Vejii Holdings Ltd.
Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Vejii Holdings Ltd. (“Vejii” or the “Company”)
Unit 106 – 507-460 Doyle Ave
Kelowna, BC, V1Y 0C2

1.2 Executive Officer

The name and business telephone number of an executive officer of Vejii who is knowledgeable about the significant acquisition and this business acquisition report (this “Report”) is:

Kory Zelickson
Chief Executive Officer
250-300-5103

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Vejii has completed the acquisition of VEDGEco USA, Inc. ("VEDGEco"), an online B2B wholesale platform for plant-based products, from the shareholders of VEDGEco (collectively, the "Vendors") on December 31, 2021 (the "Acquisition").

Launched nationally in 2020, VEDGEco ships frozen plant-based products in bulk to the restaurant and wholesale food industry, as well as to consumers across the U.S.

2.2 Acquisition Date

December 31, 2021

2.3 Consideration

Pursuant to a purchase agreement (the "Purchase Agreement") dated December 22, 2021 among Vejii, VEDGEco and the Vendors, Vejii has acquired all of the issued and outstanding shares of VEDGEco for a total purchase price of up US$6,250,000 (C$8,402,550 based on the Bank of Canada exchange rate on December 21, 2021) (the "Purchase Price"), payable in common shares of Vejii.

Pursuant to the Purchase Agreement, on the closing date of the Acquisition, Vejii issued the Vendors an aggregate of 12,865,000 common shares of Vejii with a deemed value of US$3,500,000 or C$4,502,750 (the "Consideration Shares"), as determined based on a price per Consideration Share of C$0.35, converted into United States dollars at the Bank of Canada exchange rate on December 22, 2021.

The remainder of the Purchase Price is comprised of earn-out payments up to a maximum of US$2,750,000, payable in common shares (the "Earn-Out Shares"), priced in the context of the market, to be issued to the Vendors upon VEDGEco meeting certain milestones as more particularly set out in the Purchase Agreement.

The Consideration Shares and the Earn-Out Shares are subject to a statutory hold period of four months and one day, restrictions on transfer under applicable United States securities laws and a contractual lock-up as set out in the Purchase Agreement (the "Voluntary Lock Up"). Subject to compliance with applicable securities laws, 12.5% of the Consideration Shares and the Earn-Out Shares will be released from the Voluntary Lock Up on a quarterly basis over a period of 24 months from the date of issuance.

2.4 Effect on Financial Position

The Acquisition will allow the Company to expand its products and services from addressing the business to consumer market to now include addressing the business to business market (B2B).

There are no current plans or proposals for any material changes in the Company's business affairs or the affairs of the business of VEDGEco which may have a significant effect on the financial performance and financial position of the Company.

2.5 Prior Valuations

There has been no valuation opinion obtained within the last twelve months by the Company or VEDGEco which was required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company in connection with the Acquisition.

2.6 Parties to Transaction

The parties to the transaction are Vejii, VEDGEco and the Vendors. The Acquisition was not with an informed person (as such term is defined in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*), associate or affiliate of the Company.

2.7 Date of Report

March 7, 2022

<u>Item 3 Financial Statements and Other Information</u>

Pursuant to Part 8 of NI 51-102, the following financial statements are attached as schedules to this Report and form part of this Report:

Schedule A – The audited consolidated financial statements of VEDGEco USA, Inc. as at and for the year ended December 31, 2020, and the notes thereto, together with the independent auditors report thereon.

Schedule B – The unaudited interim consolidated financial statements of VEDGEco USA, Inc as at and for the nine months ended September 30, 2021.

Schedule A – Audited consolidated financial statements of VEDGEco USA, Inc. as at and for the year ended December 31, 2020

VEDGECO USA, INC.

FINANCIAL STATEMENTS

FROM MAY 19, 2020 (COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2020

VEDGECO USA, INC.
FROM MAY 19, 2020 (COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2020

CONTENTS

MEISEL, TUTEUR & LEWIS, P.C.
Certified Public Accountants
Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Stockholders and Board of Directors of
VEDGEco USA, Inc.

We have audited the accompanying statement of financial position of VEDGEco USA, Inc. as of December 31, 2020 and the related statements of operations and changes in stockholders' equity and cash flows for the period from May 19, 2020 (Commencement of Operations) through December 31, 2020.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VEDGEco USA, Inc. as of December 31, 2020, and the results of their operations and their cash flows for the period from May 19, 2020 (Commencement of Operations) through December 31, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Additional Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of additional information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Meisel, Tuteur, & Lewis P.C.

MEISEL, TUTEUR & LEWIS, P.C.

Roseland, New Jersey
November 19, 2021

VEDGECO USA, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

ASSETS

NON-CURRENT ASSETS		
Property, plant and equipment (net)	$	23,692
TOTAL NON-CURRENT ASSETS		23,692
CURRENT ASSETS		
Cash and cash equivalents		63,560
Accounts receivable		8,805
Due from related parties		18,175
Inventories		407,721
TOTAL CURRENT ASSETS		498,261
TOTAL ASSETS	$	521,953

STOCKHOLDERS' EQUITY AND LIABILITIES

STOCKHOLDERS' EQUITY		
Common stock, $0.00001 par value; 10,000,000 shares authorized, 3,975,000 shares issued and outstanding	$	-
Additional paid-in capital		563,875
Retained earnings (accumulated deficit)		(219,877)
TOTAL STOCKHOLDERS' EQUITY		343,998
CURRENT LIABILITIES		
Accounts payable		41,564
Accrued expenses and taxes		923
Other current liabilities		14,294
Note payable		121,174
TOTAL CURRENT LIABILITIES		177,955
TOTAL LIABILITIES		177,955
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	$	521,953

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

VEDGECO USA, INC.

STATEMENT OF OPERATIONS AND CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM MAY 19, 2020 (COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2020

NET SALES	$	647,327
COST OF GOODS SOLD		402,575
GROSS PROFIT		244,752
OPERATING EXPENSES		
Advertising and marketing		49,509
Selling		215,375
General and administrative		195,685
TOTAL OPERATING EXPENSES		460,569
LOSS FROM OPERATIONS		(215,817)
OTHER INCOME (EXPENSE)		
Other income, net		9,440
Interest expense		(13,500)
TOTAL OTHER INCOME (EXPENSE)		(4,060)
INCOME TAX BENEFIT (EXPENSE)		-
NET LOSS	$	(219,877)
STOCKHOLDERS' EQUITY		
Beginning		-
Contributions		563,875
Ending	$	343,998

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

VEDGECO USA, INC.

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM MAY 19, 2020 (COMMENCEMENT OF OPERATIONS)

THROUGH DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$	(219,877)
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Depreciation and amortization		2,008
Changes in operating assets and liabilities:		
Accounts receivable		(8,805)
Due from related parties		(18,175)
Inventories		(407,721)
Accounts payable		41,564
Accrued expenses and taxes		923
Other current liabilities		14,294
TOTAL ADJUSTMENTS		(375,912)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(595,789)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures		(25,700)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(25,700)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from note payable		121,174
Capital contributed		563,875
NET CASH FLOWS FROM FINANCING ACTIVITIES		685,049
NET CHANGE IN CASH AND CASH EQUIVALENTS		63,560
CASH AND CASH EQUIVALENTS - BEGINNING		-
CASH AND CASH EQUIVALENTS - ENDING	$	63,560
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$	13,500
Income taxes paid	$	-

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

1. NATURE OF OPERATIONS

VEDGEco USA, Inc. (the "Company") was incorporated in 2020, pursuant to the laws of the State of Delaware. The Company is a plant-based wholesaler supplying to the lower 48 states and Hawaii. Launched nationally in 2020, the Company ships frozen plant-based products in bulk to the restaurant and wholesale food industry, as well as to consumers across the United States. The Company is headquartered in Kailua, Hawaii, and operates out of several locations nationwide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). With regard to the structure of the statement of financial position, a classification has been made according to current and non-current assets and liabilities. Items not due within one year are recorded as non-current assets or liabilities.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements, including the estimated useful life of the property and equipment, valuation allowances on trade accounts receivable, and the amount of assets, liabilities, income, expenses, and contingent liabilities during the reporting period. When assuming a going concern, the assumptions and estimates essentially concern the corporate planning, as well as the occurrence and implementation of various conditions. These estimates and assumptions are based on premises that reflect the knowledge available on the date when the financial statements are prepared. Although these assumptions and estimates are to the best the management's knowledge, the actual results could differ from those estimates.

Consideration of Earnings
Sales are posted at the date on which risk is transferred following delivery on the basis of the terms of sale, minus returns, volume and price discounts and value-added tax. Only the product sales resulting from ordinary business activities and the associated accessory services are recognized as sales. Earnings from services rendered are recognized in accordance with the degree of completion, if the amount of income can be reliably determined and receipt of the economic benefit can be expected. Other earnings are realized in accordance with the contractual agreements and on completion of the service.

Cash and Cash Equivalents
Cash and cash equivalents are defined as highly liquid investments with a maturity of three months or less when acquired. Cash balances may, at a limited number of banks and financial institutions, periodically exceed the Federal Depository Insurance Corporation ("FDIC") insurance coverage. The Company has not experienced any significant losses in such accounts and believes it is not exposed to any significant credit risk specifically associated with these accounts. As of December 31, 2020, there were no cash equivalents held by the Company.

Accounts Receivable
The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of December 31, 2020, there was no allowance recorded.

Inventories
Raw materials and supplies, as well as goods purchased for resale, are always measured at the lower of average cost of acquisition including incidental acquisition expenses or net proceeds from sale, as required by IAS 2.

The net revenue value is equal to the estimated proceeds from sale that can be realized in the ordinary course of business, minus the estimated costs up to completion and the estimated costs required for distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Disclosures
The fair value of financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates the carrying values, principally because of the short maturity of those items. The fair value of notes payable approximates the carrying value, principally because of the maturity dates of the notes and the current terms applicable to each item. There have been no changes in the methodologies used at December 31, 2020.

Financial and Other Assets
Financial assets essentially comprise liquid assets, securities, financial receivables and trade accounts receivable. The option of classifying financial assets as financial assets to be measured at fair value through profit or loss when recognized for the first time is not exercised.

In compliance with IAS 39, trade accounts receivable are classified as "loans and receivables issued by the company" and recognized at the amortized cost of acquisition using the effective interest rate method. Reasonable specific valuation allowances equal to the difference between the carrying amount of the asset and the present value of expected future cash flows are made for doubtful accounts receivable. The specific valuation allowances are recognized in a value adjustment account as soon as there are significant impairments. If the impairment decreases in subsequent periods, the valuation allowance is reversed, provided that the carrying amount does not exceed the amortized cost of acquisition following reversal. Impairment losses and their reversals are recognized as income in the consolidated income statement. Accounts receivable are derecognized when determined to be unrecoverable.

A financial asset is derecognized when the contractual right to cash inflows from the asset is satisfied, expires or all risks and rewards have essentially been transferred.

Financial assets are also derecognized if the essential risks and rewards associated with ownership are neither transferred to the acquirer nor retained as a result of transferring financial assets, and the power to dispose of the financial assets passes to the acquirer. The rights and duties arising or remaining after such transfer are recognized separately as an asset or liability. However, if the power to dispose of the transferred financial assets remains with the Company, the sold assets are still recognized in the amount of the continuing commitment. An associated liability is simultaneously posted under other liabilities. Differences between the assets and liabilities posted are recognized in the financial result.

Other assets are recognized at acquisition cost, liquid assets at their nominal value.

Property and Equipment
Property, plant and equipment is measured at acquisition or production cost in compliance with IAS 16, minus amortization, depreciation, and impairment losses. They are written down on a straight-line basis and pro rata temporis over their estimated useful economic lives.

Property, plant or equipment is derecognized either on disposal or when further use or sale of the asset is not expected to yield any further economic benefit. Gains or losses resulting from the disposal of assets are calculated as the difference between net proceeds from sale and carrying amount of the asset and recognized as income in the income statement in the period in which the asset is derecognized. Carrying amounts, useful life and amortization methods are reviewed at the end of each financial year and adjusted if required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade Accounts Payable and Other Liabilities

Trade accounts payable are recognized in the amount invoiced by the supplier. The deferred liabilities are carried as liabilities in the amount owed, sometimes in the amount estimated, and recognized under other liabilities. Lease payments under operating leases are recognized in the consolidated income statement as an expense by the straight-line method over the term of the lease. The other liabilities are shown at their repayment amounts.

A trade account payable or other liability is derecognized when the obligation underlying the liability is discharged, terminated or extinguished.

Other Provisions

Other provisions are set up in compliance with IAS 37 if a current - legal and constructive - obligation towards third parties is probable and can lead to a reliably estimated outflow of resources. Provision for expenditure is generally not formed.

Measurement is performed in the amount of the best estimate of the expenditure required to settle the obligation on the balance sheet date. Non-current provisions are recognized at their settlement value discounted to the balance sheet date in accordance with IAS 37, insofar as the effect from the interest rate is substantial. In the event of discounting, the increase in the provision due to the passage of time is recognized as a financial expense.

Financial Liabilities

The option of classifying financial liabilities as financial liabilities to be measured at fair value through profit or loss when recognized for the first time is not exercised. Financial liabilities essentially comprise shareholder loans, accounts payable to banks and other financial liabilities.

In compliance with IAS 39, financial liabilities are accounted for at their amortized cost of acquisition (financial liabilities measured at cost), which corresponds to the fair value of the consideration received, including transaction costs. Current financial liabilities regularly also include those non-current loans which have a remaining term of not more than one year. A financial liability is derecognized when the obligation underlying the liability is discharged, terminated or extinguished.

Advertising

The Company expenses advertising costs as they are incurred and includes them in selling expense. There were $49,509 in advertising expense for the year ended December 31, 2020.

Recently Issued Accounting Pronouncements

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing May 19, 2020 through December:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2020 reporting period and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

As required by IAS 12, income tax refunds and liabilities for the current and prior periods are measured in the expected amount of the refund from, or payment to, the tax authorities. Amounts are calculated on the basis of the tax rates and tax laws in force on the balance sheet date. Reported uncertain income tax items are estimated on the basis of the provisionally expected tax payments.

In addition, the deferred income tax reliefs or burdens to be calculated in compliance with IAS 12 from temporary differences between the carrying values recognized in the financial statements prepared according to IFRS and their local tax bases are recognized as either deferred tax assets or deferred tax liabilities. Deferred tax assets are additionally recognized on tax loss carryforwards if it is sufficiently probable that the resultant tax reliefs will actually occur in the future. The soundness of deferred tax assets on tax loss carryforwards is assessed on the basis of the tax planning for the next five years. Recognition of deferred tax assets also takes account of the existence of temporary differences to be taxed in conjunction with the same tax authorities and the same tax subject.

Deferred taxes are calculated on the basis of the tax rates in force at the time of realization or to be expected with reasonable probability according to the present legal situation. The carrying amount of deferred tax assets is checked on each closing date and reduced to the extent that adequate taxable income which can at least partly be set off against the deferred tax entitlement no longer appears probable. Unrecognized deferred tax entitlements are checked on each closing date and recognized to the extent that future taxable income makes realization of the deferred tax entitlement probable. Deferred tax assets and liabilities are netted when the conditions have been met for setting off taxes receivable against taxes payable.

In addition, deferred tax assets and liabilities are not recognized when they result from first-time recognition of goodwill or of an asset or liability associated with a transaction not relating to a business combination, and when such first-time recognition impacts neither the reported profit/loss before income taxes nor the taxable income.

Deferred taxes relating to items which are directly recognized in equity are reported in equity and not in the income statement.

Based on its analysis, Management has determined that the Company has incurred a liability for unrecognized tax benefits as of December 31, 2020. However, Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analysis of and changes to tax laws, regulations and interpretations thereof.

The U.S. tax jurisdiction, along with the relevant state jurisdictions are the major tax jurisdictions where the Company files income tax returns. Should any such interest or penalties be incurred, the Company's policy would be to recognize them as interest expense and other expenses, respectively. No interest expense or penalties have been assessed for the years ended December 31, 2020.

3. INVENTORIES

Inventories as of December 31, 2020 consisted of the following:

Wholesale food inventory	$ 386,962
Boxes and liners	20,759
Total Inventory, at Cost	$ 407,721

4. PROPERTY AND EQUIPMENT

Property and equipment, net are summarized as follows at December 31, 2020:

Machinery and equipment	$ 22,700
Commercial A/C units	3,000
	25,700
Less: accumulated depreciation	2,008
	$ 23,692

For the year ended December 31, 2020, depreciation expense amounted to $2,008.

5. NOTE PAYABLE

During 2020, the Company entered into an accounts receivable management and security agreement with Shopify Inc. (an affiliate of Shopify Capital Inc.) in order to secure the note advance financing. The borrowing base of the line of credit advanced was based on purchased receivables of $148,500 and resulted in $135,000 being advanced and requires a 17% remittance rate pursuant to the terms of the financing agreement. The note is secured by accounts receivable and inventory and also guaranteed by the stockholder. The outstanding balance on this note payable at December 31, 2020 was $121,174. The note is subject to reporting and financial related covenants and according to management, the Company was in compliance with all covenants as of December 31, 2020.

For the period from May 19, 2020 (Commencement of Operations) through December 31, 2020, the Company incurred interest expense of approximately $13,500 related to the note.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases
The Company leases office and warehouse facilities from a related company. The agreement is for a period of 1 year commencing on August 1, 2020. Base rental payments are $76,000 from May 19, 2020 (Commencement of Operations) through December 31, 2020.

At December 31, 2020, future minimum rental commitments under the non-cancelable lease are as follows:

Year Ending December 31,	
2021	$ 48,000
	$ 48,000

Rent expense under this non-cancelable operating lease for the period from May 19, 2020 (Commencement of Operations) through December 31, 2020 was approximately $28,000.

Litigation
The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. While the outcome of these claims cannot be predicted with certainty, management and general counsel of the Company do not believe the ultimate resolution of these matters will have a material adverse effect on the Company's financial position.

7. RELATED PARTY TRANSACTIONS

Due from/to Related Parties
The Company has amounts due from an affiliated entity for expenses paid on their behalf by the Company. As of December 31, 2020, the total amount due from the affiliated entity amounted to $18,175 and is included in due from related parties on the statement of financial position.

8. COVID-19

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. This pandemic event has resulted in significant business disruption and uncertainty in both global and U.S. markets. While the Company believe that it is in an appropriate position to sustain the potential short-term effects of these world-wide events, the direct and long-term impact to the Company and its financial statements is undetermined at this time.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 19, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, there were no subsequent events that required adjustment or disclosure in the financial statements from December 31, 2020 through the date the financial statements were available to be issued.

VEDGECO USA, INC.

ADDITIONAL INFORMATION
FOR THE PERIOD FROM MAY 19, 2020 (COMMENCEMENT OF OPERATIONS)
THROUGH DECEMBER 31, 2020

NET SALES		
Sales income	$	713,640
Returns and allowances		(66,313)
NET SALES	$	647,327
COST OF GOODS SOLD		
Cost of product	$	316,353
Picking and packing		70,115
Freight-in		16,107
TOTAL COST OF GOODS SOLD	$	402,575
SELLING EXPENSES		
Sales order processsing fees	$	20,950
Shipping and delivery		162,473
Warehousing		31,952
TOTAL SELLING EXPENSE	$	215,375
GENERAL AND ADMINISTRATIVE EXPENSES		
Bank and credit card fees	$	407
Consulting fees		20,000
Dues and subscriptions		750
Employee benefits		883
Depreciation		2,008
Lease and rent expense		28,000
Legal and professional fees		7,580
Office expense		15,578
Payroll tax expense		10,274
Salaries and wages		110,205
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	$	195,685

See independent auditor's report on additional information.

Schedule B – Unaudited interim consolidated financial statements of VEDGEco USA, Inc as at and for the nine months ended September 30, 2021.

MEISEL, TUTEUR & LEWIS, P.C.

VEDGECO USA, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

VEDGECO USA, INC.
SEPTEMBER 30, 2021

CONTENTS

MEISEL, TUTEUR & LEWIS, P.C.
Certified Public Accountants
Management Consultants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Stockholders and Board of Directors of
VEDGEco USA, Inc.

We have reviewed the accompanying statement of financial position of VEDGEco USA, Inc. as of September 30, 2021 and the related statements of operations and changes in stockholders' equity and cash flows for the nine months then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Meisel, Tuteur, & Lewis P.C.

MEISEL, TUTEUR & LEWIS, P.C.

Roseland, New Jersey
November 19, 2021

VEDGECO USA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021

ASSETS

NON-CURRENT ASSETS	
Property, plant and equipment (net)	$ 21,110
TOTAL NON-CURRENT ASSETS	21,110
CURRENT ASSETS	
Cash and cash equivalents	22,945
Accounts receivable	113,287
Inventories	450,053
Other current assets	8,084
TOTAL CURRENT ASSETS	594,369
TOTAL ASSETS	$ 615,479

STOCKHOLDERS' EQUITY AND LIABILITIES

STOCKHOLDERS' EQUITY	
Common stock, $0.00001 par value; 10,000,000 shares authorized, 3,975,000 shares issued and outstanding	$ -
Additional paid-in capital	1,373,875
Retained earnings (accumulated deficit)	(1,494,129)
TOTAL STOCKHOLDERS' EQUITY	(120,254)
CURRENT LIABILITIES	
Accounts payable	116,405
Accrued expenses and taxes	392
Other current liabilities	59,287
Due to shareholder	193,795
Notes payable	365,854
TOTAL CURRENT LIABILITIES	735,733
TOTAL LIABILITIES	735,733
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	$ 615,479

See independent accountant's review report and accompanying notes to the financial statements.

VEDGECO USA, INC.

STATEMENT OF OPERATIONS AND CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

NET SALES	$ 1,683,525
COST OF GOODS SOLD	1,496,083
GROSS PROFIT	187,442
OPERATING EXPENSES	
Advertising and marketing	107,565
Selling	494,778
General and administrative	813,151
TOTAL OPERATING EXPENSES	1,415,494
LOSS FROM OPERATIONS	(1,228,052)
OTHER INCOME (EXPENSE)	
Other income, net	-
Interest expense	(46,200)
TOTAL OTHER INCOME (EXPENSE)	(46,200)
INCOME TAX BENEFIT (EXPENSE)	-
NET LOSS	$ (1,274,252)
STOCKHOLDERS' EQUITY	
Beginning	343,998
Contributions	810,000
Ending	$ (120,254)

See independent accountant's review report and accompanying notes to the financial statements.

VEDGECO USA, INC.

STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$	(1,274,252)
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Depreciation and amortization		2,582
Changes in operating assets and liabilities:		
Accounts receivable		(104,482)
Due from related parties		18,175
Inventories		(42,332)
Accounts payable		74,841
Accrued expenses and taxes		(531)
Other current liabilities		44,993
Due to shareholder		193,795
TOTAL ADJUSTMENTS		178,957
NET CASH FLOWS FROM OPERATING ACTIVITIES		(1,095,295)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures		-
NET CASH FLOWS FROM INVESTING ACTIVITIES		-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from notes payable		244,680
Capital contributed		810,000
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,054,680
NET CHANGE IN CASH AND CASH EQUIVALENTS		(40,615)
CASH AND CASH EQUIVALENTS - BEGINNING		63,560
CASH AND CASH EQUIVALENTS - ENDING	$	22,945
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$	46,200
Income taxes paid	$	-

See independent accountant's review report and accompanying notes to the financial statements.

1. NATURE OF OPERATIONS

VEDGEco USA, Inc. (the "Company") was incorporated in 2020, pursuant to the laws of the State of Delaware. The Company is a plant-based wholesaler supplying to the lower 48 states and Hawaii. Launched nationally in 2020, the Company ships frozen plant-based products in bulk to the restaurant and wholesale food industry, as well as to consumers across the United States. The Company is headquartered in Kailua, Hawaii, and operates out of several locations nationwide.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). With regard to the structure of the statement of financial position, a classification has been made according to current and non-current assets and liabilities. Items not due within one year are recorded as non-current assets or liabilities.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements, including the estimated useful life of the property and equipment, valuation allowances on trade accounts receivable, and the amount of assets, liabilities, income, expenses, and contingent liabilities during the reporting period. When assuming a going concern, the assumptions and estimates essentially concern the corporate planning, as well as the occurrence and implementation of various conditions. These estimates and assumptions are based on premises that reflect the knowledge available on the date when the financial statements are prepared. Although these assumptions and estimates are to the best the management's knowledge, the actual results could differ from those estimates.

Consideration of Earnings

Sales are posted at the date on which risk is transferred following delivery on the basis of the terms of sale, minus returns, volume and price discounts and value-added tax. Only the product sales resulting from ordinary business activities and the associated accessory services are recognized as sales. Earnings from services rendered are recognized in accordance with the degree of completion, if the amount of income can be reliably determined and receipt of the economic benefit can be expected. Other earnings are realized in accordance with the contractual agreements and on completion of the service.

Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with a maturity of three months or less when acquired. Cash balances may, at a limited number of banks and financial institutions, periodically exceed the Federal Depository Insurance Corporation ("FDIC") insurance coverage. The Company has not experienced any significant losses in such accounts and believes it is not exposed to any significant credit risk specifically associated with these accounts. As of September 30, 2021, there were no cash equivalents held by the Company.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of September 30, 2021, there was no allowance recorded.

Inventories

Raw materials and supplies, as well as goods purchased for resale, are always measured at the lower of average cost of acquisition including incidental acquisition expenses or net proceeds from sale, as required by IAS 2.

The net revenue value is equal to the estimated proceeds from sale that can be realized in the ordinary course of business, minus the estimated costs up to completion and the estimated costs required for distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Disclosures

The fair value of financial instruments including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates the carrying values, principally because of the short maturity of those items. The fair value of notes payable approximates the carrying value, principally because of the maturity dates of the notes and the current terms applicable to each item. There have been no changes in the methodologies used at September 30, 2021.

Financial and Other Assets

Financial assets essentially comprise liquid assets, securities, financial receivables and trade accounts receivable. The option of classifying financial assets as financial assets to be measured at fair value through profit or loss when recognized for the first time is not exercised.

In compliance with IAS 39, trade accounts receivable are classified as "loans and receivables issued by the company" and recognized at the amortized cost of acquisition using the effective interest rate method. Reasonable specific valuation allowances equal to the difference between the carrying amount of the asset and the present value of expected future cash flows are made for doubtful accounts receivable. The specific valuation allowances are recognized in a value adjustment account as soon as there are significant impairments. If the impairment decreases in subsequent periods, the valuation allowance is reversed, provided that the carrying amount does not exceed the amortized cost of acquisition following reversal. Impairment losses and their reversals are recognized as income in the consolidated income statement. Accounts receivable are derecognized when determined to be unrecoverable.

A financial asset is derecognized when the contractual right to cash inflows from the asset is satisfied, expires or all risks and rewards have essentially been transferred.

Financial assets are also derecognized if the essential risks and rewards associated with ownership are neither transferred to the acquirer nor retained as a result of transferring financial assets, and the power to dispose of the financial assets passes to the acquirer. The rights and duties arising or remaining after such transfer are recognized separately as an asset or liability. However, if the power to dispose of the transferred financial assets remains with the Company, the sold assets are still recognized in the amount of the continuing commitment. An associated liability is simultaneously posted under other liabilities. Differences between the assets and liabilities posted are recognized in the financial result.

Other assets are recognized at acquisition cost, liquid assets at their nominal value.

Property and Equipment

Property, plant and equipment is measured at acquisition or production cost in compliance with IAS 16, minus amortization, depreciation, and impairment losses. They are written down on a straight-line basis and pro rata temporis over their estimated useful economic lives.

Property, plant or equipment is derecognized either on disposal or when further use or sale of the asset is not expected to yield any further economic benefit. Gains or losses resulting from the disposal of assets are calculated as the difference between net proceeds from sale and carrying amount of the asset and recognized as income in the income statement in the period in which the asset is derecognized. Carrying amounts, useful life and amortization methods are reviewed at the end of each financial year and adjusted if required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade Accounts Payable and Other Liabilities

Trade accounts payable are recognized in the amount invoiced by the supplier. The deferred liabilities are carried as liabilities in the amount owed, sometimes in the amount estimated, and recognized under other liabilities. Lease payments under operating leases are recognized in the consolidated income statement as an expense by the straight-line method over the term of the lease. The other liabilities are shown at their repayment amounts.

A trade account payable or other liability is derecognized when the obligation underlying the liability is discharged, terminated or extinguished.

Other Provisions

Other provisions are set up in compliance with IAS 37 if a current - legal and constructive - obligation towards third parties is probable and can lead to a reliably estimated outflow of resources. Provision for expenditure is generally not formed.

Measurement is performed in the amount of the best estimate of the expenditure required to settle the obligation on the balance sheet date. Non-current provisions are recognized at their settlement value discounted to the balance sheet date in accordance with IAS 37, insofar as the effect from the interest rate is substantial. In the event of discounting, the increase in the provision due to the passage of time is recognized as a financial expense.

Financial Liabilities

The option of classifying financial liabilities as financial liabilities to be measured at fair value through profit or loss when recognized for the first time is not exercised. Financial liabilities essentially comprise shareholder loans, accounts payable to banks and other financial liabilities.

In compliance with IAS 39, financial liabilities are accounted for at their amortized cost of acquisition (financial liabilities measured at cost), which corresponds to the fair value of the consideration received, including transaction costs. Current financial liabilities regularly also include those non-current loans which have a remaining term of not more than one year. A financial liability is derecognized when the obligation underlying the liability is discharged, terminated or extinguished.

Advertising

The Company expenses advertising costs as they are incurred and includes them in selling expense. There were $107,565 in advertising expense for the nine months ending September 30, 2021.

Recently Issued Accounting Pronouncements

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2021 through September 30, 2021:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2021 reporting period and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

As required by IAS 12, income tax refunds and liabilities for the current and prior periods are measured in the expected amount of the refund from, or payment to, the tax authorities. Amounts are calculated on the basis of the tax rates and tax laws in force on the balance sheet date. Reported uncertain income tax items are estimated on the basis of the provisionally expected tax payments.

In addition, the deferred income tax reliefs or burdens to be calculated in compliance with IAS 12 from temporary differences between the carrying values recognized in the financial statements prepared according to IFRS and their local tax bases are recognized as either deferred tax assets or deferred tax liabilities. Deferred tax assets are additionally recognized on tax loss carryforwards if it is sufficiently probable that the resultant tax reliefs will actually occur in the future. The soundness of deferred tax assets on tax loss carryforwards is assessed on the basis of the tax planning for the next five years. Recognition of deferred tax assets also takes account of the existence of temporary differences to be taxed in conjunction with the same tax authorities and the same tax subject.

Deferred taxes are calculated on the basis of the tax rates in force at the time of realization or to be expected with reasonable probability according to the present legal situation. The carrying amount of deferred tax assets is checked on each closing date and reduced to the extent that adequate taxable income which can at least partly be set off against the deferred tax entitlement no longer appears probable. Unrecognized deferred tax entitlements are checked on each closing date and recognized to the extent that future taxable income makes realization of the deferred tax entitlement probable. Deferred tax assets and liabilities are netted when the conditions have been met for setting off taxes receivable against taxes payable.

In addition, deferred tax assets and liabilities are not recognized when they result from first-time recognition of goodwill or of an asset or liability associated with a transaction not relating to a business combination, and when such first-time recognition impacts neither the reported profit/loss before income taxes nor the taxable income.

Deferred taxes relating to items which are directly recognized in equity are reported in equity and not in the income statement.

Based on its analysis, Management has determined that the Company has incurred a liability for unrecognized tax benefits as of September 30, 2021. However, Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analysis of and changes to tax laws, regulations and interpretations thereof.

The U.S. tax jurisdiction, along with the relevant state jurisdictions are the major tax jurisdictions where the Company files income tax returns. Should any such interest or penalties be incurred, the Company's policy would be to recognize them as interest expense and other expenses, respectively. No interest expense or penalties have been assessed for the years ended September 30, 2021.

3. INVENTORIES

Inventories as of September 30, 2021 consisted of the following:

Wholesale food inventory	$ 410,428
Boxes and liners	39,625
Total Inventory, at Cost	$ 450,053

4. PROPERTY AND EQUIPMENT

Property and equipment, net are summarized as follows at September 30, 2021:

Machinery and equipment	$	22,700
Commercial A/C units		3,000
		25,700
Less: accumulated depreciation		4,590
	$	21,110

For the nine months ending September 30, 2021, depreciation expense amounted to $2,582.

5. NOTES PAYABLE

During 2020, the Company entered into an accounts receivable management and security agreement with Shopify Inc. (an affiliate of Shopify Capital Inc.) in order to secure the note advance financing. The borrowing base of the line of credit advanced was based on purchased receivables of $148,500 and resulted in $135,000 being advanced and requires a 17% remittance rate pursuant to the terms of the financing agreement. The note is secured by accounts receivable and inventory and also guaranteed by the stockholder. The outstanding balance on this note payable at September 30, 2021 was $194,349. The note is subject to reporting and financial related covenants and according to management, the Company was in compliance with all covenants as of September 30, 2021.

During 2021, the Company entered into separate accounts receivable & inventory management and security agreements with CFT Clear Finance Technology Corp. in order to secure the note advance financing. For the accounts receivable financing arrangement, the borrowing base of the line of credit advanced was based on purchased receivables of $89,040 and resulted in $79,500 being advanced and requires quarterly disbursements through March 7, 2022 pursuant to the terms of the financing agreement. For the accounts receivable financing arrangement, the borrowing base of the line of credit advanced was based on purchased receivables of $224,720 and resulted in $212,000 being advanced and requires quarterly disbursements through March 7, 2022 pursuant to the terms of the financing agreement. The notes are secured by accounts receivable and inventory and also guaranteed by the stockholder. The total outstanding balance on these notes payable at September 30, 2021 were $71,505. The notes are subject to reporting and financial related covenants and according to management, the Company was in compliance with all covenants as of September 30, 2021.

On September 15, 2021, the Company was granted a revolving credit facility from an unrelated individual with a maximum borrowing limit of $500,000 pursuant to the terms of the financing agreement. The credit facility, which was in the form of a revolving note dated September 15, 2021 issued by the lender, matures on September 14, 2022 and bears interest at a rate of 10.00% per annum, payable quarterly commencing on January 1, 2022. The Lender shall advance to the Company such sums the Company requests from time-to-time as borrower from and after September 15, 2021 and prior to the maturity date pursuant to the terms of the financing agreement. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. The outstanding balance on this note payable at September 30, 2021 was $100,000. The note is subject to reporting and financial related covenants and according to management, the Company was in compliance with all covenants as of September 30, 2021.

The following is a summary of maturities due on notes payable:

Year Ending December 31,		
2022	$	365,854
	$	365,854

For the nine months ending September 30, 2021, the Company incurred interest expense of approximately $46,200 related to the notes.

6. COMMITMENTS AND CONTINGENCIES

Operating Leases
The Company leases office and warehouse facilities. The agreement is for a period of 1 year commencing on September 1, 2021. Base rental payments under the current lease amounted to $5,688 for the nine months ending September 30, 2021.

At September 30, 2021, future minimum rental commitments under the non-cancelable lease are as follows:

Year Ending December 31,	
2022	$ 65,516
	$ 65,516

Rent expense under this non-cancelable operating lease for the nine months ending September 30, 2021 was approximately $53,956.

Litigation
The Company is exposed to various asserted and unasserted potential claims encountered in the normal course of business. While the outcome of these claims cannot be predicted with certainty, management and general counsel of the Company do not believe the ultimate resolution of these matters will have a material adverse effect on the Company's financial position.

7. RELATED PARTY TRANSACTIONS

Due from/to Related Parties
The Company has amounts due from an affiliated entity for expenses paid on their behalf by the Company. As of September 30, 2021, the Company did not have any balances due from or due to the affiliated entity.

Due to Shareholder
During 2021, the Company was advanced funds from the Company's principal shareholder. The funds were advanced to the Company to finance operations under agreed-upon arrangements. Amounts due are non-interest bearing and due on demand. The total outstanding balance on these shareholder advances at September 30, 2021 was $193,795.

8. COVID-19

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. This pandemic event has resulted in significant business disruption and uncertainty in both global and U.S. markets. While the Company believe that it is in an appropriate position to sustain the potential short-term effects of these world-wide events, the direct and long-term impact to the Company and its financial statements is undetermined at this time.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through November 19, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, there were no subsequent events that required adjustment or disclosure in the financial statements from September 30, 2021 through the date the financial statements were available to be issued.

Certified Public Accountants
Management Consultants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT
ON ADDITIONAL INFORMATION

To the Stockholders and Board of Directors of
VEDGEco USA, Inc.

Our report on our review of the basic financial statements of VEDGEco USA, Inc. for the nine months ending September 30, 2021 appears on page 1. The objective of that review was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modifications that should be made to the financial statements for them to be in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The additional information included in the following pages are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the information. We have not audited the information and, accordingly, do not express an opinion on such information.

Meisel, Tuteur, & Lewis P.C.

MEISEL, TUTEUR & LEWIS, P.C.

Roseland, New Jersey
November 19, 2021

VEDGECO USA, INC.

ADDITIONAL INFORMATION

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

NET SALES		
Sales income	$	1,931,575
Returns and allowances		(248,050)
NET SALES	$	1,683,525
COST OF GOODS SOLD		
Cost of product	$	1,174,651
Picking and packing		179,127
Other inventory costs		37,035
Freight-in		105,270
TOTAL COST OF GOODS SOLD	$	1,496,083
SELLING EXPENSES		
Sales order processsing fees	$	50,964
Shipping and delivery		362,025
Warehousing		81,789
TOTAL SELLING EXPENSE	$	494,778
GENERAL AND ADMINISTRATIVE EXPENSES		
Bank and credit card fees	$	602
Dues and subscriptions		5,169
Employee benefits		29,804
Depreciation		2,582
Donations		18,018
Lease and rent expense		53,956
Legal and professional fees		19,812
Office expense		67,106
Payroll tax expense		49,752
Salaries and wages		547,078
Travel and trade show expense		19,272
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	$	813,151

See independent accountant's review report on additional information.