

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

HERO TECHNOLOGIES INC.

8 The Green Suite 4000

Dover, DE 19901

(302)-538-4165

www.herotechnologies.inc.com

info@herotechnologiesinc.com

[SIC 1311]

Annual Report

For the Period Ending: December 31, 2021

(the "Reporting Period")

As of December 31, 2021, the number of shares outstanding of the Company's Common Stock was:

442,977,000

As of September 30, 2021, the number of shares outstanding of the Company's Common Stock was:

441,294,088

As of December 31, 2020, the number of shares outstanding of the Company's Common Stock was:

357,095,087

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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:

Indicate by check mark whether a Change in Control⁴ of the company has occurred over this reporting period:

Yes: No:

⁴ "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.

On May 1, 2020, the Company sold 1,000,000 shares of its Series A preferred stock to Magenta Value Holdings, LLC. The Series A preferred shares have the right to cast 90% of the total votes with respect to any and all matters presented to the stockholders of the Company for their action or consideration. The Series A preferred shares are not entitled to any dividends or liquidation preferences and are not convertible into shares of the Company's common stock.

In a related transaction, Holloman Value Holdings sold approximately \$2,245,000 owed to it by the Company to P2B Capital LLC. In February 2021 the entire debt plus \$42,833 of interest was converted to 65,285,714 shares of the Company's common stock.

Following the sale of the Series A preferred shares, the Company's officers and directors resigned and Patricia Smart became the Company's sole officer and director. On September 23, 2020, Patricia Smart resigned, and Gina Serkasevich became the Company's sole officer and director.

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

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

The issuer's name is Hero Technologies Inc. On May 1, 2020 Holloman Energy Corporation, predecessor, was purchased by Magenta Holdings Corporation, LLC. On July 20, 2020 the Company changed the name to Hero Technologies Inc. with the state of Nevada and FINRA.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The issuer was incorporated on May 14, 2004 in the state of Nevada. On July 20, 2020 the Company changed its name to Hero Technologies Inc.

The issuer's status in Nevada is active.

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

There have been no trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception.

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

On August 12, 2020 Hero Technologies exchanged 1,000,000 common shares valued at \$0.10/share for a 51% interest in Los Angeles CBD. Los Angeles CBD sells CBD products through a store front located in Los Angeles, CA. On October 20, 2020 the agreement between Los Angeles CBD and Hero Technologies was terminated.

The Company formed the company Blackbox Technologies and Systems LLC in September 10, 2020. The Blackbox project consists of environmental growth chambers for the cultivation of large cannabis flowering plants based on aeroponic technology. Blackbox Technologies and Systems LLC has been renamed Blackbox Systems and Technologies LLC. The Company has a 51% interest in Blackbox Systems and Technologies LLC.

On November 3, 2020 the Company entered into a Purchase Agreement to acquire all of the assets of V Brokers LLC dba as Veteran Hemp Co. Veteran Hemp Co. is a seller, broker and wholesaler of cannabidiol ("CBD") products. The aggregate purchase price for the assets is \$250,000 paid with 5,000,000 common shares of the Company's common stock plus the assumption of certain Liabilities.

The address(es) of the issuer's principal executive office:

8 The Green Suite 4000, Dover, DE 19901

The address(es) of the issuer's principal place of business:

Check box 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?

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading symbol:	<u>HENC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>42771W108</u>	
Par or stated value:	<u>0.001</u>	
Total shares authorized:	<u>950,000,000</u>	as of date: <u>12/31/21</u>
Total shares outstanding:	<u>442,977,000</u>	as of date: <u>12/31/21</u>
Number of shares in the Public Float ⁵ :	<u>59,227,685</u>	as of date: <u>12/31/21</u>
Total number of shareholders of record:	<u>49</u>	as of date: <u>12/31/21</u>

All additional class(es) of publicly traded securities (if any):

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____

Transfer Agent

Name: Transhare
Phone: 303-666-1112
Email: kwhiteside@transhare.com
Address: 15500 Roosevelt Boulevard, Suite 302, Clearwater, Florida 33760

Is the Transfer Agent registered under the Exchange Act?⁶ Yes: No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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**.

⁵ "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

⁶ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>12/31/19</u> Common: 144,737,790 Preferred: <u>0</u>									
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 (entities must have individual with voting / investment control disclosed).	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>05/01/20</u>	<u>New</u>	<u>1,000,000</u>	<u>Preferred</u>	<u>\$0.090</u>	<u>No</u>	<u>Magenta Value Holdings LLC</u>	<u>Cash Purchase</u>	<u>Restricted</u>	
<u>11/11/20</u>	<u>New</u>	<u>3,757,437</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Kevin Gerbers</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>11/24/20</u>	<u>New</u>	<u>8,349,860</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Konkler Enterprises LLC</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>12/01/20</u>	<u>New</u>	<u>100,000,000</u>	<u>Common</u>	<u>\$0.0043</u>	<u>No</u>	<u>James Bradley</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>12/23/20</u>	<u>New</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>No</u>	<u>The Chesapeake Group Inc.</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>12/31/20</u>	<u>New</u>	<u>100,000,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	<u>Dark Alpha Capital LLC</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>01/07/21</u>	<u>New</u>	<u>2,920,896</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Kevin Gerbers</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>01/18/21</u>	<u>New</u>	<u>2,800,000</u>	<u>Common</u>	<u>\$0.05</u>	<u>No</u>	<u>Patriot Shield National LLC</u>	<u>Asset Purchase</u>	<u>Restricted</u>	<u>(1)</u>

<u>01/23/21</u>	<u>New</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>No</u>	<u>The Chesapeake Group Inc.</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>01/29/21</u>	<u>New</u>	<u>6,259,063</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Konkler Enterprises LLC</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/12/21</u>	<u>New</u>	<u>834,986</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Christopher Garten</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/15/21</u>	<u>New</u>	<u>875,000</u>	<u>Common</u>	<u>\$0.001</u>	<u>No</u>	<u>Topline Holdings Inc.</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/19/21</u>	<u>New</u>	<u>1,252,479</u>	<u>Common</u>	<u>\$0.024</u>	<u>No</u>	<u>Travis Clegg</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/22/21</u>	<u>New</u>	<u>208,635</u>	<u>Common</u>	<u>\$0.055</u>	<u>No</u>	<u>Konkler Enterprises LLC</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/22/21</u>	<u>New</u>	<u>2,337,228</u>	<u>Common</u>	<u>\$0.055</u>	<u>No</u>	<u>James Bradley</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>02/22/21</u>	<u>New</u>	<u>65,285,714</u>	<u>Common</u>	<u>\$0.035</u>	<u>No</u>	<u>P2B Capital LLC</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>(1)</u>
<u>04/01/21</u>	<u>New</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.074</u>	<u>No</u>	<u>The Chesapeake Group Inc</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>09/15/21</u>	<u>New</u>	<u>875,000</u>	<u>Common</u>	<u>\$0.072</u>	<u>No</u>	<u>Topline Holdings Inc.</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>10/01/21</u>	<u>New</u>	<u>750,000</u>	<u>Common</u>	<u>\$0.067</u>	<u>No</u>	<u>Konkler Enterprises LLC</u>	<u>Cash</u>	<u>Restricted</u>	<u>(1)</u>
<u>10/11/21</u>	<u>New</u>	<u>300,000</u>	<u>Common</u>	<u>\$0.080</u>	<u>No</u>	<u>The Chesapeake Group Inc</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
<u>10/13/21</u>	<u>New</u>	<u>632,912</u>	<u>Common</u>	<u>\$0.079</u>	<u>No</u>	<u>North Equities</u>	<u>Services</u>	<u>Restricted</u>	<u>(1)</u>
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date <u>12/31/21</u> Common: <u>442,977,000</u>									
Preferred: <u>1,000,000</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

(1) Exemption relied upon was Section 4(a)(2) of the Securities Act of 1933.

Magenta Value Holdings in Controlled by Destiny Aigbe.

Konkler Enterprises LLC is controlled by Matt Konkler.

The Chesapeake Group Inc. is controlled by Tim Rieu.

Dark Alpha Capital LLC is controlled by Destiny Aigbe.

Patriot Shield National LLC is controlled by Andrew Ross.

Topline Holdings Inc. is controlled by Gina Serkasevich.

P2B Capital LLC is controlled by Dark Alpha Capital LLC, Dark Alpha Capital LLC is controlled by Destiny Aigbe.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
10/01/21	200,000	200,000	15,000	04/01/22	n/a	Konkler Enterprises, LLC	Loan

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

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

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁷:

Name: **Gina Serkasevich**
 Title: **CEO**
 Relationship to Issuer: **CEO**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

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

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial Statements for year ended December 31, 2021

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

Hero Technologies Inc. (OTC: HENC) is a cannabis company with a vertically integrated business model and plan that includes cannabis genetic engineering, farmland for medical and recreational cannabis cultivation, production licenses, distribution licenses, consumer packaging, retail operations and dispensaries. The Company focuses on two principal segments of the cannabis industry, (i) cultivation and (ii) the dispensary business model, including combinations.

The Company is an expanding vertically integrated, cannabis operator, focusing on high-growth markets. Hero Technologies Inc. pairs premier seed genetics and growing techniques, with plans to utilize and expand its growing technology/techniques to all its facilities and operations. The Company's business model includes cultivation, licensing operations, processing operations, processing facilities, sale of products, brand creation, and technology development.

- B. Describe any subsidiaries, parents, or affiliated companies.

The Company is currently controlled by Magenta Value Holdings LLC. Magenta Value Holdings LLC is controlled by Dark Alpha Capital LLC. The address of Magenta Value Holdings LLC and Dark Alpha Capital LLC is 8 The Green Suite 4000 Dover, DE 19901. Dark Alpha Capital LLC can be contacted at (202)-854-8386.

The Company formed the company Blackbox Technologies and Systems LLC in September 2020. The company holds the majority stake in BlackBox Systems and Technologies LLC, an aeroponic cannabis cultivation firm focused on providing optimal conditions to enhance photosynthesis and cultivation. It has been renamed Blackbox Systems and Technologies LLC. The Blackbox project consists of environmental growth chambers for the cultivation of large cannabis flowering plants based on aeroponic technology. The Company has a 51% equity interest in Blackbox Systems and Technologies LLC. The address of Blackbox Technologies and systems is 8 The Green Suite 4000 Dover, DE 19901. Blackbox Systems and Technologies LLC can be contacted at (302)-538-4165.

The Company also purchased a website and business currently selling CBD topicals and rubs under the name "Highly Relaxing". The Company will retain the owner of Highly Relaxing on a consulting basis to create and continue the

manufacture of the topical rub for the Company and to continue operations. The address of Highly Relaxing LLC is 8 The Green Suite 4000 Dover, DE 19901. Highly Relaxing can be contacted at (302)-538-4165.

On November 3, 2020 the Company entered into an Agreement to acquire all of the assets of V Brokers LLC dba as Veteran Hemp Co. Veteran Hemp Co. is a seller, broker and wholesaler of cannabidiol ("CBD") products. The aggregate purchase price for the assets is \$250,000 paid with 5,000,000 shares of the Company's common stock plus the assumption of certain liabilities. The asset acquisition closed on November 4, 2020. The address of V Brokers LLC is 2131 S Jasmine St, Denver CO 80015. V Brokers LLC can be contacted at (800)-483-9613.

C. Describe the issuers' principal products or services, and their markets

The company is a cannabis company with a vertically integrated business model and plan that includes cannabis genetic engineering, farmland for medical and recreational cannabis cultivation, production licenses, distribution licenses, consumer packaging, retail operations and dispensaries. The Company's new business model focuses on two principal segments of the cannabis industry, including (i) cultivation, and (ii) the dispensary business model, including combinations and other variables related to the retail model configuration. It includes licensing operations, processing operations, processing facilities, sale of products, brand creation, and technology development in the cannabis industry.

The company holds the majority stake in BlackBox Systems and Technologies LLC, an aeroponic cannabis cultivation firm focused on providing optimal conditions to enhance photosynthesis and cultivation. Hero Technologies is planning expansion in cultivation and dispensary operations in Colorado through wholly owned subsidiary Mile High Green LLC, while expansion in Massachusetts is planned through another wholly owned subsidiary, MassCannabis LLC.

The Company owns Highly Relaxing LLC. Highly Relaxing manufactures, a topical rub. The Company also acquired the assets of V Brokers LLC, now operating as Veteran Hemp Co. at VeteranHempCo.com. Veteran Hemp Co. is a seller, broker and wholesaler of cannabidiol ("CBD") products.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

None

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **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 in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding (4)	Note
Gina Serkasevich	Chief Executive Officer and a Director	Huffman, Texas 77336	1,800,000	Common	0.41%	
Magenta Value Holdings LLC	<u>Beneficial owner</u>	Dover, Delaware 19901	1,000,000	Preferred	100%	(1)
Dark Alpha Capital LLC	<u>Beneficial owner</u>	Dover, Delaware 19901	100,000,000	Common	22.57%	(1)
DMB LLC	<u>Beneficial owner</u>	Fort Wayne, Indiana 46845	100,000,000	Common	33.10%	(2)
Holloman Value Holdings, LLC	<u>Beneficial owner</u>	East Houston TX 77060	81,892,111	Common	18.49%	(3)

- (1) Magenta Value Holdings LLC received 90% of the voting rights of the Company through its purchase of the Company's Series A Preferred Stock on May 1, 2020. Magenta Value Holdings LLC is controlled by Dark Alpha Capital LLC. Destiny Aigbe is the controlling person of Magenta Value Holdings LLC. Destiny Aigbe is the controlling person of Dark Alpha Capital LLC. The address of Magenta Value Holdings LLC and Dark Alpha Capital LLC is 8 The Green Suite 4000 Dover, DE 19901. Dark Alpha Capital LLC can be contacted at (202) 854-8386.
- (2) DMB LLC is controlled by James Bradley an accredited investor with an initial investment in the Company of \$425,000.
- (3) Holloman Value Holdings LLC is controlled by Holloman Holdings Corporation, a private Texas corporation involved in the engineering and construction of pipelines and mid-stream gas processing facilities. Holloman Holdings Corporation is controlled by Collin Young. The address of Holloman Holdings Corporation is 333 North Sam Houston Pkwy East, Houston, TX 77060. Holloman Holdings Corporation can be contacted at 281-878-2600.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. 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, or banking activities;

N/A

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

N/A

4. The entry 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.

N/A

- 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 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.

N/A

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Bill Hart
Firm: Hart & Hart, LLC
Address 1: 1624 Washington St. Denver, CO 80203
Address 2: _____
Phone: (303) 839-0061
Email: harttrinen@aol.com

Accountant or Auditor

Name: Daniel Lafley
Firm: M&K CPAs, PLLC.
Address 1: 363 Sam Houston Pkwy. East, Houston, TX 77060
Address 2: _____
Phone: (832) 242-9950
Email: dlafley@mkacpas.com

Investor Relations

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

Other Service Providers

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

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

Phone: _____
Email: _____

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).

The certifications shall follow the format below:

I, Gina Serkasevich certify that:

1. I have reviewed this annual disclosure statement of Hero Technologies 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.

March 11, 2022

/s/ GINA SERKASEVICH [CEO's Signature]

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

Principal Financial Officer:

I, Gina Serkasevich certify that:

1. I have reviewed this annual disclosure statement of Hero Technologies 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.

March 11, 2022 [Date]

/s/ GINA SERKASEVICH [CFO's Signature]

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



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Hero Technologies Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hero Technologies Inc. (the Company) as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, stockholders' (deficit) equity, cash flows, and retained earnings for the two-year period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered net losses from operations and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Stock Based Compensation

As discussed in Note 2 to the financial statements, the Company issues stock-based compensation in accordance with ASC 718, Compensation.

Auditing management's calculation of the fair value of stock-based compensation can be a significant judgment given the fact that the Company uses management estimates on various inputs to the calculation.

To evaluate the appropriateness of the fair value determined by management, we examined and evaluated the inputs management used in calculating the fair value of the stock-based compensation.

Evaluation of Intangible Assets

As discussed in Note 5, the Company acquired two entities during 2020 accounted for as business combinations, which required assets and liabilities assumed to be measured at their acquisition date fair values. At each reporting period, certain intangible assets are required to be assessed annually for impairment based on the facts and circumstances at that time. Auditing management's evaluation of intangible assets can be a significant judgment given the fact that the Company uses management estimates on future revenues and expenses which are not easily able to be substantiated.

Given these factors and due to significant judgements made by management, the related audit effort in evaluating management's judgments in evaluation of intangible assets required a high degree of auditor judgment.

The procedures performed included evaluation of the methods and assumptions used by the Company, tests of the data used and an evaluation of the findings. We evaluated and tested the Company's significant judgments that determine the impairment evaluation of goodwill and intangible assets.

/s/ M&K CPAS, PLLC

M&K CPAS, PLLC

We have served as the Company's auditor since 2020

Houston, TX

March 4, 2022

HERO TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS
(Audited)

	December 31, 2021		December 31, 2020
ASSETS			
ASSETS			
Cash	\$ 174,477		\$ 437,126
Accounts receivable	620		-
Inventory	-		72,686
Prepaid expenses	5,500		47,000
Current Assets	180,597		556,812
Property & equipment, net of accumulated depreciation	6,313		8,361
Goodwill	-		5,881
Non-Current Assets	6,313		14,242
Total Assets	\$ 186,910		\$ 571,054
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 32,904		\$ 47,923
Loans payable, current portion - related party	169,588		-
Convertible loans payable, current portion - related party	-		2,245,000
Current Liabilities - net of discount	202,492		2,292,923
Total Liabilities	202,492		2,292,923
STOCKHOLDERS' (DEFICIT) EQUITY			
Authorized:			
10,000,000 preferred shares, par value \$0.001 per share			
950,000,000 common shares, par value \$0.001 per share			
Issued and outstanding:			
442,977,000 common shares at December 31, 2021 (357,095,087 at 2020)	442,977		357,095
1,000,000 preferred shares at June 30, 2021 (1,000,000 at 2020)	1,000		1,000
Additional paid in capital	38,461,909		33,206,878
Stock payable	27,970		149,647
Non-controlling Interest	(93,328)		-
Accumulated deficit	(38,856,110)		(35,436,489)
Total Stockholders' (Deficit) Equity	(15,582)		(1,721,869)
Total Liabilities and Stockholders' (Deficit) Equity	\$ 186,910		\$ 571,054

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

HERO TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Audited)

	Twelve Months Ended December 31,	
	2021	2020
Revenue		
Sales	\$ 1,525	\$ 197
Cost of Goods Sold	72,686	-
Gross Margin	(71,161)	197
Expenses		
Consulting	421,908	209,070
Impairment of intangibles	5,881	60,700
Compensation expense	383,190	5,317,100
Office, travel and general	163,810	193,349
Depreciation expense	2,048	-
Professional fees	199,605	58,077
Total Expenses, net	(1,176,442)	(5,838,296)
Other income and (expense)		
Unrealized gain (loss) on investments	-	(60,932)
Gain(Loss) on share conversion	(2,218,382)	-
Interest expense	(46,964)	(58,896)
Total other income and (expense)	(2,265,346)	(119,828)
NET LOSS BEFORE TAXES	(3,512,949)	(5,957,927)
Provision for income tax	-	-
Net loss from continuing operations	(3,512,949)	(5,957,927)
NET LOSS	\$ (3,512,949)	\$ (5,957,927)
Non-controlling interest in (income) loss of consolidated subsidiaries	93,328	-
NET LOSS ATTRIBUTABLE TO THE COMPANY	\$ (3,419,621)	\$ (5,957,927)
BASIC AND DILUTED NET LOSS FROM CONTINUING OPERATIONS PER COMMON SHARE	\$ (0.01)	\$ (0.04)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	\$ (0.01)	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF BASIC AND DILUTED COMMON SHARES OUTSTANDING	430,066,213	154,877,610

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

HERO TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Audited)

	Twelve Months Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) attributable to Hero Technologies Inc.	\$ (3,419,621)	\$ (5,957,927)
Non-controlling interest in income (loss) of consolidated subsidiaries	(93,328)	-
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Discount amortization	30,413	60,932
Shares issued for services	373,145	5,317,100
Impairment of intangibles	5,881	60,700
Loss from conversion of debt to common stock	2,218,382	-
Depreciation expense	2,048	-
Changes in operating assets and liabilities:		
Accounts receivable	(620)	-
Inventory	72,686	-
Prepaid expenses	41,500	158,000
Accounts payable and accrued liabilities	36,865	15,401
	<u>(732,649)</u>	<u>(345,794)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for fixed assets	-	(2,331)
Cash provided by (used in) investing activities of continuing operations	-	(2,331)
Cash used in investing activities of discontinued operations	-	-
Cash provided by (used in) investing activities	-	(2,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of stock	270,000	716,000
Borrowings on debt	200,000	-
Cash provided by financing activities of continuing operations	470,000	716,000
Cash used in financing activities of discontinued operations	-	-
Cash provided by financing activities	<u>470,000</u>	<u>716,000</u>
Foreign currency translation adjustment	-	(344)
NET INCREASE (DECREASE) IN CASH	(262,649)	367,531
CASH AT BEGINNING OF YEAR	<u>437,126</u>	<u>69,595</u>
CASH AT YEAR END	<u>\$ 174,477</u>	<u>\$ 437,126</u>
NON-CASH INVESTING ACTIVITIES:		
Acquisition of subsidiary	\$ -	\$ 145,297
Inducement of debt	\$ 60,825	-
Preferred shares issued to management	\$ -	\$ 1,000
Liabilities settled with common stock, related party, investments	\$ 2,296,884	\$ 223,988
Shares issued from stock payable	\$ 121,677	\$ -

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

HERO TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
Twelve Months Ended December 31, 2021
(Audited)

	Common Shares		Preferred Shares		Additional Paid In Capital	Stock Payable	Non- Controlling Interest	Accumulated Other Comprehensive Income/(Loss)	Deficit Accumulated During Exploration Stage	Total Stockholders' (Deficit) Equity
	Number of Shares	Amount	Number of Shares	Amount						
Balance January 1, 2020	144,737,790	144,738	-	-	27,220,007	-	-	344	(29,478,562)	(2,113,473)
Related party issuance on sale of shell	-	-	1,000,000	1,000	(1,000)	-	-	-	-	-
Investment units issued for cash at \$0.024 per unit	12,107,297	12,107	-	-	277,893	-	-	-	-	290,000
Investment units issued for cash at \$0.0425 per unit	100,000,000	100,000	-	-	325,000	-	-	-	-	425,000
Issued for services	250,000	250	-	-	13,500	-	-	-	-	13,750
Common Stock issued for cash to related party	100,000,000	100,000	-	-	(99,000)	-	-	-	-	1,000
Common Stock - Related party compensation	-	-	-	-	5,299,000	4,350	-	-	-	5,303,350
Shares to be issued for acquisition	-	-	-	-	-	145,297	-	-	-	145,297
Donated capital	-	-	-	-	171,478	-	-	-	-	171,478
Comprehensive income										
Net loss	-	-	-	-	-	-	-	-	(5,957,927)	(5,957,927)
Foreign currency translation	-	-	-	-	-	-	-	(344)	-	(344)
Total Comprehensive Loss December 31, 2020	357,095,087	357,095	1,000,000	1,000	33,206,878	149,647	-	-	(35,436,489)	(1,721,869)
Investment units issued for cash at \$0.024 per unit	11,267,424	11,268	-	-	258,732	-	-	-	-	270,000
Issued for services	850,000	850	-	-	53,250	-	-	-	-	54,100
Common Stock - Related party compensation	4,928,775	4,929	-	-	314,116	-	-	-	-	319,045
Common Stock - debt conversion, related party	65,285,714	65,285	-	-	4,449,981	-	-	-	-	4,515,266
Shares issued as inducement for borrowing at \$0.06	750,000	750	-	-	60,075	-	-	-	-	60,825
Shares issued for acquisition	2,800,000	2,800	-	-	118,877	(121,677)	-	-	-	-
Non-Controlling Interest	-	-	-	-	-	-	(93,328)	-	-	(93,328)
Comprehensive income										
Net loss	-	-	-	-	-	-	-	-	(3,419,621)	(3,419,621)
Balance December 31, 2021	442,977,000	442,977	1,000,000	1,000	38,461,909	27,970	(93,328)	-	(38,856,110)	(15,582)

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

HERO TECHNOLOGIES INC.
STATEMENT OF RETAINED EARNINGS
(Audited)

Retained Earnings at January 01, 2020:	\$	(29,478,562)
Less: net loss in 2020		(5,957,927)
Retained Earnings at December 31, 2020:	<u>\$</u>	<u>(35,436,489)</u>
Retained Earnings at January 01, 2020:	\$	(35,436,489)
Less: net loss in 2021		<u>(3,419,621)</u>
Retained Earnings at December 31, 2021:	<u>\$</u>	<u>(38,856,110)</u>

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

HERO TECHNOLOGIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Audited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Hero Technologies Inc. (the “Company”) was incorporated in the State of Nevada on May 14, 2004. The Company had previously focused on oil and gas exploration in Australia’s Cooper Basin. During 2019, the Company sold its remaining oil and gas assets and discontinued operations in the energy industry. As a result, the financial results related to the oil and gas activity were reflected in the consolidated statements of operations discontinued operations. The related assets and liabilities associated with the discontinued operations in prior year’s consolidated balance sheet are classified as discontinued operations. See Note 4 for additional information.

Hero Technologies Inc. is a cannabis company with a vertically-integrated business model. The company has a majority stake in BlackBox Systems and Technologies LLC, an aeroponic cannabis cultivation system that provides optimal growing conditions to enhance photosynthesis and cultivation of large flowering plants, creating increased harvest efficiencies. The company’s business plan includes cannabis genetic engineering, farmland for both medical and recreational cannabis cultivation, production licenses, distribution licenses, consumer packaging and retail operations, and dispensaries that make the company a multi-state operator (MSO).

The Company’s consolidated financial statements are prepared on a going concern basis in accordance with generally accepted accounting principles in the United States (“US GAAP”) which contemplates the realization of assets and discharge of liabilities and commitments in the normal course of business. The Company has not generated operating revenues and has funded its operations through the issuance of capital stock.

There is no certainty that further funding will be available as needed. These factors raise substantial doubt about the ability of the Company to continue operating as a going concern. The Company’s ability to continue its operations as a going concern, realize the carrying value of its assets, and discharge its liabilities in the normal course of business is dependent upon: the continued support of its controlling shareholders, its ability to raise capital sufficient to fund its commitments and ongoing losses, and ultimately generating profitable operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with US GAAP, and are expressed in United States dollars. These statements include the accounts of the Company and its wholly owned subsidiaries First Endeavor Holdings, Inc. (“FEH”), Veteran Hemp Co (“Veteran”), and its majority owned subsidiary Blackbox Technologies and Systems (“Blackbox”). All intercompany transactions and balances have been eliminated.

Inventories

Inventories primarily consist of cannabis merchandise and are stated at the lower of cost or market. Value at December 31, 2021 was \$0. Cost is determined using an average costing methodology, which approximates cost under the first-in, first-out (FIFO) method. A portion of inventory is held by certain independent distributors on consignment until it is sold to a third party. The Company regularly monitors inventory

quantities on hand and records write-downs for excess and obsolete inventories based primarily on the Company's estimated forecast of product demand and production requirements. Such write-downs establish a new cost basis of accounting for the related inventory. As at December 31, 2021, the Company determined that the inventory on hand be impaired as their focus remains on cultivation and sale of their own product.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Amortization of leasehold improvements is computed using the straight-line method over the life of the lease or the useful lives of the assets, whichever is shorter. The cost and related accumulated depreciation and amortization of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current period income or expense. The costs of repairs and maintenance are expensed as incurred. The company purchased \$2,331 of assets and acquired \$6,030 through its acquisitions in 2020. The total value of property and equipment at December 31, 2021 is \$6,313. and \$8,361 at December 31, 2020.

	Asset Purchase Price	Accumulated Depreciation
Furniture and Fixtures 5-7 Years	\$ 6,030	\$(1,206)
Computer Equipment and Software 3-5 Years	2,331	(842)

Intangible Assets / Goodwill

The Company accounts for certain intangible assets at cost. Management reviews these intangible assets for probable impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If there is an indication of impairment, management would prepare an estimate of future cash flows (undiscounted and without interest charges) expected to result from the use of the asset and its eventual disposition. If these estimated cash flows were less than the carrying amount, an impairment loss would be recognized to write down the asset to its estimated fair value. The Company performed a qualitative assessment of certain of its intangible assets and determined that \$60,700 of intangible trademarks and customer base included with the Veteran Hemp Co acquisition be impaired and that \$5,881 of goodwill associated to Veteran Hemp Co be impaired as of December 31, 2020 and 2021 respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions. The Company bases its estimates and assumptions on current facts, historical experience and various other factors it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

The most significant estimates with regard to these consolidated financial statements relate to carrying values of oil and gas properties, the fair value of debt, the estimated valuation allowance on deferred tax assets and the determination of fair values of stock-based transactions.

Revenue Recognition

Net sales include product sales, less excise taxes and customer programs and incentives. The Company recognizes revenue by applying the following steps in accordance with Accounting Standards Codification ("ASC") Topic 606 – *Revenue from Contracts with Customers*: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied.

The Company recognizes sales when merchandise is shipped from a warehouse directly to wholesale customers (except in the case of a consignment sale). For consignment sales, which include sales to the Oregon Liquor Control Commission (OLCC), the Company recognizes sales upon the consignee's shipment to the customer. Postage and handling charges billed to customers are also recognized as sales upon shipment of the related merchandise. Shipping terms are generally FOB shipping point, and title passes to the customer at the time and place of shipment or purchase by customers at a retail location. For consignment sales, title passes to the consignee concurrent with the consignee's shipment to the customer. The customer has no cancellation privileges after shipment or upon purchase at retail locations, other than customary rights of return. The Company excludes sales tax collected and remitted to various states from sales and cost of sales.

Foreign Currency Translation

The Company and its previous Australian subsidiary's functional and reporting currency is the United States dollar. The functional currency of the Company's Canadian subsidiary (which is currently inactive) is the Canadian dollar. Foreign currency financial statements of the Company's Canadian subsidiary are translated to United States dollars using period-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income as a component of stockholders' (deficit) equity. Foreign currency financial statements of the Company's previous Australian subsidiary use period end rates for monetary assets and liabilities, historical rates for historical cost balances, and average rates for expenses. If material, translation gains and losses are included in the determination of income. Foreign currency transactions of the Company's subsidiaries are primarily undertaken in Australian and Canadian dollars. The Company has not, through the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Cash, Cash Equivalents and the Fair Value of Financial Instruments

The Company considers all highly liquid instruments with an original maturity of three months or less at the time of issuance to be cash equivalents. Cash totaled \$174,477 and \$437,126 at December 31, 2021 and 2020, respectively. The Company is exposed to a concentration of credit risk with respect to its cash deposits. The Company places cash deposits with highly rated financial institutions in the United States. At times, cash balances held in financial institutions may be in excess of insured limits. The Company believes the financial institutions are financially strong and the risk of loss is minimal. The Company has not experienced any losses with respect to the related risks and does not believe its exposure to such risks is more than normal.

The estimated fair values for financial instruments are determined at discrete points in time based on relevant market information. These estimates involve uncertainties and cannot be determined with precision. The estimated fair value of cash, other receivables, accounts payable, accrued liabilities and demand notes payable approximates their carrying value due to their short-term nature.

Fair Market Measurements

The Company estimates the fair values of financial and non-financial assets and liabilities under ASC Topic 820 "*Fair Value Measurements and Disclosures*" ("ASC Topic 820"). ASC Topic 820 provides a framework for consistent measurement of fair value for those assets and liabilities already measured at fair value under other accounting pronouncements. Certain specific fair value measurements, such as those related to share-

based compensation, are not included in the scope of ASC Topic 820. Primarily, ASC Topic 820 is applicable to assets and liabilities related to financial instruments, to some long-term investments and liabilities, to initial valuations of assets and liabilities acquired in a business combination, and to long-lived assets written down to fair value when they are impaired. It does not apply to oil and natural gas properties accounted for under the full cost method, which are subject to impairment based on SEC rules. ASC Topic 820 applies to assets and liabilities carried at fair value on the consolidated balance sheet, as well as to supplement fair value information about financial instruments not carried at fair value.

Valuation techniques are generally classified into three categories: the market approach; the income approach; and the cost approach. The selection and application of one or more of these techniques requires significant judgment and is primarily dependent upon the characteristics of the asset or liability, the principal (or most advantageous) market in which participants would transact for the asset or liability and the quality and availability of inputs.

Inputs to valuation techniques are classified as either observable or unobservable within the following hierarchy:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices which are observable for an asset or liability. These include: 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; and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).
- Level 3 -unobservable inputs that reflect the Company's own expectations about the assumptions that market participants would use in measuring the fair value of an asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instrument's complexity.

In accordance with ASC Topic 820, valuation techniques used for assets and liabilities accounted for at fair value are generally categorized into three types: market approach, income approach and cost approach. The Company had no outstanding securities at December 31, 2021.

The following table presents the classification of the securities by level at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments - Stocks/mutual funds	\$0	\$ -	\$ -	\$0
Totals	\$0	\$ -	\$ -	\$0

The following table presents the classification of the securities by level at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments - Stocks/mutual funds	\$0	\$ -	\$ -	\$0
Totals	\$0	\$ -	\$ -	\$0

The Company uses the market approach technique to account for its financial instruments at fair value for the period ended December 31, 2021, and the application of this technique applied to similar assets and liabilities has been applied on a consistent basis.

Investments

At December 31, 2021, the Company's investments are stated at fair value. Any unrealized gains and losses on investments are included as component of income (loss) from continued operations. Realized gains and losses from sales on investments are recorded to income at the time of sale using specific identification method. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Periodically, the investments are reviewed for other than temporary impairment, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, *Investments – Debt and Equity Securities*, and any losses determined to be other than temporary are realized and are included in other income (expense). The Company recognized an unrealized loss on its investments of \$60,932 at December 31, 2020. This is related to 40,416,917 shares of Oilex stock at fair value of \$0.004 stock price transferred to Holloman Value Holdings in 2020. The accrued interest of \$231,317 was forgiven, assets consisting of cash at \$32,350 and \$52,510 fair value of Oilex shares, less outstanding payables totaling \$25,201 as agreed upon, was transferred at the time of settlement and sale of the shell. The remaining related party amount of \$171,478 was charged to donated capital.

Income Taxes

Income taxes are determined using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years 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 income in the period that includes that date of enactment. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

The Company accounts for uncertainty in income taxes by applying a two-step method. First, it evaluates whether a tax position has met a more likely than not recognition threshold, and second, it measures that tax position to determine the amount of benefit, if any, to be recognized in the financial statements. The application of this method did not have a material effect on the Company's consolidated financial statements.

Stock Based Compensation

The Company records compensation expense in the consolidated financial statements for share based payments using the fair value method. The fair value of stock options granted to directors and employees is determined using the Black-Scholes option valuation model at the time of grant. Fair value for common shares issued for goods or services rendered by non-employees is measured based on the fair value of the goods and services received. Share-based compensation is expensed with a corresponding increase to share

capital. Upon the exercise of the stock options, the consideration paid is recorded as an increase in share capital.

Other Comprehensive Income (Loss)

The Company reports and displays comprehensive income and loss and its components in the consolidated financial statements. For the years ended December 31, 2021 and 2020, the only components of comprehensive income were foreign currency translation adjustments.

Earnings (Loss) Per Share

The Company presents both basic and diluted earnings per share (“EPS”) on the face of the consolidated statements of operations. Basic EPS is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including convertible debt, stock options, and warrants, using the treasury stock method. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. Diluted EPS figures are equal to those of Basic EPS for each period since the Company had no securities outstanding during periods in which the Company generated net income that were potentially dilutive.

Subsequent Events

Management has evaluated events from December 31, 2021 through March 15, 2022, the date the Company’s consolidated financial statements were available to be issued and has disclosed any subsequent events in Note 10.

3. ACQUISITIONS

The Company formed Blackbox Technologies and Systems LLC in September 10, 2020. Blackbox Technologies and Systems LLC has been renamed Blackbox Systems and Technologies LLC. The Company acquired all of Marc Kasabasic and Hank Pielack’s aeroponic system process, procedures, and all associated intellectual property and know how. The Blackbox project consists of environmental growth chambers for the cultivation of large cannabis flowering plants based on aeroponic technology. The Company has a 51% equity interest in Blackbox Technologies and Systems. LLC. The address of Blackbox Technologies and Systems is 8 The Green Suite 4000, Dover, DE 19901. Blackbox Technologies and Systems can be contacted at info@blackboxsystemsllc.com. The total expenditures as at December 31, 2021 is \$182,997.

The Company also purchased a website and business currently selling CBD topicals and rubs under the name “Highly Relaxing”. Hero Technologies will retain the owner on a consulting basis to create and continue the manufacture of the topical rub for the Company and to continue operations. In exchange the seller will receive 100,000 common shares for these services and \$2.00 per topical can of rub sold. This is currently recorded as a stock payable at fair value of \$4,350 at a stock price of \$0.0435 on the agreement date.

Veteran Hemp Co., bought by HENC through V Broker LLC as an asset acquisition on November 3, 2020, operates an international retail and wholesale online store selling cannabis and cannabidiol. The consideration given for the acquired assets is shown below:

	Shares	Fair Value
Initial shares. \$0.0435	2,500,000	108,750
Earnout shares:		
Belize contract	1,400,000	2,713
Online payment	300,000	12,927

system		
EBITDA	800,000	20,907
		<u>145,297</u>
Total consideration		<u>145,297</u>
Assets Acquired:		
Inventory		72,686
Equipment		6,030
Trademarks		37,700
Customer base		23,000
Goodwill		<u>5,881</u>
Total assets acquired		<u>145,297</u>

The Company impaired \$60,700 in 2020 which consisted of the trademarks and customer base. It was determined that they would not be used because these items would fall under the Hero Technology brand going forward. The Company impaired \$5,881 of goodwill associated to Veteran Hemp Co. in 2021 because it was determined that the emphasis is on current and future growth under Hero Technologies Inc.

4. RELATED PARTY TRANSACTIONS

Interest to related parties is \$7,500 at December 31, 2021 compared to \$42,833 at December 31, 2020

On September 14, 2015, the Company entered into a \$100,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date. The principal of this loan agreement was considered repaid, and the agreement terminated when the Company entered into another loan agreement for the same amount with a wholly owned subsidiary of Holloman Holdings on October 19, 2015.

On October 26, 2015, the Company entered into a \$20,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date.

On November 3, 2015, the Company entered into a \$35,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date.

On January 12, 2016, the Company borrowed \$250,000 from Holloman Value Holdings, LLC. This loan bears interest at 5% per year. All or any portion of the outstanding loan principal, plus any accrued and unpaid interest, may be converted at the option of Holloman Value Holdings, at any time and from time to time, into shares of the Company's common stock. The number of shares to be issued upon any conversion will be determined by dividing the amount of the principal and/or interest to be converted by the average closing price of the Company's common stock for the 30 trading days immediately preceding the date of conversion.

On February 15, 2019, the Company sold 3,750,000 shares of common stock to a wholly owned subsidiary of Holloman Corporation. The shares were priced at \$0.020. Proceeds from the private placements totaled \$75,000.

On June 11, 2019, the Company entered into a \$30,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date.

On October 2, 2019, the Company entered into a \$10,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date.

On December 11, 2019, the Company entered into a \$200,000 loan agreement with Holloman Holdings. The loan accrues interest at 5% per annum any accrued interest plus principal matures two years from the issuance date. The consolidated total loan balance as of December 31, 2019 was \$645,000 and bears interest at 5% per year.

On October 19, 2015, the Company entered into a \$1,600,000 loan agreement with a wholly owned subsidiary of Holloman Holdings. The loan accrues interest at 2% per annum, payable monthly, and the principal matures two years from the issuance date. Interest is due monthly; however, if the Company fails to pay interest monthly then the lender can capitalize the interest as part of the principal. A portion of the proceeds of the loan agreement replaced the outstanding principal of \$100,000 for the loan agreement entered into with Holloman Holdings on September 14, 2015.

On October 31, 2017, the outstanding \$1,600,000 loan, plus \$67,635 in accrued interest, was assigned to Holloman Value Holdings. This loan plus accrued interest is to be paid by October 31, 2019 or a reasonable time as agreed by both parties. All or any portion of the outstanding loan principal, plus any accrued and unpaid interest, may be converted at the option of Holloman Value Holdings, at any time and from time to time, into shares of the Company's common stock. The number of shares to be issued upon any conversion will be determined by dividing the amount of the principal and/or interest to be converted by the average closing price of the Company's common stock for the 30 trading days immediately preceding the date of conversion. The debt was assigned to P2B Capital on April 30, 2020 at time of sale of the Company to Magenta Holdings. Simultaneously, the accrued interest of \$231,317 was forgiven, assets consisting of cash at \$32,350 and \$52,510 fair value of Oilex shares, less outstanding payables totaling \$25,201 as agreed upon, was transferred at the time of settlement and sale of the shell. The remaining related party amount of \$171,478 was charged to donated capital.

Effective October 1, 2010, the Company executed an administrative services agreement with Holloman Corporation, the Company's controlling shareholder. Under this agreement, fees of \$5,000 per month were payable to Holloman Corporation. An amendment to this agreement, effective July 1, 2016, reduced the fees to \$2,000 per month covering; office and meeting space, supplies, utilities, office equipment, network access and other administrative facilities costs. These fees are payable quarterly in shares of the Company's restricted common stock at the closing price of the stock on the last trading-day of the applicable monthly billing period. This administrative services agreement can be terminated by either party with 30-days' notice. The agreement was terminated July 1, 2019. During 2019, the Company recorded \$12,000 (2018 – \$24,000) of office expense and issued 1,367,532 (2018– 1,740,815) shares of its common stock as a result of this agreement. During 2019, the Company recorded \$1,445 (2018-\$6,545) in management fees and as a result issued 96,591 (2018-478,815) shares of its common stock. No gain or loss recorded

Debt of \$2,245,000 was assigned to P2B Capital on April 30, 2020 at time of sale of the Company to Magenta Holdings. Simultaneously, the accrued interest of \$231,317 was forgiven, assets consisting of cash at \$32,350 and \$52,510 fair value of Oilex shares, less outstanding payables totaling \$25,201 as agreed upon, was transferred at the time of settlement and sale of the shell. The remaining related party amount of \$171,478 was charged to donated capital.

On November 6, 2020, the Company engaged Rowland Consulting LLC in a consultant and advisory role to assist in general managerial strategies for the Company's online assets. The Company will cover the direct costs associated with activities done by Advisor.

On December 31, 2020, the Company issued 100,000,000 shares of restricted stock to Dark Alpha Capital LLC in a private offering in exchange for \$1,000 cash. Dark Alpha Capital serves as the Company's advisor on operations, finance, legal matters, and business development, including acquisitions. The value of the shares on December 31, 2020 are valued at \$5,300,000.

On February 15, 2021, the Company issued 875,000 shares of restricted common stock to Topline Holdings Inc in consideration for advisor and managerial services. The shares were priced at \$0.074. at a fair value of \$64,750.

On February 22, 2021, the Company engaged Konkler Enterprises for managerial services and issued Konkler Enterprises 208,635 shares of common stock. at a fair value of \$11,579 at a stock price of \$0.0555.

On February 22, 2021, the Company engaged James Bradley as an Advisor for managerial services and issued Mr. Bradley 2,337,228 shares of common stock. at a fair value of \$129,716 at a stock price of \$0.0555.

On February 22, 2021, the debt of \$2,245,000 including interest of \$51,884 owed to P2B Capital LLC was paid in full with 65,285,714 shares of common stock resulting in a loss on conversion of \$2,218,382. The value at the end of the quarter was \$4,515,266.

On April 1, 2021, the Company issued the last tranche of 300,000 shares of common stock owed to Chesapeake Group Inc. at fair value of \$16,500 at a stock price of \$0.055.

On September 15, 2021, the Company issued Topline Holdings Inc 875,000 shares of restricted common stock for the remaining 6 months of advisor and managerial services for 2021 at a fair value of \$63,000 at a stock price of \$0.072.

On October 1, 2021 the Company entered into a note to borrow \$200,000 over a 6 month period with interest of \$15,000 and issuance of 750,000 shares of common stock to an unrelated accredited investor. The common shares were at fair value at a stock price of \$0.081 per share. The common shares were at fair value at a stock price of \$0.081 per share and were issued as an inducement to provide the note. This has been treated as a discount and amortized over the life of the note.

On October 13, 2021 the Company engaged North Equities for three months of consulting services to assist with Social Media and Client Outreach. In consideration for these services the company issued 632,912 shares of common stock at a fair value of \$50,000 at a stock price of \$0.079.

5. CAPITAL STOCK

Preferred Stock

On May 1, 2020, the Company issued 1,000,000 shares of its Series A preferred stock to Magenta Value Holdings, LLC resulting in a change in management of the entity. The Series A preferred shares have the right to cast 90% of the total votes with respect to any and all matters presented to the stockholders of the Company for their action or consideration. The Series A preferred shares are not entitled to any dividends or liquidation preferences and are not convertible into shares of the Company's common stock.

Common Stock

On July 20, 2020, the Company changed its name from Holloman Energy Corporation to Hero Technologies Inc. and increased its authorized capitalization to 950,000,000 shares of common stock with a par value of \$0.001.

During 2019, the Company issued 1,367,532 (2018 – 2,219,630) shares of common stock, at an average price of \$0.010 (2018 - \$0.014) per share in connection with the conversion of \$12,000 (2018 - \$24,000) in administrative service fees and issued 96,591 (2018- 478,815) shares of common stock, at an average price of \$0.015 (2018 - \$0.014) in connection with the conversion of management fees payable of \$1,445 (2018- \$6,545) to its controlling shareholder. No gain or loss recorded.

On February 15, 2019, the Company sold 3,750,000 shares of common stock to a wholly owned subsidiary of Holloman Corporation. The shares were priced at \$0.020. Proceeds from the private placements totaled \$75,000.

Debt of \$2,245,000 was assigned to P2B Capital on April 30, 2020 at time of sale of the Company to Magenta Holdings. Simultaneously, the accrued interest of \$231,317 was forgiven, assets consisting of cash at \$32,350 and \$52,510 fair value of Oilex shares, less outstanding payables totaling \$25,201 as agreed upon, was transferred at the time of settlement and sale of the shell. The remaining related party amount of \$171,478 was charged to donated capital.

On June 25, 2020, the Company received \$425,000 in working capital from an accredited investor, James Bradley, which were converted into 100,000,000 shares upon completion of the Company's name change with FINRA.

On July 28, 2020, the Company entered into a Letter of Intent with Crystal Clear Automation, LLC (CCA). The letter of intent provides that the Company will have the unlimited use of all of CCA's current and future technology related to the cannabis and hemp industries. In exchange for the use of this technology, the Company agreed to pay CCA an initial fee of \$10,000, 20% of non-dilutable common shares of a to be formed subsidiary of the Company and 20% of the Company's to be formed subsidiary's quarterly profits. A formal agreement did not materialize with CCA though CCA continues to act an informal advisor for the Company.

On August 12, 2020, the Company agreed to exchanged 1,000,000 shares of its common stock for a 51% interest in Los Angeles CBD. Los Angeles CBD sells CBD products through a store front located in Los Angeles, CA. On October 20, 2020, the agreement between Los Angeles CBD and the Company was terminated without shares issued and no impact on the Company.

On October 10, 2020, the Company sold 3,757,437 shares of common stock to an individual accredited investor. The shares were sold at a price of \$0.024 each. Proceeds from the private placement totaled \$90,000. The entire \$90,000 was paid in cash.

On November 3, 2020, the Company entered into an Agreement to acquire all of the assets of V Brokers LLC dba as Veteran Hemp Co. from Patriot Shield National, LLC. Veteran Hemp Co. is a seller, broker, and wholesaler of cannabidiol ("CBD") products. The aggregate purchase price for the assets will be \$250,000 paid with 5,000,000 shares of the Company's common stock at \$0.05 per share plus the assumption of certain liabilities. Under the terms of the Agreement, Patriot Shield National LLC will also assign certain intellectual property, assets, and the website www.veteranhempco.com, to the Company. The first 2,500,000 shares are paid upon closing. The final 2,500,000 shares of common stock will be paid pursuant to the earnout. Veteran Hemp Co. will earn common shares if the following events take place. (i) 1,400,000 will be earned once the Belize \$70,000 wholesale contract is finalized, (ii) 300,000 commons shares will be earned once the setup of a working online payment system or debit/credit processing system for the veteranhempco.com website is final; and (iii) 800,000 common shares upon earning and for \$40,000 in EBTIDA from the veteranhempco.com website. Contingent consideration of \$145,297 to be issued in shares was recorded in stock payable in 2020 for this acquisition.

On November 4, 2020, the Company purchased a website and business currently selling CBD topicals and rubs under the name "Highly Relaxing". Hero Technologies will retain the owner on a consulting basis to create and continue the manufacture of the topical rub for the Company and to continue operations. In exchange the seller will receive 100,000 common shares for these services and \$2.00 per topical can of rub sold. This is currently recorded as a stock payable at fair value of \$4,350 at a stock price of \$0.0435 on the date of this agreement. The Company wholly owns Highly Relaxing LLC.

On November 24, 2020, the Company sold 8,349,860 shares of common stock to an individual accredited investor. The shares were sold at a price of \$0.024 each. Proceeds from the private placement totaled \$200,000. The entire \$200,000 was paid in cash.

On December 21, 2020, the Company retained The Chesapeake Group Inc. to create and execute an investor relations program. In consideration for these services The Chesapeake Group will receive \$22,500 and 750,000 common shares issued in three installments finalizing on February 21, 2021. As at December 31, 2020, 250,000 shares were issued at fair value of \$13,750 at a stock price of \$0.055.

On December 31, 2020, the Company issued 100,000,000 shares of restricted stock to Dark Alpha Capital LLC pursuant to a share purchase agreement in which \$1,000 was paid in cash. Dark Alpha Capital serves as the Company's advisor on operations, finance, legal matters, and business development, including acquisitions. At December 31, 2020 the shares were valued at \$5,300,000 with the difference between cash paid and value applied as stock based compensation.

On January 7, 2021, the Company sold 2,920,896 shares of common stock to an unrelated accredited investor. The shares were sold at a price of \$0.024 per share. Proceeds from the private placement totaled \$70,000. The entire \$70,000 was paid in cash.

On January 18, 2021, the Company issued 2,800,000 shares of common stock to Patriot Shield National LLC in reference to the purchase of Veteran Hemp Co. that was recorded as a stock payable at December 31, 2020.

On January 19, 2021, the Company sold 1,252,479 shares of common stock to an unrelated accredited investor. The shares were sold at a price of \$0.024 per share. Proceeds from the private placement totaled \$30,000. The entire \$30,000 was paid in cash.

On January 23, 2021, the Company issued the second tranche of 250,000 shares of common stock to Chesapeake Group Inc. at fair value of \$13,750 at a stock price of \$0.055.

On January 29, 2021, the Company sold 6,259,063 shares of common stock to an unrelated accredited investor. The shares were sold at a price of \$0.024 per share. Proceeds from the private placement totaled \$150,000. The entire \$150,000 was paid in cash.

On February 12, 2021, the Company sold 834,986 shares of common stock to an unrelated accredited investor. The shares were sold at a price of \$0.024 per share. Proceeds from the private placement totaled \$20,000. The entire \$20,000 was paid in cash.

On February 15, 2021, the Company issued 875,000 shares of restricted common stock to Topline Holdings Inc in consideration for advisor and managerial services. The shares were priced at \$0.074. at a fair value of \$64,750.

On February 22, 2021, the debt of \$2,245,000 including interest of \$51,884 owed to P2B Capital LLC was paid in full with 65,285,714 shares of common stock resulting in a loss on conversion of \$2,218,382. The value at the end of the quarter was \$4,515,266.

On February 22, 2021, the Company engaged Konkler Enterprises for managerial services and issued Konkler Enterprises 208,635 shares of common stock. at a fair value of \$11,579 at a stock price of \$0.0555.

On February 22, 2021, the Company engaged James Bradley as an Advisor for managerial services and issued Mr. Bradley 2,337,228 shares of common stock. at a fair value of \$129,716 at a stock price of \$0.0555.

On April 1, 2021, the Company issued 300,000 shares of common stock owed to Chesapeake Group Inc. at fair value of \$16,500 at a stock price of \$0.055.

On September 15, 2021, the Company issued Topline Holdings Inc 875,000 shares of restricted common stock for the remaining 6 months of advisor and managerial services for 2021 at a fair value of \$63,000 at a stock price of \$0.072.

On October 1, 2021 the Company entered into a note to borrow \$200,000 over a 6 month period with interest of \$15,000 and issuance of 750,000 shares of common stock to an unrelated accredited investor. The common shares were at fair value at a stock price of \$0.081 per share and were issued as an inducement to provide the note. This has been treated as a discount and amortized over the life of the note.

On October 11, 2021, the Company issued 300,000 shares of common stock owed to Chesapeake Group Inc. at fair value of \$23,550 at a stock price of \$0.079.

On October 13, 2021 the Company engaged North Equities for three months of consulting services to assist with Social Media and Client Outreach. In consideration for these services the company issued 632,912 shares of common stock at a fair value of \$50,000 at a stock price of \$0.079.

On December 14, 2021, the Company entered into an Advisor Agreement with Henry Leo Staples Jr to provide managerial services. In consideration for these services Mr. Staples will receive 500,000 common shares on a quarterly basis in 2022. The first installment of four equal issuances of 125,000 will be on March 31, 2022.

6. NON-CONTROLLING INTEREST

Non-controlling interest in loss of consolidated subsidiaries was \$93,328 and \$0 for December 31, 2021 and 2020 respectively. The loss from non-controlling interest resulted in the legal and early construction expenses related to Blackbox Technologies and Systems Inc.'s commencement of the Michigan growth facility. The Company has a 51% equity interest in Blackbox Technologies and Systems, LLC. Blackbox Technologies and Systems, LLC.

7. INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (H.R.1) (Tax Legislation) was signed into law, which resulted in significant changes to U.S. federal income tax law. We expect that these changes will positively impact future after-tax earnings in the U.S., primarily due to the lower federal statutory tax rate of 21% compared to 35%. The impact of the Tax Legislation may differ from the statements above due to, among other things, changes in interpretations and assumptions we have made and actions we may take as a result of the Tax Legislation. Additionally, guidance issued by the relevant regulatory authorities regarding the Tax Legislation may materially impact our financial statements. As additional guidance to the Tax Legislation is published in the form of Treasury Regulations and other IRS communications, we will monitor, assess, and determine the impact of these communications on our consolidated financial statements and operations. In addition to the Tax Legislation, we are continuing to monitor proposed regulations regarding the 163(j) Limitation on Deduction for Business Interest Expense, which when finalized, could require us to re-characterize our deferred tax assets, resulting in changes in our income tax disclosures. The company expects the impact to its results of operations to be immaterial.

The Company is subject to United States federal income taxes at an approximate rate of 21%. The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020
Federal tax rate	21	%	21%
Carryforward	\$ (30,105,943)		\$(29,465,116)
Net loss	(3,419,621)		(5,957,927)
Loss on Conversion	2,218,382		0
Stock-based compensation	373,145		5,317,100
Net operating losses current	\$ (30,934,037)		\$ (30,105,943)

The significant components of deferred income tax assets and liabilities at December 31, 2021 and 2020 are as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Deferred tax assets:		
Deferred tax assets	(6,496,148)	(6,322,248)
Less: valuation allowance	6,496,148	6,322,248
Deferred tax income	\$ -	\$ -

Due to its history of losses, the Company is not subject to federal or state income taxes.

Recently Adopted Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, *Intangibles-Goodwill and Other (Topic 350) – Simplifying the Test for Goodwill Impairment* (“ASU 2017-04”). ASU 2017-04 will simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Current guidance requires that companies compute the implied fair value of goodwill under Step 2 by performing procedures to determine the fair value at the impairment testing date of its assets and liabilities following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. ASU 2017-04 will require companies to perform annual or interim goodwill impairment tests by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. However, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. ASU 2017-04 will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, and will be applied prospectively. Early adoption of this standard is permitted. The Company adopted ASU 2017-04 as of January 1, 2020. The Company does not believe the adoption of ASU 2017-04 had any material impact on its consolidated financial statements.

8. PREPAIDS

Prepays consisted primarily of director and officer insurance and OTC annual fees totaling \$5,500 and \$47,000 for December 31, 2021 and 2020 respectively.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened

litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

On December 14, 2021, the Company entered into an Advisor Agreement with Henry Leo Staples Jr to provide managerial services. In consideration for these services Mr. Staples will receive 500,000 common shares on a quarterly basis in 2022. The first installment of four equal issuances of 125,000 will be on March 31, 2022.

10. SUBSEQUENT EVENTS

On January 19, 2022 the Company engaged Juddah Holdings LLC for consulting services to assist with business development and insurance management. In consideration for these services the Company issued 330,000 shares of common stock.

On February 22, 2022 the Company engaged RMJK Marketing Inc. for consulting services to assist with marketing efforts. In consideration for these services the Company has agreed to pay a fee of \$5000 per month.