

VECTOR 21 HOLDINGS, INC. AND PREDECESSOR COMPANY
CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2022

VECTOR 21 HOLDINGS, INC. AND PREDECESSOR COMPANY

CONDENSED UNAUDITED FINANCIAL STATEMENTS

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VECTOR 21 HOLDINGS, INC. AND PREDECESSOR COMPANY
CONDENSED UNAUDITED BALANCE SHEETS

	<u>MARCH 31,</u> <u>2022</u>	<u>JUNE 30,</u> <u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ —	\$ —
Prepaid expenses	1,833	—
Total Current Assets	<u>1,833</u>	<u>—</u>
Total Assets	<u>\$ 1,833</u>	<u>\$ —</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accruals	\$ 20,530	\$ 15,412
Loan payable – related party	30,181	2,251
Total Current Liabilities	<u>50,711</u>	<u>17,663</u>
Total Liabilities	<u>50,711</u>	<u>17,663</u>
Commitments and Contingencies (Note 7)		
Shareholders' Deficit		
Common stock, \$0.0001 par value, 500,000,000 shares authorized, 1,697,200 and 1,647,200 shares issued and outstanding, respectively	170	165
Common stock, \$0.0001 par value, 0 and 50,000 shares, respectively to be issued	—	12,500
Additional paid in capital	17,673,072	17,660,577
Accumulated deficit	(17,722,120)	(17,690,905)
Total Shareholders' Deficit	<u>(48,878)</u>	<u>(17,663)</u>
Total Liabilities and Shareholders' Deficit	<u>\$ 1,833</u>	<u>\$ —</u>

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

VECTOR 21 HOLDINGS, INC. AND PREDESSOR COMPANY
CONDENSED UNAUDITED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED MARCH 31,		FOR THE NINE MONTHS ENDED MARCH 31,	
	2022	2021	2022	2021
REVENUE	\$ —	\$ —	\$ —	\$ —
EXPENSES				
General and administrative expenses	6,065	1,251	31,214	1,251
Total Expenses	<u>(6,065)</u>	<u>(1,251)</u>	<u>(31,214)</u>	<u>(1,251)</u>
OPERATING LOSS	<u>(6,065)</u>	<u>(1,251)</u>	<u>(31,214)</u>	<u>(1,251)</u>
OTHER INCOME (EXPENSE)				
Interest expense	—	(14,878)	—	(43,027)
LOSS BEFORE TAXES	<u>(6,065)</u>	<u>(16,129)</u>	<u>(31,214)</u>	<u>(44,278)</u>
TAXES	—	—	—	—
NET LOSS	<u>\$ (6,065)</u>	<u>\$ (16,129)</u>	<u>\$ (31,214)</u>	<u>\$ (44,278)</u>
Net Loss per Common Shares Outstanding – Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted Average Common Shares Outstanding – Basic and Diluted	<u>1,697,200</u>	<u>1,647,200</u>	<u>1,688,291</u>	<u>1,647,200</u>

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

VECTOR 21 HOLDINGS, INC.
CONDENSED UNAUDITED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

	<u>Common Shares</u>		<u>Common Shares To Be Issued</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance of June 30, 2020	1,647,200	\$ 165	—	\$ —	\$ 17,660,577	(18,747,801)	\$ (1,087,059)
Net loss for the period	—	—	—	—	—	(14,439)	(14,439)
Balance of September 30, 2020	1,647,200	\$ 165	—	\$ —	\$ 17,660,577	\$ (18,762,240)	\$ (1,101,498)
Net loss for the period	—	—	—	—	—	(13,711)	(13,711)
Balance of December 31, 2020	1,647,200	\$ 165	—	\$ —	\$ 17,660,577	\$ (18,775,951)	\$ (1,115,209)
Net loss for the period	—	—	—	—	—	(16,129)	(16,129)
Balance of March 31, 2021	1,647,200	\$ 165	—	\$ —	\$ 17,660,577	\$ (18,792,080)	\$ (1,131,338)

	<u>Common Shares</u>		<u>Common Shares To Be Issued</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance of June 30, 2021	1,647,200	\$ 165	50,000	\$ 12,500	\$ 17,660,577	(17,690,905)	\$ (17,663)
Issuance of shares as compensation for sale of subsidiary company	50,000	5	(50,000)	(12,500)	12,455	—	—
Net loss for the period	—	—	—	—	—	(6,009)	(6,009)
Balance of September 30, 2021	1,697,200	\$ 170	—	\$ —	\$ 17,673,032	\$ (17,696,914)	\$ (23,672)
Net loss for the period	—	—	—	—	—	(19,141)	(19,141)
Balance of December 31, 2021	1,697,200	\$ 170	—	\$ —	\$ 17,673,032	\$ (17,716,055)	\$ (42,813)
Net loss for the period	—	—	—	—	—	(6,065)	(6,065)
Balance of March 31, 2022	1,697,200	\$ 170	—	\$ —	\$ 17,673,032	\$ (17,722,120)	\$ (42,878)

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

VECTOR 21 HOLDINGS, INC.
STATEMENT OF CASH FLOWS

	FOR THE NINE MONTHS ENDED MARCH 31, 2022	FOR THE NINE MONTHS ENDED MARCH 31, 2021
Cash Flow from Operating Activities:		
Net Loss	\$ (31,215)	\$ (44,878)
Adjustments to reconcile net loss to: net cash used in operating activities	—	—
Changes in operating assets and liabilities:		
Prepaid expenses	(1,833)	—
Accounts payable and accruals	5,118	43,027
Net Cash Flow used in Operating Activities	(27,930)	(1,251)
Net Cash Flow from Financing Activities		
Advances under note payable – related party	27,930	1,251
Net Cash Flow from Financing Activities	27,930	1,251
Net Change in Cash:	—	—
Beginning Cash:	\$ —	\$ —
Ending Cash:	\$ —	\$ —
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ —	\$ —
Cash paid for tax	\$ —	\$ —

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

VECTOR 21 HOLDINGS, INC. AND PREDECESSOR COMPANY
NOTES TO CONDENSED UNAUDITED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2022 AND 2021

NOTE 1. NATURE OF OPERATIONS

Nature of Business

Vector 21 Holdings, Inc., a Delaware corporation, (“Vector 21”, “the Company”, “We”, “Us” or “Our”) is a publicly quoted shell company seeking to merge with an entity with experienced management and opportunities for growth in return for shares of our common stock to create values for our shareholders. No potential merger candidate has been identified at this time.

History

Vector 21 was incorporated in Delaware on March 5, 2021.

Effective April 28, 2021, following a corporate reorganization as described below (“the Holding Company Reorganization” or “the reverse recapitalization”), Vector 21 became the reorganized successor to Momentum Biofuels, Inc. (“the Predecessor Company”), a publicly quoted holding company that ceased trading in 2012.

Reorganization into a Holding Company Structure for Vector 21 Holdings, Inc., reorganization successor to Momentum Biofuels, Inc.

Effective March 10, 2021, Momentum Biofuels, Inc. (“Momentum Biofuels Colorado”), a Colorado corporation, redomiciled to Delaware by merging with its wholly owned subsidiary, Momentum Biofuels, Inc. (“Momentum Biofuels Delaware”), a Delaware corporation.

Momentum Biofuels Colorado ceased to exist as an independent legal entity following its merger with Momentum Biofuels Delaware.

Pursuant to the Delaware Holding Company formation statute, DGCL Section 251(g), Momentum Biofuels Delaware entered into an Agreement and Plan of Merger and Reorganization into a Holding Company with Vector 21 Holdings, Inc. (“Vector 21”) and MBF Ops, Inc. (“MBF Ops.”), both wholly-owned subsidiaries of Momentum Biofuels Delaware, effective April 28, 2021.

The Agreement and Plan of Merger and Reorganization into a Holding Company provided for the merger of Momentum Biofuels Delaware with, and into MBF Ops., with MBF Ops. being the surviving corporation in the merger, as a subsidiary to Vector 21.

Momentum Biofuels Delaware ceased to exist as an independent legal entity following its merger with MBF Ops.

The shareholders of Momentum Biofuels Delaware were converted, by the holding company reorganization, under the Agreement, to shareholders of Vector 21 on a one for one basis pursuant to the Agreement and the Delaware Statute Sec. 251(g).

MBF Ops., the surviving company of the merger with Momentum Biofuels Delaware, became a wholly-owned subsidiary of Vector 21, the holding company.

Vector 21 became the parent holding company resulting under the Agreement, pursuant to Delaware General Corporation Law section 251(g), with its wholly owned subsidiary company, MBF Ops, the surviving company of the merger with Momentum Biofuels Delaware.

As a result of the Holding Company Reorganization, shareholders in the publicly quoted Momentum Biofuels Delaware, formerly the shareholders of Momentum Biofuels Colorado as of the date of the reorganization, became shareholders in the publicly quoted Vector 21.

MBF Ops, being the direct successor by the merger with Momentum Biofuels Delaware, became a subsidiary company of Vector 21.

Disposal of MBF Ops.

Effective June 28, 2021, Vector 21 disposed of 100% of the issued share capital of its sole subsidiary company, MBF Ops., to an unrelated third party. We made a \$1,000 payment in cash and promised to issue 50,000 (post-split) shares of our common stock to the Purchaser as an incentive for him to assume ownership of the subsidiary company which had no ongoing business or assets and outstanding liabilities of \$1,130,842. These shares of common were issued to the Purchaser effective August 18, 2021.

The Holding Company Reorganization has been accounted for so as to reflect the fact that both Momentum Biofuels Delaware and Vector 21 were under common control at the date of the Holding Company Reorganization.

Reverse and Forward Stock Splits

Effective May 13, 2021, we completed:

- a reverse stock split of our outstanding common stock, \$0.0001 par value, on a one (1) post-split share for eight thousand (8,000) pre-split shares basis, and subsequently
- a forward stock split of our post reverse split outstanding common stock, \$0.0001 par value, on a one hundred (100) post-split shares for one (1) pre-split share basis.

As a result of the 8,000 : 1 reverse stock split described above, the number of issued and outstanding shares of the Company's common stock was reduced from 123,224,444 to 15,403. No fractional shares were issued in connection with the reverse stock split. Instead, a holder of record of common stock who would otherwise be entitled to a fraction of a share was, in lieu thereof, entitled to receive a whole share of common stock. Consequently, 1069 additional shares were issued in respect of fractional shares and therefore a total of 16,472 shares of common stock were issued and outstanding after the reverse split.

As a result of the 1 : 100 forward stock split described above, the number of issued and outstanding shares of the Company's common stock was increased from 16,472 to 1,647,200.

All share numbers in these financial statements have been retrospectively restated to reflect the impact of these reverse and forward stock splits.

Impact of the COVID-19 Pandemic

We have not commenced operations as yet and consequently have not been directly impacted by the Covid-19 outbreak at this time. However, the detrimental effect of the Covid-19 outbreak on the economy as a whole may have a detrimental impact on our ability to raise funding and identify an entity to merge with for the foreseeable future. We are unable to predict with any certainty the ultimate impact Covid-19 outbreak on our plans at this time.

NOTE 2. GOING CONCERN

Our financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. We have no ongoing business or income and for the nine-month period ended March 31, 2022 we incurred a loss of \$431,214 and had a shareholders' deficit of \$17,722,120 as of March 31, 2022. These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties. Our ability to continue as a going concern is dependent upon our ability to raise additional debt or equity funding to meet our ongoing operating expenses and ultimately in merging with another entity with experienced management and profitable operations. No assurances can be given that we will be successful in achieving these objectives.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The summary of significant accounting policies is presented to assist in the understanding of the financial statements. These policies conform to accounting principles generally accepted in the United States of America and have been consistently applied. The Company has selected June 30 as its financial year end. The Company has not earned any revenue to date.

Interim Financial Statements

The accompanying unaudited interim condensed financial statements have been prepared in accordance with GAAP for interim financial information in accordance with Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying condensed financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at March 31, 2022 and for the related periods presented, have been included. The results for the three and nine months ended March 31, 2022 are not necessarily indicative of the results of operations for the full year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

We maintain cash balances in a non-interest-bearing account that currently does not exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. As of March 31, 2022 and June 30, 2021, our cash balance was \$0.

Fair Value Measurements

ASC Topic 820, Fair Value Measurements and Disclosures ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 – Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

Our financial instruments consist of our prepaid expenses, accounts payable and accruals and loan payable – related party. The carrying amount of our prepaid expenses, accounts payable and accruals and loan payable – related party approximates its fair value because of the short-term maturities of these items.

Related Party Transactions

A related party is generally defined as (i) any person that holds 10% or more of our membership interests including such person's immediate families, (ii) our management, (iii) someone that directly or indirectly controls, is controlled by or is under common control with us, or (iv) anyone who can significantly influence our financial and operating decisions. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. See Notes 6 below for details of related party transactions in the period presented.

Fixed Assets

We owned no fixed assets as of March 31, 2022 and June 30, 2021.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) as assets, operating lease non-current liabilities, and operating lease current liabilities in the Company’s balance sheet. Finance leases are property and equipment, other current liabilities, and other non-current liabilities in the balance sheet.

ROU assets represent the right to use an asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over lease term. As most of the leases don’t provide an implicit rate, the Company generally uses the incremental borrowing rate on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at the commencement date. The operating ROU asset also includes any lease payments made and exclude lease incentives. Lease expense for lease payment is recognized on a straight-line basis over the lease term.

We were not party to any lease transactions during the nine months periods ended March 31, 2022 and March 31, 2021.

Income Taxes

The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Uncertain Tax Positions

We evaluate tax positions in a two-step process. We first determine whether it is more likely than not that a tax position will be sustained upon examination, based on the technical merits of the position. If a tax position meets the more-likely-than-not recognition threshold it is then measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We classify gross interest and penalties and unrecognized tax benefits that are not expected to result in payment or receipt of cash within one year as long-term liabilities in the financial statements.

Revenue Recognition

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

Step 1: Identify the contract(s) with customers

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

At this time, we have not identified specific planned revenue streams.

During the nine months ended March 31, 2022 and 2021, we did not recognize any revenue.

Advertising Costs

We expense advertising costs when advertisements occur. No advertising costs were incurred during the nine months ended March 31, 2022 and 2021.

Stock Based Compensation

The cost of equity instruments issued to non-employees in return for goods and services is measured by the fair value of the equity instruments issued in accordance with ASC 718, "Compensation - Stock Compensation." Measurement date for non-employees is the grant date of the stock-based compensation. The cost of employee services received in exchange for equity instruments is based on the grant date fair value of the equity instruments issued.

Net Loss per Share Calculation

Basic net loss per common share ("EPS") is computed by dividing loss available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing net income by the weighted average shares outstanding, assuming all dilutive potential common shares were issued. Dilutive loss per share excludes all potential common shares if their effect is anti-dilutive.

No potentially dilutive debt or equity instruments were issued or outstanding during the nine months ended March 31, 2022 and 2021.

Recently Accounting Pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and do not believe any of these pronouncements will have a material impact on our financial statements.

NOTE 4. PREPAID EXPENSES

As of March 31, 2022 and June 30, 2021, the balance of prepaid expenses was \$1,833 and \$0, respectively, which related to the annual disclosure and news service subscription for OTC Markets which will be amortized monthly over the course of the year commencing July 1, 2020.

NOTE 5. ACCOUNTS PAYABLE AND ACCRUALS

As of March 31, 2022 and June 30, 2021, the balance of accounts payable and accrued expenses was \$20,530 and \$15,412, respectively, which related balance due to our share transfer agent.

NOTE 6. LOAN PAYABLE – RELATED PARTY

During the nine months ended March 31, 2021 and 2021, one of our directors, who is also our principal shareholder, advanced to us \$27,930 and \$1,251 by way of a loan to finance our working capital requirements.

The loan is unsecured, interest free and due on demand.

As of March 31, 2022 and June 30, 2021, the balance outstanding under the loan was \$30,181 and \$2,251, respectively.

NOTE 7. COMMITMENTS & CONTINGENCIES

Legal Proceedings

We were not subject to any legal proceedings during the nine months ended March 31, 2022 and 2021, and, to the best of our knowledge, no legal proceedings are pending or threatened.

Contractual Obligations

We are not party to any contractual obligations at this time.

NOTE 8. SHAREHOLDERS' DEFICIT

Common Stock

As of March 31, 2022 and June 30, 2021, we were authorized to issue 500,000,000 shares of common stock with a par value of \$0.0001.

Effective May 13, 2021, we completed:

- a reverse stock split of our outstanding common stock, \$0.0001 par value, on a one (1) post-split share for eight thousand (8,000) pre-split shares basis, and subsequently
- a forward stock split of our post reverse split outstanding common stock, \$0.0001 par value, on a one hundred (100) post-split shares for one (1) pre-split share basis.

As a result of the 8,000 : 1 reverse stock split described above, the number of issued and outstanding shares of the Company's common stock was reduced from 123,224,444 to 15,815. No fractional shares were issued in connection with the reverse stock split. Instead, a holder of record of common stock who would otherwise be entitled to a fraction of a share was, in lieu thereof, entitled to receive a whole share of common stock. Consequently, 657 additional shares were issued in respect of

fractional shares and therefore a total of 16,472 shares of common stock were issued and outstanding after the reverse split

As a result of the 1 : 100 forward stock split described above, the number of issued and outstanding shares of the Company's common stock was increased from 16,472 to 1,647,200.

All share numbers in these financial statements have been retrospectively restated to reflect the impact of these reverse and forward stock splits.

As of June 30, 2021, 1,647,200 shares of common stock were issued and outstanding to shareholders in our predecessor company with a total par value of \$165.

Effective August 18, 2021, we issued 50,000 shares of common stock, valued at 12,500 as partial consideration so the sale our former subsidiary company.

As of September 30, 2021, 1,647,200 shares of common stock were issued and outstanding.

Common Stock To Be Issued

Effective June 28, 2021, we disposed of 100% of the issued and outstanding share capital of our subsidiary company, MBF Ops., to an independent third party (the "Purchaser").

As an inducement for the Purchaser to acquire MBF Ops., a dormant, non-trading shell company with liabilities of \$1,130,842, we paid the Purchaser \$1,000 in cash and agreed to issue to him 50,000 post-split shares of our common stock, valued at \$12,500 based on the publicly quoted share price of our common stock as of the date of the agreement.

These shares of common stock were issued to the Purchaser effective August 18, 2021.

NOTE 9. SUBSEQUENT EVENTS

The Company evaluated subsequent events after March 31, 2022, in accordance with FASB ASC 855 *Subsequent Events*, through the date of the issuance of these financial statements and has determined there have been no subsequent events for which disclosure.