

RECREATIVES INDUSTRIES, INC. - RECX

1936 59th Terrace East, Bradenton, FL 34203

1 (800) 255-2511
www.recreatives.com
ir@recreatives.com

Quarterly Report

For the period ending June 30, 2026 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

286,689,097 as of June 30, 2026 *(Current Reporting Period Date or More Recent Date)*

198,189,097 as of December 31, 2025 *(Most Recent Completed Fiscal Year End)*

Shell Status

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

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in 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.

Recreatives Industries, Inc., 1936 59th Terrace East, Bradenton, FL 34203

Formerly: Planet Resource Recovery, Inc. until October 2023

Formerly: American BioDiesel Fuels Corp. until March 2007

Formerly: Interactive Business Development, Inc. until February 2007

Formerly: Technology Logistics Systems, Inc. until January 2006

Current State and Date of Incorporation or Registration: Nevada, US, September 19, 1996

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:

1936 59th Terrace East, Bradenton, FL 34203

Address of the issuer's principal place of business:

☒ *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: Pacific Stock Transfer Co. (a Securitize Company)

Phone: +1 702-361-3033
Email: mtorres@pacificstocktransfer.com
Address: 6725 Via Austi Parkway, Suite 300, Las Vegas, NV 89119

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>RECX</u>
Exact title and class of securities outstanding:	<u>Common</u>
CUSIP:	<u>72705J303</u>
Par or stated value:	<u>0.0001</u>
Total shares authorized:	<u>700,000,000</u> as of date: <u>June 30, 2026</u>
Total shares outstanding:	<u>286,689,097</u> as of date: <u>June 30, 2026</u>
Total number of shareholders of record:	<u>703</u> as of date: <u>June 30, 2026</u>

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

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>Preferred Class A</u>
Par or stated value:	<u>0.001</u>
Total shares authorized:	<u>10,000,000</u> as of date: <u>June 30, 2026</u>
Total shares outstanding:	<u>100,000</u> as of date: <u>June 30, 2026</u>
Total number of shareholders of record:	<u>1</u> as of date: <u>June 30, 2026</u>

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

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.

According to the April 3, 2023, Amended and Restated Articles, Article II states that common stockholders are afforded the following rights: "Dividend and Liquidation Rights. The dividends and Liquidation rights of the holders of the Common Stock shall be subject to and qualified by the rights, powers, and preferences of the holders of Preferred stock, as determined by the Board of Directors under Article III Section 2 and each holder of one share of common stock has the right to one (1) vote for each share. The holders of shares of Common Stock shall be entitled to notice of any stockholders meeting in accordance with the bylaws of the Corporation and shall be entitled to notice of any stockholders meeting in accordance with the Bylaws of the Corporation and shall be entitled to vote upon such matters and in such manner as may be provided by law."

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

The Company is authorized to issue 10,000,000 shares of Preferred Stock, of which 100,000 shares have been designated as Series A Preferred Stock. As of June 30, 2026, 100,000 shares of Series A Preferred Stock were issued and outstanding, all of which were held by Andrew Lapp.

Each share of Series A Preferred Stock is convertible into 3,000 shares of common stock and is entitled to 3,000 votes per share. Holders of Series A Preferred Stock are entitled to receive dividends when and if declared by the Board of Directors. The Series A Preferred Stock has no liquidation preference, redemption rights, or sinking fund provisions. The holders of at least two-thirds of the outstanding Series A Preferred Stock must approve certain actions affecting the rights of the Series A Preferred Stock, as provided in the Company's Amended and Restated Articles of Incorporation.

The Company previously had a Series B Preferred Stock. The Series B Preferred Stock was discontinued pursuant to the Company's Amended and Restated Articles of Incorporation and Certificate of Withdrawal filed on April 3, 2023. Accordingly, no Series B Preferred Stock is authorized, issued, or outstanding.

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)

Shares Outstanding <u>Opening Balance:</u> Date <u>01/01/2024</u> Common: <u>20,449,906</u> Preferred: <u>100,000</u>	*Right-click the rows below and select "Insert" to add rows as needed.
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Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>10/30/2024</u>	<u>New Issuance</u>	<u>83,334</u>	<u>Common</u>	<u>\$10,000.00</u>	<u>No</u>	<u>William and Sheila Stenger / no voting rights</u>	<u>REG D</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>10/30/2024</u>	<u>New Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$60,000.00</u>	<u>Yes</u>	<u>James Stevens / no voting rights</u>	<u>REG D</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>10/30/2024</u>	<u>New Issuance</u>	<u>625,000</u>	<u>Common</u>	<u>\$75,000.00</u>	<u>No</u>	<u>Eugene Deiter / no voting rights</u>	<u>REG D</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>12/19/2024</u>	<u>New Issuance</u>	<u>71,875,015</u>	<u>Common</u>	<u>\$239,583.41</u>	<u>No</u>	<u>Andrew Lapp / no voting rights</u>	<u>Compensation</u>	<u>RESTRICTED</u>	<u>_____</u>
<u>12/30/2024</u>	<u>New Issuance</u>	<u>41,667</u>	<u>Common</u>	<u>\$5,000.00</u>	<u>No</u>	<u>Alfredo and Gipsev Munoz / no voting rights</u>	<u>REG D</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>12/30/2024</u>	<u>New Issuance</u>	<u>11,340</u>	<u>Common</u>	<u>\$1,360.80</u>	<u>No</u>	<u>Terence Stuart Sowray / no voting rights</u>	<u>Compensation</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>12/30/2024</u>	<u>New Issuance</u>	<u>2,835</u>	<u>Common</u>	<u>\$340.20</u>	<u>No</u>	<u>Neil Brunt / no voting rights</u>	<u>Compensation</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>04/02/2025</u>	<u>New Issuance</u>	<u>9,000,000</u>	<u>Common</u>	<u>\$900.00</u>	<u>No</u>	<u>Vic Devlaeminck / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>04/30/2025</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common</u>	<u>\$1,000.00</u>	<u>No</u>	<u>Pinnacle Consulting Services Inc (Robert Hymers) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>06/18/2025</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common</u>	<u>\$1,000.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>06/25/2025</u>	<u>New Issuance</u>	<u>11,000,000</u>	<u>Common</u>	<u>\$1,100.00</u>	<u>No</u>	<u>Eola Asset Management LLC (Jordan Haley) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>07/01/2025</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common</u>	<u>\$1,000.00</u>	<u>No</u>	<u>Valerian Capital LLC (Daniel Frid) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>07/10/2025</u>	<u>New Issuance</u>	<u>10,000,000</u>	<u>Common</u>	<u>\$1,000.00</u>	<u>No</u>	<u>Pinnacle Consulting Services Inc (Robert Hymers) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>08/13/2025</u>	<u>New Issuance</u>	<u>4,000,000</u>	<u>Common</u>	<u>\$400.00</u>	<u>No</u>	<u>Valerian Capital LLC (Daniel Frid) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>10/20/2025</u>	<u>New Issuance</u>	<u>600,000</u>	<u>Common</u>	<u>\$3,000.00</u>	<u>No</u>	<u>John Amarillas / no voting rights</u>	<u>Cash</u>	<u>RESTRICTED</u>	<u>RULE 144</u>

<u>10/24/2025</u>	<u>New Issuance</u>	<u>12,000,000</u>	<u>Common</u>	<u>\$1,200.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>12/09/2025</u>	<u>New Issuance</u>	<u>12,500,000</u>	<u>Common</u>	<u>\$1,250.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>12/29/2025</u>	<u>New Issuance</u>	<u>15,000,000</u>	<u>Common</u>	<u>\$1,500.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>01/14/2026</u>	<u>New Issuance</u>	<u>15,000,000</u>	<u>Common</u>	<u>\$1,500.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>02/10/2026</u>	<u>New Issuance</u>	<u>17,000,000</u>	<u>Common</u>	<u>\$1,700.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>03/11/2026</u>	<u>New Issuance</u>	<u>12,000,000</u>	<u>Common</u>	<u>\$1,200.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>03/18/2026</u>	<u>New Issuance</u>	<u>7,500,000</u>	<u>Common</u>	<u>\$100,000</u>	<u>No</u>	<u>Transcontinental Partners LLC / no voting rights</u>	<u>Consulting Agreement</u>	<u>RESTRICTED</u>	<u>RULE 144</u>
<u>04/09/2026</u>	<u>New Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$200.00</u>	<u>No</u>	<u>Scott Armstrong / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>04/14/2026</u>	<u>New Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>\$500.00</u>	<u>No</u>	<u>Abe Wall / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>04/14/2026</u>	<u>New Issuance</u>	<u>4,000,000</u>	<u>Common</u>	<u>\$400.00</u>	<u>No</u>	<u>Kevin Stanger / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>05/06/2026</u>	<u>New Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>\$500.00</u>	<u>No</u>	<u>Timothy Strauser / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>
<u>06/24/2026</u>	<u>New Issuance</u>	<u>21,000,000</u>	<u>Common</u>	<u>\$2,100.00</u>	<u>No</u>	<u>ALGM Holdings LLC (Gerald Mounger) / no voting rights</u>	<u>Conversion</u>	<u>UNRESTRICTED</u>	<u>RULE 144</u>

Shares Outstanding on Date of This Report:

Ending Balance:

Date 06/30/2026

Common: 286,689,097

Preferred: 100,000

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:

Recreatives Industries, Inc. did the Private Placement under the Regulation D Rule 506 and offered restricted, common shares by discounted price to friends and family. The offering is still open till disclosed differently by the company.

B. Convertible Debt

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

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

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ⁶	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
01/24/2023	\$18,500	\$29,836.50	01/25/2024	Converts to common at \$0.0001 per share	0	298,365,000	ALGM Holdings LLC (Gerald Mounger)	Loan
01/24/2023	\$18,500	\$16,442.55	01/25/2024	Converts to common at \$0.0001 per share	167,500,000	164,425,500	ALGM Holdings LLC (Gerald Mounger)	Loan
11/11/2023	\$100,000	\$147,297.88	11/11/2024	Converts to common at \$0.06 per share	0	2,454,965	Ryan Stoller	Loan
12/29/2023	\$45,079	\$51,122.80	12/29/2026	Converts to common at \$0.0001 per share	49,000,000	511,228,000	ALGM Holdings LLC (Gerald Mounger)	Loan
01/08/2024	\$12,000	\$14,984.03	01/08/2027	Converts to common at \$0.0001 per share	0	149,840,300	ALGM Holdings LLC (Gerald Mounger)	Loan
05/05/2026	\$75,000	\$76,109.70	05/07/2028	Converts to common at \$0.02 per share	0	3,805,485	Douglas Suhr	Loan
Total Outstanding Balance:		\$335,793.46	Total Shares:		216,500,000	1,130,119,250		

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")

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

RECREATIVES INDUSTRIES, INC. ("RECX") is the manufacturer of MAX amphibious six-wheel-drive (6x6) all-terrain vehicles (www.maxatvs.com), originally manufactured by Recreatives Industries Inc. of Buffalo, NY, from 1970 to 2013. RECX is continuing MAX's brand legacy of 56 years by relaunching the entire MAX ATV product line from existing, proven designs, which will ensure a rapid re-entry into the broader global ATV market that continues to grow at over 1,000,000 units per year. Beyond traditional MAX ATV production, RECX plans to diversify its product line by introducing new vehicles and products to market in a compressed timeframe. The company's planned diversification includes larger eight-wheeled vehicles (8x8) as well as electric vehicle (EV) drivetrains to draw on recent advancements in battery and drive motor technology, which make fitment in smaller vehicles possible. RECX management believes that electric vehicles can ultimately offer performance that exceeds that of the traditional mechanical transmissions that most all-terrain vehicles employ.

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

None

C. Describe the issuers' principal products or services.

MAX Six-Wheel Drive Amphibious All-Terrain Vehicles carry a long history in the ATV industry. First launched in 1969, the MAX ATV earned its reputation as one of the world's most popular amphibious ATVs. Recreatives Industries Inc. produces the MAX ATV product line and is the official OEM supplier for all MAX accessories and parts.

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.

RECREATIVES INDUSTRIES INC. operates in an 8,000 square foot facility located in Bradenton, Florida, which serves as the company's corporate headquarters, assembly plant, and distribution center for MAX parts and accessories.

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.

***Table below reflects post-reverse split share counts for common stock.*

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)
Andrew Lapp	CEO / President	Sarasota, FL	100,000	Preferred A	100%
Andrew Lapp	CEO / President	Sarasota, FL	72,916,682	Common	25.434%
Matthew Baar	COO / Vice President	Myakka City, FL	83,334	Common	0.029%
Terence Stuart Sowray	Independent Director	Devizes, UK	158,826	Common	0.055%
ALGM Holdings LLC (Gerald Mounger)	>5% Beneficial Owner	El Cajon, CA	21,000,000	Common	7.325%

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.

Recreatives Industries, Inc. (RECX) is currently involved in legal proceedings in the Circuit Court of the Twelfth Judicial District in Manatee County, Florida, under Case No. 2025-CA-000287, initiated by Kurt E. Neubauer, a former CEO of the predecessor company. Neubauer seeks enforcement of a foreign judgment domesticated from a Texas court. RECX became aware of a filed judgment from a Texas Court which it had no reasonable way of knowing about since such judgment was never recorded in Florida or Nevada, until it was found in May 2025. RECX filed a motion to vacate the judgment, alleging fraudulent service of process, which it contends was used to secure a default judgment from an unwitting Texas court in 2018. The company asserts that the service of process was never completed on the former company, thus depriving the court of jurisdiction. A final hearing is scheduled to prove the fraud and establish that no valid service was made, as well as to vacate the judgment. RECX strongly believes it has the necessary proof of fraud and is confident in its position to win the motion to vacate. In addition, the company is seeking attorneys' fees, costs, and sanctions against Neubauer for his fraudulent actions in the proceeding.

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: Alex R. Stavrou, P.A.
Address 1: 13046 Race Track Rd # 333
Address 2: Tampa, FL 33626
Phone: (813) 251-1289
Email: Alex@alexstavrou.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): <https://x.com/recreativesind>
Discord: _____
LinkedIn: <http://linkedin.com/company/recreativesindustries>
Facebook: <https://www.facebook.com/maxatv>
[Other] _____

Other Service Providers

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

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

9) Disclosure & Financial Information

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

Name: Andrew Lapp
Title: CEO / President
Relationship to Issuer: CEO / President

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: Andrew Lapp
Title: CEO / President
Relationship to Issuer: CEO / President

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

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.

Provide the following qualifying financial statements:

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

Financial Statement Requirements:

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

10) Issuer Certification

Principal Executive Officer:

Andrew Lapp

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

The certifications shall follow the format below:

I, Andrew Lapp certify that:

1. I have reviewed this Disclosure Statement for Recreatives 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.

08/14/2026 [Date]

/s/ Andrew Lapp [CEO's Signature]

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

Principal Financial Officer:

I, Andrew Lapp certify that:

1. I have reviewed this Disclosure Statement for Recreatives 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.

08/14/2026 [Date]

/s/ Andrew Lapp [CFO's Signature]

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

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Recreatives Industries, Inc. ("RECX" or the "Company") is focused on the relaunch and production of the MAX amphibious all-terrain vehicle product line. During the first half of 2026, the Company continued its transition from initial re-establishment of operations toward increased production activity and operational scaling. The Company remains focused on improving manufacturing efficiency, expanding distribution, and positioning the Company for future growth.

Results of Operations

Revenue for the six months ended June 30, 2026 was \$228,603, compared to \$317,118 for the same period in 2025. The decrease primarily reflects production delays associated with continued refinement of manufacturing processes, procurement timing of vehicle components, and the Company's ongoing transition toward manufacturing more fabricated steel components in-house to improve long-term efficiency and reduce production costs.

Cost of goods sold for the six months ended June 30, 2026 was \$135,364, compared to \$182,787 for the same period in 2025. Gross profit for the six months ended June 30, 2026 was \$93,239, compared to \$134,331 for the same period in 2025. Although gross profit decreased due to lower sales volume, gross margins remained relatively stable as management continued implementing manufacturing efficiencies and cost-control initiatives.

Operating expenses for the six months ended June 30, 2026 were \$571,120, compared to \$330,811 for the same period in 2025. The increase is primarily attributable to a one-time inventory adjustment of \$125,500, as well as increased personnel costs, consulting expenses, facility costs, and other investments in operational infrastructure necessary to support the Company's continued expansion. Excluding the inventory adjustment, operating expenses were approximately \$445,620 for the six months ended June 30, 2026, compared to \$330,811 for the same period in 2025.

Included in operating expenses is an inventory adjustment of \$125,500. This adjustment reflects a one-time reconciliation of inventory quantities and costing following an internal review and alignment of inventory records. Management does not expect inventory adjustments of this magnitude to recur on an ongoing basis.

The Company reported a net loss of \$558,175 for the six months ended June 30, 2026, compared to a net loss of \$261,555 during the same period in 2025. The increase was primarily attributable to the one-time inventory adjustment, increased personnel costs, consulting expenses, facility costs, and investments supporting the Company's continued operational expansion.

Liquidity and Capital Resources

As of June 30, 2026, the Company had a cash overdraft of \$376 and a working capital deficit of approximately \$1.5 million, reflecting its early-stage operational status and ongoing investment in growth.

The Company has historically relied on external financing and strategic funding sources to support operations.

As of June 30, 2026, customer deposits and deferred revenue totaled \$65,105, compared to \$20,749 as of December 31, 2025, representing a net increase of approximately \$44,356 during the six-month period. These amounts primarily represent customer deposits on orders not yet fulfilled as of period end.

The Company continues to evaluate financing alternatives to support operations, increase production capacity, and fund working capital requirements. Management is actively pursuing additional capital to support the Company's growth strategy and to strengthen its balance sheet.

The Company also continues to evaluate potential strategies to address its outstanding obligations, including convertible debt, which may include repayment, restructuring, or negotiated settlements, subject to future financing activities.

Plan of Operations

Management intends to continue increasing production capacity, improving manufacturing efficiency through expanded in-house fabrication capabilities, growing the Company's dealer network, increasing direct consumer sales, and continuing development of future vehicle platforms. Management believes these initiatives, together with improved manufacturing efficiencies, will position the Company for increased revenue growth and improved operating margins over time.

Forward-Looking Statements

This section contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed. Factors that could cause such differences include, but are not limited to, the Company's ability to obtain financing, execute its business plan, manage growth, and general economic and market conditions.

RECREATIVES INDUSTRIES, INC.
Financial Statements
Comparative Balance Sheet
For the Periods Ended
June 30, 2026 & December 31, 2025

ASSETS	Jun. 30, 2026	Dec. 31, 2025
Current Assets		
Total for Bank Accounts	(\$376)	\$8,946
Total for Accounts Receivable	\$1,085	\$1,065
Inventory	\$452,128	\$511,213
Prepaid Expenses	\$84,393	\$18,213
Total for Current Assets	\$537,230	\$539,437
Fixed Assets		
Property, Plant & Equipment	\$596,648	\$561,750
Website	\$11,516	\$8,661
Less: Accumulated Depreciation & Amortization	(\$277,350)	(\$230,401)
Total for Fixed Assets	\$330,815	\$340,010
Other Assets		
Deposits	\$10,000	\$10,000
Total for Other Assets	\$10,000	\$10,000
Total for Assets	\$878,045	\$889,446

RECREATIVES INDUSTRIES, INC.
Financial Statements
Comparative Balance Sheet
For the Periods Ended
June 30, 2026 & December 31, 2025

LIABILITIES & SHAREHOLDERS' EQUITY

LIABILITIES	Jun. 30, 2026	Dec. 31, 2025
Current Liabilities		
Total for Accounts Payable	\$583,381	\$348,935
Total for Credit Cards	\$18,039	\$11,927
Other Current Liabilities		
Accrued Compensation	\$224,284	\$218,284
Accrued Interest	\$152,668	\$104,722
Customer Deposits / Deferred Revenue	\$65,105	\$20,749
State Tax Payable	\$3	\$3,537
Total for Loans Payable	\$554,287	\$442,861
Total for Short-Term Notes Payable	\$366,165	\$366,165
Operating Lease Liability - ST	\$68,062	\$68,062
Property Tax Payable	\$8,457	\$15,426
Total for Other Current Liabilities	\$1,439,031	\$1,239,806
Total for Current Liabilities	\$2,040,451	\$1,600,667
Long-term Liabilities		
Operating Lease Liab - LT	\$0	\$0
Total for Long-term Liabilities	\$0	\$0
Total for Liabilities	\$2,040,451	\$1,600,667
Shareholders' Equity		
Common, Authorized: 700,000,000; Par Value: \$0.0001; Issued & Outstanding: 286,689,097 (par value \$0.0001) at 6/30/2026 and 198,189,097 (par value \$0.0001) at 12/31/2025	\$171,489	\$162,639
Preferred, Authorized: 10,000,000; Par Value: \$0.001; Issued & Outstanding: 100,000 at 06/30/2026 and 12/31/2025	\$100	\$100
APIC	\$1,624,508	\$1,525,258
Retained Earnings	(\$2,399,218)	(\$1,771,644)
Net Income	(\$559,284)	(\$627,574)
Total for Equity	(\$1,162,405)	(\$711,221)
Total for Liabilities and Equity	\$878,045	\$889,446

RECREATIVES INDUSTRIES, INC.
Income Statement
For the Three Months Ended
June 30, 2026 & June 30, 2025

Revenue	Jun. 30, 2026	Jun. 30, 2025
Total for Income	\$73,457	\$148,870
Total for Cost of Goods Sold	\$27,357	\$37,689
Gross Income	\$46,099	\$111,181
Operating Expenses		
Research & Development	\$3,223	\$2,004
Consulting expense	\$25,000	\$0
Payroll Expenses	\$91,608	\$71,213
Operating Lease / Rent expense	\$50,817	\$25,976
Advertising, Marketing & Promotions	\$6,703	\$18,065
Depreciation Expense	\$23,474	\$23,474
Inventory Adjustment	\$3,616	\$0
Legal, Accounting & Other Professional Services	\$4,042	\$8,024
Other Operating Expenses	\$19,689	\$17,954
Total Operating Expenses	\$228,173	\$166,710
Net Operating Income (loss)	(\$182,074)	(\$55,529)
Other Income		
Other Expenses		
Change in derivative liability	\$3,700	\$4,100
Interest Expense (incl. Debt Discount and OID)	\$33,432	\$26,057
Property Tax	\$4,229	\$4,811
Total for Other Expenses	\$41,361	\$34,968
Net Income	(\$223,435)	(\$90,497)

RECREATIVES INDUSTRIES, INC.
Income Statement
For the Six Months Ended
June 30, 2026 & June 30, 2025

Revenue	Jun. 30, 2026	Jun. 30, 2025
Total for Income	\$228,603	\$317,118
Total for Cost of Goods Sold	\$135,364	\$182,787
Gross Income	\$93,239	\$134,331
Operating Expenses		
Research & Development	\$4,579	\$2,387
Consulting expense	\$25,000	\$550
Payroll Expenses	\$175,887	\$139,429
Operating Lease / Rent expense	\$101,004	\$52,152
Advertising, Marketing & Promotions	\$15,081	\$45,268
Depreciation Expense	\$46,949	\$46,949
Inventory Adjustment	\$125,500	\$0
Legal, Accounting & Other Professional Services	\$13,397	\$9,533
Other Operating Expenses	\$63,723	\$34,543
Total Operating Expenses	\$571,120	\$330,811
Net Operating Income (loss)	(\$477,880)	(\$196,480)
Other Income		
Other Expenses		
Change in derivative liability	\$8,100	\$5,000
Interest Expense (incl. Debt Discount and OID)	\$63,359	\$51,408
Property Tax	\$9,945	\$8,667
Total for Other Expenses	\$81,404	\$65,075
Net Income	(\$559,284)	(\$261,555)

RECREATIVES INDUSTRIES, INC.
Statement of Stockholders' Equity
For the Six Months Ended
June 30, 2026 and June 30, 2025

	Preferred A Stock		Common Stock		Paid-In Capital	Accumulated Earnings	Stock to Be Issued	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance - 12/31/24	100,000	\$100	94,089,097	\$94,089	\$1,580,458	(\$1,771,644)		(\$96,997)
Share Issuances			40,000,000	\$40,000	(\$36,000)			\$4,000
Net Income						(\$261,555)		(\$261,555)
Balance - 06/30/25	100,000	\$100	134,089,097	\$134,089	\$1,544,458	(\$2,033,199)		(\$354,552)
Balance - 12/31/25	100,000	\$100	198,189,097	\$162,639	\$1,525,258	(\$2,399,218)		(\$711,221)
Share Issuances			88,500,000	\$8,850	\$99,250			\$108,100
Net Income						(\$559,284)		(\$559,284)
Balance - 06/30/26	100,000	\$100	286,689,097	\$171,489	\$1,624,508	(\$2,958,502)		(\$1,162,405)

RECREATIVES INDUSTRIES, INC.
Statement of Cash Flows
For Six Months Ended
June 30, 2026 & June 30, 2025

	Jun. 30, 2026	Jun. 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	(559,284)	(261,555)
Adjustments to reconcile Net Loss to Net Cash (used in) provided by operations:		
Depreciation Expense	46,949	46,949
Common stock issued for consulting services	100,000	0
Change in Derivative Liability	8,100	5,000
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(20)	18,522
Inventories	59,085	(42,599)
Prepaid Expenses	(66,180)	0
Accounts Payable	234,516	106,394
Accrued Compensation	6,000	80,279
Accrued Interest	47,946	40,586
Customer Deposits / Deferred Revenue	44,356	0
Other Current Liabilities	(4,390)	(1,885)
Net Cash provided by (used in) operating activities	(82,923)	(8,309)
CASH FLOWS FROM INVESTING ACTIVITIES		
Machinery and Equipment	(82,382)	(529)
Right-of-use Asset - Operating	48,084	43,404
Website/Computer	(3,456)	0
Net Cash (used in) provided by investing activities	(37,754)	42,875
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	111,425	830
Payments on operating lease liabilities		(43,364)
Net Cash (used in) provided by financing activities	111,425	(42,534)
NET CHANGE IN CASH	(9,252)	(7,968)
Cash at beginning of period	8,876	2,320
CASH AT END OF PERIOD	(376)	(5,649)

Supplemental Disclosure of Non-Cash Financing Activities:

During the six months ended June 30, 2026, the Company issued common stock in connection with:

- Conversion of debt totaling approximately \$8,100
- Issuance of shares for services under a consulting agreement totaling approximately \$100,000

These transactions resulted in increases to common stock and additional paid-in capital but did not involve cash and are therefore excluded from the statement of cash flows. Additionally, during the period, the Company recognized operating lease right-of-use assets and corresponding lease liabilities in accordance with ASC 842. These non-cash transactions are not reflected in the statement of cash flows.

RECREATIVES INDUSTRIES, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2026

Note 1 – Organization and Operations

RECREATIVES INDUSTRIES, INC. ("RECX") is the manufacturer of MAX amphibious six-wheel-drive (6x6) all-terrain vehicles (www.maxatvs.com), originally manufactured by Recreatives Industries Inc. of Buffalo, NY, from 1970 to 2013. RECX is continuing MAX's brand legacy of 56 years by relaunching the entire MAX ATV product line from existing, proven designs, which will ensure a rapid re-entry into the broader global ATV market that continues to grow at over 1,000,000 units per year. Beyond traditional MAX ATV production, RECX plans to diversify its product line by introducing new vehicles and products to market in a compressed timeframe. The company's planned diversification includes larger eight-wheeled vehicles (8x8) as well as electric vehicle (EV) drivetrains to draw on recent advancements in battery and drive motor technology, which make fitment in smaller vehicles possible. RECX management believes that electric vehicles can ultimately offer performance that exceeds that of the traditional mechanical transmissions that most all-terrain vehicles employ.

MAX Six-Wheel Drive Amphibious All-Terrain Vehicles carry a long history in the ATV industry. First launched in 1969, MAX earned its reputation as one of the world's most popular amphibious ATVs. The Company is in the process of re-launching the entire product line including the accessories and parts business operated by the original manufacturer.

Acquisition of Planet Resource Recovery, Inc. Preferred Stock

On March 5, 2021, Mr. Andrew Lapp, a natural person for a company, Gulf Coast Mercantile LLC, a Florida LLC, (the "Purchaser") personally acquired 100% of the issued and outstanding shares of preferred stock (the "Preferred Stock") of Planet Resource Recovery, Inc., a Nevada corporation, (the "Company" or the "Registrant") from Mina Mar Corporation, a Florida corporation (the "Seller") (the "Purchase"). The consideration of \$95,000 for the Purchase was paid in cash provided to the Purchaser from the individual's private funds.

As a result of the Purchase and change of control of the Registrant, the then existing officer and director of the Company, Mr. Miro Zecevic resigned and Mr. Andrew Lapp became the Company's Chief Executive Officer ("CEO") and Chairman, Mr. Gerald Mounger, a director, and Mr. Galen Reich, the Company's President, Treasurer, and Secretary.

On May 26, 2022, the Company increased its authorized common stock to 1,450,000,000 shares and designated 100,000 shares of Preferred Stock as Series A Preferred Stock. Each share of Series A Preferred Stock is entitled to 3,000 votes per share and is convertible into 3,000 shares of common stock; they are entitled to dividends if approved by the Company's Board of Directors. There are 100,000 shares of Series A Preferred Stock outstanding as of June 30, 2026 and December 31, 2025.

On April 3, 2023, the Company amended and restated its articles of incorporation to: (i) change its name from Planet Resource Recovery, Inc. to Recreatives Industries, Inc. to capitalize on MAX's brand legacy of 56 years; (ii) effect a reverse stock split, effective as of the date of approval by FINRA; and (iii) designate the rights, preferences, and privileges of the Series A Preferred Stock. All shares and per share amounts are retroactively adjusted to reflect the 30 for 1 reverse stock split.

On October 24, 2025, the Company decreased its authorized common stock to 700,000,000 shares and changed its Par Value for common stock to 0.0001.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principle of consolidation

The accompanying financial statements include only the accounts of the parent company. The Company had no subsidiaries requiring consolidation as of June 30, 2026.

Use of Estimates and Assumptions and Critical Accounting Estimates and Assumptions

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(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s). Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material. The Company's critical accounting estimates and assumptions affecting the financial statements were:

(i) Assumption as a going concern: Management assumes that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP) and expands disclosures about fair value measurements.

To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- | | |
|---------|---|
| Level 1 | Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. |
| Level 2 | Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. |
| Level 3 | Pricing inputs that are generally observable inputs and not corroborated by market data. |

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable and accrued expenses, approximate their fair value because of the short maturity of those instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives, which range from five (5) Periods for computer equipment to seven (7) Periods for office furniture. Upon sale or retirement of office equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions. Pursuant to Section 850-10-20 the related parties include: a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of financial statements is not required in those statements.

The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitments and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time that these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Revenue Recognition

The Company applies paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned.

The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

The Company derives its revenues from sales contracts with its customers with revenues being generated upon rendering of services. Persuasive evidence of an arrangement is demonstrated via invoice; service is considered provided when the service is delivered to the customers; and the sales price to the customer is fixed upon acceptance of the purchase order and there is no separate sales rebate, discount, or volume incentive.

A right of return exists for customers' retainers that were received prior to commencement of services. If a customer cancels a service contract subsequent to the commencement date, the customer is entitled to a refund, except for services already provided.

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns.

Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the Period in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the Periods in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted the provisions of paragraph 740-10-25-13 of the FASB Accounting Standards Codification. Paragraph 740-10-25-13 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under paragraph 740-10-25-13, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Paragraph 740-10-25-13 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to

previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all Periods. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no unrecognized tax liabilities or benefits in accordance with the provisions of Section 740-10-25 at June 30, 2026.

Earnings per Share

Earnings Per Share is the amount of earnings attributable to each share of common stock. For convenience, the term is used to refer to either earnings or loss per share. Earnings per share ("EPS") is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Pursuant to ASC Paragraphs 260-10-45-10 through 260-10-45-16 Basic EPS shall be computed by dividing income available to common stockholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) during the period. Income available to common stockholders shall be computed by deducting both the dividends declared in the period on preferred stock (whether or not paid) and the dividends accumulated for the period on cumulative preferred stock (whether or not earned) from income from continuing operations (if that amount appears in the income statement) and also from net income. The computation of diluted EPS is similar to the computation of basic EPS except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued during the period to reflect the potential dilution that could occur from common shares issuable through contingent shares issuance arrangement, stock options or warrants.

Pursuant to ASC Paragraphs 260-10-45-21 through 260-10-45-23 Diluted EPS shall be based on the most advantageous conversion rate or exercise price from the standpoint of the security holder. The dilutive effect of outstanding call options and warrants (and their equivalents) issued by the reporting entity shall be reflected in diluted EPS by application of the treasury stock method unless the provisions of paragraphs 260-10-45-35 through 45-36 and 260-10-55-8 through 55-11 require that another method be applied.

Equivalents of options and warrants include non-vested stock granted to employees, stock purchase contracts, and partially paid stock subscriptions (see paragraph 260-10-55-23). Anti-dilutive contracts, such as purchased put options and purchased call options, shall be excluded from diluted EPS. Under the treasury stock method: a. Exercise of options and warrants shall be assumed at the beginning of the period (or at time of issuance, if later) and common shares shall be assumed to be issued. b. The proceeds from exercise shall be assumed to be used to purchase common stock at the average market price during the period. (See paragraphs 260-10-45-29 and 260-10-55-4 through 55-5.) c. The incremental shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) shall be included in the denominator of the diluted EPS computation.

Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Subsequent Events

The Company evaluated all events or transactions that occurred after June 30, 2026, up through the date the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events required to be disclosed as of and for the period ended June 30, 2026.