



**RISK & FORWARD LOOKING STATEMENTS DISCLOSURES
OF
VBC HOLDING CORP INC.**

(As Amended February 20, 2023)

In the effort and spirit of transparency, accountability, clarity, and disclosure, the Board of Directors of VBC Holding Corp Inc. (“**VBCHC**” or the “**Company**”) feel it important that the following disclosures regarding forward-looking statements and further, disclosures related to certain risks associated with VBCHC, it’s Executive Officers and directors be disclosed. These risk & forward looking statements disclosures (the “**Disclosures** ”) were adopted as of August 9, 2022 (the “**Effective Date**”), initially amended as of September 12, 2022 and further amended as of November 10, 2022 and January 09, 2023 (the “**Amendment Dates**”).

I. Forward Looking Statements

- 1.** Currently, VBCHC has one member on its Board of Directors and one Executive Officer. The current member of VBCHC’s Board of Directors is Fredrick D. Scott and the current Executive Officer is Fredrick D. Scott. VBCHC anticipates and intends to augment its Board of Directors and Executive Officer staff after it closes its SEED round of funding.

- 2.** Given the current composition of the VBCHC Board of Directors and Executive Officers, we disclose the following Governance Documents as forward looking statements of what VBCHC intends to do once VBCHC closes its SEED round and the VBCHC Board of Directors and Executive Officer team has been sufficiently augmented to implement the practices outlined therein:
 - Corporate Governance Guidelines
 - Code of Conduct
 - Audit & Risk Oversight Committee Charter
 - Compensation, Nominating & Governance Committee Charter
 - Privacy Committee Charter
 - Financial Risk Policy
 - Stock Ownership Guidelines
 - Our Approach to Tax Policy

- 3.** The implementation of the above referenced documents in point 2 of this disclosure document is HIGHLY dependent on VBCHC’s ability to successfully reach the target raise threshold in its SEED round raising efforts. If VBCHC is unable to successfully reach its target raise threshold, there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above



referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.

4. The implementation of the above referenced documents in point 2 of this disclosure document is HIGHLY dependent on VBCHC's ability to successfully attract and retain qualified talent for its Board of Directors and Executive Officer staff. If VBCHC is unable to successfully attract and retain qualified talent for its Board of Directors and Executive Officer staff, there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.
5. The implementation of the above referenced documents in point 2 of this disclosure document is HIGHLY dependent on VBCHC's ability to successfully attract and retain qualified third-party support via consultants and advisors (ex. legal counsel, PCAOB auditing firm, privacy advisors, investor relations advisors, governance advisors etc...). If VBCHC is unable to successfully attract and retain qualified third-party support via consultants and advisors (ex. legal counsel, PCAOB auditing firm, privacy advisors, investor relations advisors, governance advisors etc...), there is a high probability that it will not be able to effectively implement the corporate governance practices and strategies outlined in the above referenced documents in point 2 of this disclosure document. As such, VBCHC's corporate governance strategies, practices and implementation plans may change drastically and materially in comparison to what has been outlined in the above referenced documents in point 2 of this disclosure document.

II. Risk Factors

1. **Risk of Loss.** An investor in VBCHC could incur substantial, or even total, losses on an investment in VBCHC. Investing in VBCHC, an early-stage company, is only suitable for persons and entities willing to accept this high level of risk.
2. **No Operating History.** VBCHC is a recently formed entity and has no operating history upon which prospective investors can evaluate its likely performance. There can be no assurance that VBCHC will achieve its company objectives.
3. **Pre-Revenue Start-Up.** VBCHC is considered an early-stage startup company and further, is currently pre-profit and pre-revenue. As a result of VBCHC's early-stage, pre-revenue



startup company status, investing in VBCHC represents a significantly higher risk relative to similar investment opportunities in the same asset class (i.e. an early-stage startup company that is post-revenue) and therefore, an investor in VBCHC has a significantly higher potential of incurring substantial, or even total, losses on an investment in VBCHC.

- 4. Limited Reporting.** VBCHC intends to provide quarterly unaudited reports of its activity. As a result, investors in VBCHC will not be able to evaluate VBCHC's activity at shorter intervals. VBCHC intends to publish audited financial at the end of each calendar year. It should be noted that VBCHC's ability to implement its intended reporting standards is HIGHLY dependent on its ability to achieve the objectives outlined in the forward looking statements disclosures of this document. If VBCHC is unsuccessful in achieving the objectives outlined in the forward looking statements disclosures of this document, its intended reporting standards may change materially and as a result, VBCHC's reporting of its activities may be substantially less frequent or not reported at all.
- 5. Dependence on Key Personnel.** VBCHC is dependent on the services of its principals and key personnel. The success of VBCHC will depend to a great extent on the skills of Fredrick D. Scott. VBCHC could be adversely affected if, because of illness, resignation or other factors, the services of Mr. Scott were not available for any significant period of time.
- 6. Founder Risk.** On September 13, 2013, Fredrick D. Scott (who is the Founder, Chairman of the Board and CEO of VBCHC) pled guilty to a prosecutor's information and was convicted of one count of Conspiracy to Commit Wire Fraud and one count of Making a Materially False Statement to the Securities and Exchange Commission. As a result of Mr. Scott's September 13, 2013 plea and conviction, in conjunction with his relationship and association with VBCHC, it may be substantially more difficult for VBCHC to raise capital, meet the target raise threshold of its SEED round, attract and retain qualified talent and as a result, ultimately find success as an organization.
- 7. Lack of Liquidity and Transferability.** Investors should be aware that the securities offered by VBCHC may have limited liquidity in the market. VBCHC's securities are not listed on any public exchange, and there is currently no established trading market for them. Consequently, investors should anticipate challenges in selling, purchasing, or otherwise transferring their securities, and there may be a substantial delay in finding willing buyers. Additionally, the transferability of securities issued by VBCHC may be restricted by applicable federal and state securities laws, as well as by the terms and conditions of our governing documents. In some instances, certain investors may be subject to lock-up agreements or other contractual restrictions that prevent the sale or transfer of their securities for a specified period.



- 8. Volatility and Price Fluctuations.** Due to the lack of an active trading market and limited liquidity, the price of our securities may experience significant fluctuations, which may not necessarily reflect the intrinsic value of VBCHC. Investors should be aware that the market price of our securities may be influenced by factors beyond our control, such as general market conditions, industry trends, economic performance, and investor sentiment.
- 9. Future Regulatory Change is Impossible to Predict.** The securities market is subject to comprehensive statutes, and regulatory requirements. In addition, the SEC, and the exchanges are authorized to take extraordinary actions in the event of a market emergency. The regulation of securities both inside and outside the United States is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on VBCHC is impossible to predict, but could be substantial and adverse.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in VBCHC. Prospective investors should consult with their own advisers and legal counsel before deciding whether to invest in VBCHC. In addition, as VBCHC continues to operate, grow and scale, its organizational strategies, practices, programs and policies may develop, evolve and/or change over time. As a result, an investment in VBCHC may be subject to additional and different risk factors.

The Board of Directors will periodically but no less than annually review these Risk & Forward Looking Statements Disclosures. The Board may amend these Risk & Forward Looking Statements Disclosures provided that any such modification may not be a violation of any applicable law, rule or regulation, and, provided further, that any such modification is appropriately disclosed.