

Funky Fields, LLC
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022



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Management's Statement

Statement by management

In connection with the accompanying Combined Balance Sheets as of December 31, 2023 and 2022 and the related Combined Statements of Income and Comprehensive Income and Combined Statements of Changes in Equity for the Years ended December 31, 2023 and 2022, we have, on areas which are difficult to audit, given written confirmation concerning matters of material significance to the combined financial statements. These combined financial statements present the financial position and results of operations in conformity with the Danish Financial Statements Act. We have responded fully and truthfully to all inquiries made to us by the auditors.

Delaware, 4th of July 2024

Executive Board


Christian Peter Serrano Nøhr
Manager and principal



Damgade 6 · DK 6100 · Denmark

Auditors' Report on Compilation of Financial Statements

To the Management of FUNKY FIELDS, LLC

We have compiled the accompanying financial statements of FUNKY FIELDS LLC for the financial year 1 January 2023 - 31 December 2023 based on the information you have provided.

These financial statements comprise a summary of significant accounting Policies, income statement, balance sheet, statement of change in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the rules of presentation in the Danish Financial Statement Act. We have complied with relevant requirements under the Danish Act on Approved auditors and Audit Firms and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

The Financial Statement and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Accounts Act.

Our report is solely prepared for use of the directors of FUNKY FIELDS LLC and should not be distributed to other parties.

Haderslev, 4th of July 2024

2+ Revision Statsautoriseret Revisionsanpartsselskab
CVR-no. 39701863


Per Kristensen
State Authorised Public Accountant
Inne33209


Statsautoriserede Revisorer ApS
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Company details

Company	Funky Fields, LLC 2177 Centerville Road, Suite 400 Wilmington, County of New Castle Delaware, 19808 U.S.A.
Ownership	Funky Fields, LLC is Wholly owned by Nohr Holdings Aps. Of Denmark CVR.no.: 31 36 82 35 Damgade 6, 2 6100 Haderslev
Telephone	+45 30 58 62 12
email	Christian@funkyfields.com
Executive Board	Christian Peter Serrano Nøhr, Manager
Branches	Funky Fields, Denmark Funky Fields, UAE

Management's review

The entity's principal activities

The entity's principal activities consist of wholesale of dairy products.

Development in activities and the financial situation

The entity's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of USD 1,779,357 and the Balance Sheet at 31 December 2023 a balance sheet total of USD 15,186,575 and an equity of USD 4,288,030

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Income Statement

	Note	2023 USD	2022 USD
Revenue		27,754,905	96,382,803
Cost of raw materials and consumables		-23,112,821	-88,845,927
GROSS PROFIT I		4,642,084	7,536,876
Staff cost	1	-229,372	-280,098
GROSS PROFIT II		4,412,712	7,256,778
Selling cost		-61,715	-92,419
Cost of Premises		-155,831	-20,251
Vehicle expenses		-44,562	-62,576
Administrative expenses		-118,903	-144,576
Other external cost		-381,011	-319,822
PROFIT BEFORE DEPRECIATION		4,031,701	6,936,956
Depreciation and Amortization of and impairment losses on intangible assets and property, plant and equipment		-1,138	-2,304
Profit from ordinary operating activities		4,030,563	6,934,652
Income from investments in group enterprises and associates		-66,553	0
Financial income		859,074	1,593,444
Financial expenses		-1,326,423	-7,822,284
Profit from ordinary activities before tax		1,778,513	705,812
Current tax expense	2	-55,403	-158,663
Profit		1,723,110	547,149
Proposed distribution of results			
Retained earnings		1,723,110	547,149
Distribution of profit		1,723,110	547,149

Balance Sheet as of 31 December

	Note	2023 USD	2022 USD
Assets			
Fixtures, fittings, tools and equipment	3	216,825	0
Leasehold improvements		42,311	0
Property, plant and equipment		<u>259,136</u>	<u>0</u>
Fixed assets		<u>259,136</u>	<u>2,457</u>
Manufactured goods and goods for resale		5,674,125	12,508,019
Inventories		<u>5,674,125</u>	<u>12,508,19</u>
Short-term trade receivables		5,243,850	6,572,442
Short-term receivables from group enterprises		2,243,010	1,973,559
Current deferred tax		0	8,628
Other short-term receivables		846.355	44,260
Receivables		<u>8,333,215</u>	<u>8,598,889</u>
Cash and cash equivalents		<u>920,099</u>	<u>601,702</u>
Current assets		<u>14,927,439</u>	<u>21,708,609</u>
Assets		<u>15,186,575</u>	<u>21,708,609</u>

Balance Sheet as of 31 December

	Note	2023 USD	2022 USD
Liabilities and equity			
Contributed capital		50,000	50,000
Retained earnings		4,238,030	2,514,920
Equity		<u>4,288,030</u>	<u>2,564,920</u>
Debt to banks		3,164	2,258,215
Prepayments received from customers		54,290	108,445
Trade payables		10,796,010	15,598,811
Tax payables to group enterprises		21,701	0
Other payables		17,383	5,499
Deferred income, liabilities		0	1,172,519
Short-term liabilities other than provisions		<u>10,892,548</u>	<u>19.143.689</u>
Liabilities other than provisions within the business		<u>10,892,548</u>	<u>19.143.689</u>
Liabilities and equity		<u>15,186,575</u>	<u>21.708.609</u>
Contingent liabilities	4		
Collaterals and assets pledges as security	5		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	50,000	2,514,920	2,564,920
Profit (loss)	0	1,723,110	547.149
Equity 31 December 2023	50,000	4,238,030	4,288,030

Accounting Policies

Reporting Class

The annual report of FUNKY FIELDS LLC for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A.

The Company has also decided to follow the class B and C rules on management's review .

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in US Dollars.

General information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the term. Amortized cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortization of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Accounting Policies

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Amortisation and impairment of tangible and intangible assets

Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0%

Profit or loss resulting from the sale of intangible assets or property, plant and equipment is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the income statement under other operating income or expenses.

Financial income and expenses

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on net profit for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Inventories are measured at cost on the basis of the FIFO principle. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Accounting Policies

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Deferred tax

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is nonamortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Liabilities

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Notes

	2023	2022
1. Employee benefits expense		
Wages and salaries	210,480	252,306
Post-employment benefit expense	22,435	20,552
Social security contributions	2,203	1,777
Other employee expense	4,431	5,463
	<u>229,372</u>	<u>280,098</u>
 Average number of employees	 <u>3</u>	 <u>3</u>
2. Tax expense		
Corporate tax	40,486	0
Change in deferred tax	14,917	158,663
	<u>55,403</u>	<u>158,663</u>
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	34,749	34,749
Addition during the year, incl. improvements	217,963	0
Cost at the end of the year	<u>252,712</u>	<u>34,749</u>
 Depreciation and amortisation at the beginning of the year	 -34,749	 -32,292
Amortisation for the year	-1,138	-2,457
Impairment losses and amortisation at the end of the year	<u>-35,887</u>	<u>-34,749</u>
 Carrying amount at the end of the year	 <u>216,825</u>	 <u>0</u>

4. Contingent liabilities

The enterprise has concluded a lease agreements of office space and storage room with terms to maturity of 12 months and average lease payments of t.DKK 6, a total of t.DKK 80.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.