additional sales of its equity securities, loans from its directors and or convertible notes. There is no assurance that additional financing will be available, if required, or on terms favorable to the Company.

15. Commitments and Contingencies

During the normal course of business, the Company may be exposed to litigation. When the Company becomes aware of potential litigation, it evaluates the merits of the case in accordance with FASB ASC 450-20-50, *Contingencies*. The Company evaluates its exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If the Company determines that an unfavorable outcome is probable and can be reasonably estimated, it establishes the necessary accruals.

The Company is currently evaluating certain legal matters involving contractual disputes and related-party transactions. These matters include, among other things, disputes relating to financing arrangements and facility-related obligations involving third parties and related entities.

At this stage, the Company is unable to determine the outcome. While the Company may seek recoveries, no gain contingency has been recognized in these financial statements.

16. Income taxes

The Company did not provide any current or deferred US federal income tax provision or benefit for the years ending December 31, 2025, and 2024, as they incurred tax losses during both of these years.

When it is more likely than not that a tax asset cannot be realized through future income, the Company must record an allowance against any future potential tax benefit. The Company has provided a full valuation allowance against the net deferred tax asset, consisting of net operating loss carry forwards, because management has determined that it is more likely than not that the Company will not earn income sufficient to realize the deferred tax assets during the carry forward periods.

The Company has not taken a tax position that, if challenged, would have a material effect on the consolidated financial statements for the year ended December 31, 2025 and 2024 as defined under ASC 740, "Accounting for Income Taxes."

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes.

The sources and tax effects of the differences for the periods presented are as follows:

| | Years Ended | |
|--|-------------------|-------------------|
| | December 31, 2025 | December 31, 2024 |
| U.S. statutory federal income tax rate | 21% | 21% |
| Change in valuation allowance | (21%) | (21%) |
| Effective income tax rate | 0% | 0% |

A reconciliation of the income taxes computed at the statutory rate is as follows:

| | Years Ended | |
|--|-------------------|-------------------|
| | December 31, 2025 | December 31, 2024 |
| Tax credit (expense) at statutory rate (26%) | \$ 206,621 | \$ 337,898 |
| Increase in valuation allowance | (206,621) | (337,898) |
| Net deferred income tax asset | \$ — | \$ — |

At December 31, 2025 and 2024, the significant components of the deferred tax assets are summarized below:

| | December 31, 2025 | December 31, 2024 |
|------------------------------------|-------------------|-------------------|
| Net operating loss carry-forward | \$ 3,944,833 | \$ 3,738,212 |
| Valuation allowance | (3,944,833) | (3,738,212) |
| Net deferred tax asset (liability) | \$ - | \$ - |

As of December 31, 2025, and 2024, the Company had a federal net operating loss carryforward of approximately \$3,944,833 and \$3,738,212, respectively. The federal net operating loss carryforwards do not expire but may only be used against taxable income to 80%. No tax benefit has been reported in the consolidated financial statements. The annual offset of this carryforward loss against any future taxable profits may be limited under the provisions of Internal Revenue Code Section 381 upon any future change(s) in control of the Company.

17. Subsequent Events

Management and Governance Changes

Subsequent to December 31, 2025, the Company experienced changes in management and governance and initiated a review of certain operational, financial, and related-party matters. The Company is reviewing historical transactions involving management and related parties. The inclusion of such disclosures herein does not constitute an admission as to the validity, enforceability, authorization, fairness, or propriety of any such transactions or arrangements. The Company expressly reserves all rights, claims, and defenses with respect to these matters.

Certain individuals who previously served in executive and management roles at both the Company and its wholly owned subsidiary, Worldwide, including individuals associated with the operations and management of Worldwide, have resigned and or otherwise departed from their positions in February 2026.

These individuals include:

- John Kruse, principal and senior executive at Worldwide, and a major shareholder of the Company
- Rod Egan, Director of the Company's Board of Directors, principal and senior executive at Worldwide, and the Managing Director of the Company, and a large shareholder of the Company
- David Heltzel, former Chief Financial Officer of Worldwide, and shareholder of the Company

In addition, William Griffin (Trip) Thomas has resigned from his position as Chief Financial Officer of the Company. He continues to support the Company as its outsourced accounting professional.

In connection with these leadership changes, the Company's Board of Directors appointed Robert J. Rhodes as Managing Director for the Company and a member of the Board of Directors.

Internal Review and Investigation

Following leadership changes in February 2026, the Company initiated a review of historical transactions. This review is considered a "Non-Recognized Subsequent Event" under ASC 855 as it relates to conditions that arose after the balance sheet date; however, disclosure is required because the effects may be material to the understanding of the financial statements. This review includes, but is not limited to:

Related-party transactions involving entities affiliated with former management

- Internal control environments and financial reporting processes
- Corporate governance protocols
- Operational decision-making and authorization of transactions

The review remains ongoing, and no final determinations have been made as of the date of these financial statements.

Litigation Matters

The Company is currently involved in legal proceedings relating to certain contractual arrangements involving entities affiliated with John Kruse, a former executive associated with Worldwide Group, LLC ("Worldwide"), and Jason Bontrager, both of whom are shareholders of the Company. These matters include:

- A disagreement with USFM, LLC, owned by John Kruse, relating to a lease arrangement associated with facilities utilized in the Company's prior operations.
- A matter relating to a financing arrangement involving Worldwide and a related party entity, Osmium Holdings, LLC, owned by John Kruse and Jason Bontrager.

The Company is actively disputing these matters with its legal counsel. At this time, the matters remain in various stages of legal proceedings, and the Company is unable to determine the outcome or reasonably estimate a range of potential loss or recovery, if any.

Potential Claims and Ongoing Evaluation

In connection with its ongoing review, the Company is evaluating its legal rights and remedies regarding transactions occurring in prior periods. In accordance with ASC 450, no accrual has been recorded as of December 31, 2025, because the likelihood of a loss is not "probable" and the amount is not "reasonably estimable" at this time.

Operational and Strategic Focus

As part of its transition, the Company is focused on strengthening governance, stabilizing operations, and advancing its strategic initiatives, including the development of energy-efficient technologies and the evaluation of strategic partnerships and acquisition opportunities.