

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]

Quarterly Report **For the Period Ending: September 30, 2021** **(the "Reporting Period")**

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

441,294,088

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

440,119,088

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>09/30/21</u> |
| Total shares outstanding: | <u>441,294,088</u> | as of date: <u>09/30/21</u> |
| Number of shares in the Public Float ⁵ : | <u>59,227,685</u> | as of date: <u>09/30/21</u> |
| Total number of shareholders of record: | <u>48</u> | as of date: <u>09/30/21</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> Date <u>12/31/19</u> Common: 144,737,790 Preferred: <u>0</u> | | | *Right-click the rows below and select "Insert" to add rows as needed. | | | | | | |
|---|---|--|--|---|--|--|---|---|---------------------------------|
| 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> |
| Shares Outstanding on Date of This Report: | | | | | | | | | |
| <u>Ending Balance:</u> | | | | | | | | | |
| Date <u>09/30/21</u> Common: <u>441,294,088</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.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|--|--|---|
| | | | | | | | |

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.

- 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

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.

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 quarter ended March 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 | 925,000 | 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 | 22.66% | (1) |
| DMB LLC | <u>Beneficial owner</u> | Fort Wayne, Indiana 46845 | 100,000,000 | Common | 33.05% | (2) |
| Holloman Value Holdings, LLC | <u>Beneficial owner</u> | East Houston TX 77060 | 81,892,111 | Common | 18.56% | (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: Tim Rieu
Firm: The Chesapeake Group, Inc.
Address 1: 305 Washington Avenue Suite 100, Towson, MD 21204
Address 2: _____
Phone: (443) 904-3800
Email: tjr964@aol.com

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 quarterly 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.

November 12, 2021

/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 quarterly 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.

November 12, 2021 [Date]

/s/ GINA SERKASEVICH [CFO's Signature]

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

HERO TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | September 30, 2021 | December 31, 2020 |
|---|--------------------|--------------------|
| ASSETS | | |
| ASSETS | | |
| Cash | \$ 89,929 | \$ 437,126 |
| Accounts receivable | 980 | - |
| Inventory | 67,155 | 72,686 |
| Prepaid expenses | 1,374 | 47,000 |
| Current Assets | <u>159,438</u> | <u>556,812</u> |
| Property & equipment, net of accumulated depreciation | 6,845 | 8,361 |
| Goodwill | 5,881 | 5,881 |
| Non-Current Assets | <u>12,726</u> | <u>14,242</u> |
| Total Assets | <u>\$ 172,164</u> | <u>\$ 571,054</u> |
| LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY | | |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 4,979 | \$ 47,923 |
| Convertible loans payable, current portion - related party | - | 2,245,000 |
| Current Liabilities | <u>4,979</u> | <u>2,292,923</u> |
| Total Liabilities | <u>4,979</u> | <u>2,292,923</u> |
| 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: | | |
| 441,294,088 common shares at September 30, 2021 (357,095,087 at 2020) | 441,294 | 357,095 |
| 1,000,000 preferred shares at June 30, 2021 (1,000,000 at 2020) | 1,000 | 1,000 |
| Additional paid in capital | 38,328,917 | 33,206,878 |
| Stock payable | 27,970 | 149,647 |
| Non-controlling Interest | (81,422) | - |
| Accumulated deficit | (38,550,574) | (35,436,489) |
| Total Stockholders' (Deficit) Equity | <u>167,185</u> | <u>(1,721,869)</u> |
| Total Liabilities and Stockholders' (Deficit) Equity | <u>\$ 172,164</u> | <u>\$ 571,054</u> |

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

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|---------------------|---------------------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue | | | | |
| Sales | \$ - | \$ - | \$ 1,885 | \$ - |
| Cost of Goods Sold | - | - | 5,531 | - |
| Gross Margin | - | - | (3,646) | - |
| Expenses | | | | |
| Consulting | 96,357 | 50,000 | 356,923 | 50,000 |
| Loss on settlement of debt | - | - | - | 6,408 |
| Compensation expense | 63,000 | - | 309,340 | - |
| Office, travel and general | 22,370 | 41,334 | 140,546 | 79,242 |
| Depreciation expense | 560 | - | 1,516 | - |
| Professional fees | 16,837 | 54,331 | 156,103 | 66,092 |
| Total Expenses, net | (199,124) | (145,665) | (964,428) | (201,742) |
| Other income and (expense) | | | | |
| Unrealized gain (loss) on investments | - | - | - | (29,365) |
| Gain(Loss) on share conversion | - | - | (2,218,382) | - |
| Interest expense | 416 | - | (9,051) | (16,063) |
| Total other income and (expense) | 416 | - | (2,227,433) | (45,428) |
| NET LOSS BEFORE TAXES | (198,708) | (145,665) | (3,195,507) | (247,170) |
| Provision for income tax | - | - | - | - |
| Net loss from continuing operations | (198,708) | (145,665) | (3,195,507) | (247,170) |
| NET LOSS | <u>\$ (198,708)</u> | <u>\$ (145,665)</u> | <u>\$ (3,195,507)</u> | <u>\$ (247,170)</u> |
| Foreign currency translation (net of tax of \$0) | - | - | - | 369 |
| Non-controlling interest in (income) loss of consolidated subsidiaries | 16,523 | - | 81,422 | - |
| NET LOSS ATTRIBUTABLE TO THE COMPANY | <u>\$ (182,185)</u> | <u>\$ (145,665)</u> | <u>\$ (3,114,085)</u> | <u>\$ (246,801)</u> |
| BASIC AND DILUTED NET LOSS FROM CONTINUING OPERATIONS PER COMMON SHARE | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ (0.01)</u> | <u>\$ (0.00)</u> |
| BASIC AND DILUTED NET LOSS PER COMMON SHARE | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ (0.01)</u> | <u>\$ (0.00)</u> |
| WEIGHTED AVERAGE NUMBER OF BASIC AND DILUTED COMMON SHARES OUTSTANDING | <u>440,561,751</u> | <u>144,737,790</u> | <u>425,760,299</u> | <u>144,737,790</u> |

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

HERO TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
Nine Months Ended September 30, 2021
(Unaudited)

| | Common Shares | | Preferred Shares | | Additional | Stock | Non- | Accumulated | Deficit | Total |
|---|---------------|---------|------------------|--------|------------|-----------|-------------|---------------|--------------|------------------|
| | Number | Amount | Number | Amount | Paid In | Payable | Controlling | Other | Accumulated | |
| | of Shares | | of Shares | | Capital | | Interest | Comprehensive | During | Stockholders' |
| | | | | | | | | Income/(Loss) | Exploration | (Deficit) Equity |
| | | | | | | | | | Stage | |
| 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 | 550,000 | 550 | - | - | 29,700 | - | - | - | - | 30,250 |
| Common Stock - Related party compensation | 4,295,863 | 4,296 | - | - | 264,749 | - | - | - | - | 269,045 |
| Common Stock - debt conversion, related party | 65,285,714 | 65,285 | - | - | 4,449,981 | - | - | - | - | 4,515,266 |
| Shares issued for acquisition | 2,800,000 | 2,800 | - | - | 118,877 | (121,677) | - | - | - | - |
| Non-Controlling Interest | - | - | - | - | - | - | (81,422) | - | - | (81,422) |
| Comprehensive income | | | | | | | | | | |
| Net loss | - | - | - | - | - | - | - | - | (3,114,085) | (3,114,085) |
| Balance September 30, 2021 | 441,294,088 | 441,294 | 1,000,000 | 1,000 | 38,328,917 | 27,970 | (81,422) | - | (38,550,574) | 167,185 |

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

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

| | Nine Months Ended September 30, | |
|--|---------------------------------|---------------|
| | 2021 | 2020 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) attributable to Hero Technologies Inc. | \$ (3,114,085) | \$ (247,170) |
| Non-controlling interest in income (loss) of consolidated subsidiaries | \$ (81,422) | \$ - |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Unrealized (gain) loss on investments | - | 97,155 |
| Shares issued for services | 299,295 | - |
| Loss from conversion of debt to common stock | 2,227,433 | - |
| Depreciation expense | 1,516 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (980) | - |
| Inventory | 5,531 | - |
| Prepaid expenses | 45,626 | 76,002 |
| Accounts payable and accrued liabilities | (111) | (27,572) |
| Cash used in operating activities | (617,197) | (101,585) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from sale of stock | 270,000 | 31,940 |
| Cash provided by financing activities | <u>270,000</u> | <u>31,940</u> |
| Foreign currency translation adjustment | - | 50 |
| NET INCREASE (DECREASE) IN CASH | (347,197) | (69,595) |
| CASH AT BEGINNING OF YEAR | <u>437,126</u> | <u>69,595</u> |
| CASH AT YEAR END | <u>\$ 89,929</u> | <u>\$ -</u> |
| NON-CASH INVESTING ACTIVITIES: | | |
| Liabilities settled with common stock, related party, investments | \$ 2,287,833 | \$ 223,988 |
| Shares issued from stock payable | \$ 121,677 | \$ - |

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

HERO TECHNOLOGIES INC.
STATEMENT OF RETAINED EARNINGS
(Unaudited)

| | | |
|--|-----------|---------------------|
| 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></u> | <u>(3,114,085)</u> |
| Retained Earnings at September 30, 2021: | <u>\$</u> | <u>(38,550,574)</u> |

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

HERO TECHNOLOGIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS

Hero Technologies Inc. (the “Company”), was incorporated in the State of Nevada on May 14, 2004. Hero Technologies has emerged into a vertically-integrated cannabis company with cultivation, processing and dispensary operations. The Company’s business plan includes cannabis genetics 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). Hero Technologies is a one-stop cannabis shop for its partners and customers, from seed to sale.

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 sufficient operating revenues and has funded its operations through the issuance of capital stock.

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.

Accounts Receivable

Accounts receivable consist of trade receivables and are carried at their estimated collectible amounts.

The Company provides credit to its clients in the form of payment terms. The Company limits its credit risk by performing credit evaluations of its clients and maintaining a reserve, if deemed necessary, for potential credit losses. Such evaluations include the review of a client’s outstanding balances with consideration towards such client’s historical collection experience, as well as prevailing economic and market conditions and other factors. Based on such evaluations, the Company determined there was no need for a reserve at the end of September 30, 2021. The total accounts receivable was \$980 at the end of September 30, 2021 and \$0 at the end of December 31, 2020.

Inventories

Inventories primarily consist of cannabis merchandise and are stated at the lower of cost or market. Value at September 30, 2021 was \$67,155. 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.

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 September 30, 2021 after depreciation is \$6,845 and \$8,361 at December 31, 2020.

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 as of December 31, 2020 and determined that \$60,700 of intangible trademarks and customer base included with the Veteran Hemp Co acquisition were impaired.

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.

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.

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. 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 and Australia. 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.

Investments

At September 30, 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 gain on its investments in 2019 totaling \$4,219, which has been included as a component of income (loss) from continued operations in the consolidated statements of operations. 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 periods ended September 30, 2021 and December 31, 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.

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 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. Blackbox Technologies and Systems, LLC which incurred initial operating expenses and resulted in a non-controlling interest at June 30, 2021.

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 was \$145,297. The Company impaired \$60,700 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.

On January 15, 2021, the Company’s subsidiary, BlackBox Systems and Technologies LLC, signed a purchase agreement to acquire 120 acres of Michigan farmland for cannabis cultivation. The purchase agreement is contingent on financing for the target property’s \$1,500,000 purchase price.

4. RELATED PARTY TRANSACTIONS

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 February 22, 2021, the debt of \$2,245,000 including interest of \$42,833.33 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 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 was \$5,300,000.

In 2021, the Company has issued 4,295,863 to related parties for compensation valued at \$269,045.

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.

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. The remaining 500,000 shares are due in 2021.

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 15, 2021, the Company issued Topline Holdings Inc 875,000 shares of common stock for 6 months of advisor and managerial services at a fair value of \$64,750 at a stock price of \$0.074.

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 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 debt of \$2,245,000 including interest of \$42,833.33 owed to P2B Capital LLC was paid in full with 65,285,714 shares of common stock. The number of shares issued resulted in a loss on conversion of \$2,218,382.

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 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 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.

6. NON-CONTROLLING INTEREST

Non-controlling interest in loss of consolidated subsidiaries was \$16,523 and \$81,422 for the three and nine months 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

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

8. SUBSEQUENT EVENTS

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 \$0.068 per share.

On October 11, 2021 the Company engaged Chesapeake Group, Inc. for one month of consulting services to assist with Investor Relations. In consideration for these services the company issued 300,000 shares of common stock at a fair value of \$23,850 at a stock price of \$0.0795.

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.