

FUNKY FIELDS, LLC
COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2021 AND 2020



Certified Public Accountants Business Consultants

TABLE OF CONTENTS

	PAGE
MANAGEMENT AND AUDITOR STATEMENTS	1
INDEPENDENT AUDITOR'S REPORT	2 – 4
MANAGEMENT'S REVIEW	5
COMBINED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020	6
COMBINED BALANCE SHEETS DECEMBER 31, 2021 AND 2020	7 – 8
COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020	9
NOTES TO COMBINED FINANCIAL STATEMENTS	10 – 22

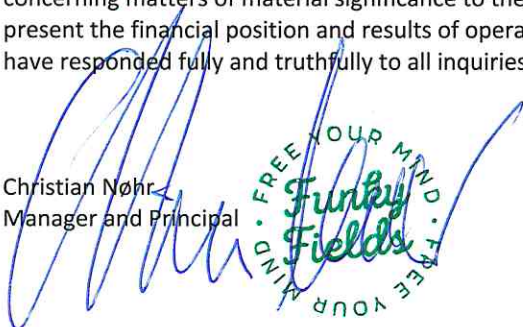


MANAGEMENT AND AUDITOR STATEMENTS

Statement by Management

In connection with the accompanying Combined Balance Sheets as of December 31, 2021 and 2020 and the related Combined Statements of Income and Comprehensive Income and Combined Statements of Changes in Equity for the years ended December 31, 2021 and 2020, 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.

Christian Nøhr
Manager and Principal



Statement by Auditor (U.S.)

We have audited Funky Fields, LLC and issued our Independent Auditor's Report dated June 3, 2022. We have relied on the report of the other auditors, whose report dated May 10, 2022, insofar as the combined financial statements include amounts for the Denmark branch. We have presented in the financial statements the combination of the Denmark and U.S. activity of Funky Fields, LLC. In our opinion, the combined financial statements give a true and fair view of the Company's financial position at December 31, 2021 and 2020 and of the results of the Company's operations for the years ended December 31, 2021 and 2020 in accordance with the Danish Financial Statements Act.

LB Carlson, LLP
LB Carlson, LLP
Certified Public Accountants
Minneapolis, Minnesota, U.S.A.

June 3, 2022



INDEPENDENT AUDITOR'S REPORT

Funky Fields, LLC
Wilmington, County of New Castle
Delaware 19808 U.S.A.

Opinion

We have audited the accompanying combined financial statements of Funky Fields, LLC (a combination of the Denmark and U.S. branches), which comprise the Combined Balance Sheets as of December 31, 2021 and 2020, and the related Combined Statements of Income and Comprehensive Income and Combined Statements of Changes in Equity for the years then ended, and the related notes to the combined financial statements. The combined financial statements have been prepared in accordance with the Danish Financial Statements Act which is generally accepted in Denmark.

In our opinion, based on our audits and the reports of the other auditors, the combined financial statements give a true and fair view of the Funky Fields, LLC's financial position as of December 31, 2021 and 2020, and the results of its operations for the years then ended in accordance with the Danish Financial Statements Act.

Basis of Opinion

We conducted our audit in accordance with the auditing standard generally accepted in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Combined Financial Statements" section of our report. We are independent of the Funky Fields, LLC in accordance with ethical requirements that are relevant to our audit of the combined financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, Management is responsible for assessing Funky Field, LLC's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the combined financial statements unless Management either intends to liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Combined Financial Statements

Our responsibility is to obtain reasonable assurance as to whether the combined financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with the Danish Financial Statements Act will always detect material misstatements. Misstatement can arise from fraud or error and can be considered material if it would be reasonable to expect that these, either individually or collectively, could influence the economic decisions taken by the users of the combined financial statements on the basis of these combined financial statements.

We did not audit the financial statements of the Denmark branch for the years ended December 31, 2021 and 2020. The Denmark branch statements reflect total assets of \$15,892,156 and \$7,028,997 as of December 31, 2021 and 2020, respectively, and total revenues of \$21,593,062 and \$8,628,675 for the years ended December 31, 2021 and 2020, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Denmark branch, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in Denmark. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

As part of an audit conducted in accordance with Danish Financial Statements Act, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements in the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, internal omission, misrepresentations or override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 Funky Fields, LLC's internal control.
- Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and related disclosures made by Management are reasonable.
- Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists related to events or conditions, which could cast significant doubt on the Funky Field, LLC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- Evaluate the overall presentation, structure and contents of the combined financial statements, including note disclosures, and whether the combined financial statements reflect the underlying transactions and events in a manner that give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which we identify during our audit.

Statement on Management's Review

Management is responsible for the management's review.

Our opinion on the combined financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility, in connection with our audit of the combined financial statement, is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the combined financial statement or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirement in the Danish Financial Statement Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the combined financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Respectfully submitted,


LB Carlson, LLP
Minneapolis, Minnesota, U.S.A. 

June 3, 2022

**FUNKY FIELDS, LLC
COMPANY DETAILS AND MANAGEMENT'S REVIEW
DECEMBER 31, 2021**

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 which is wholly owned by its single stockholder, Christian Nøhr: c/o Funky Fields, MEA ONE JLT, 5 th Floor, DMCC Dubai, UAE
Telephone	971 056 691 6023
E-Mail	christian@funkyfields.com
Executive Board	Christian Nøhr, Manager

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 Combined Statement of Income and Comprehensive Income for the financial year January 1, 2021 through December 31, 2021, shows a profit before taxes of \$1,126,157. The Combined Balance Sheet at December 31, 2021 shows total assets of \$15,532,419 and total equity of \$2,018,889.

Post Financial Year Events

After the end of the financial year, no events have occurred which may substantially change the financial position of the Company except that the entity has reactivated its Dubai branch and will once again have activity in that branch during 2022.

FUNKY FIELDS, LLC
COMBINED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Note	Year Ended December 31, 2021	2020
Revenue	4	\$ 21,593,062	\$ 8,628,675
Cost of Raw Materials and Consumables	5	<u>19,209,849</u>	<u>7,874,452</u>
GROSS PROFIT I		2,383,213	754,223
Staff Costs	6	<u>292,615</u>	<u>237,230</u>
GROSS PROFIT II		<u>2,090,598</u>	<u>516,993</u>
Other External Expenses			
Selling Costs	7	59,294	36,124
Vehicle Expenses	8	66,521	16,489
Cost of Premises	9	23,261	14,600
Administrative Expenses	10	235,999	40,802
Total Other External Expenses		<u>385,075</u>	<u>108,015</u>
PROFIT BEFORE DEPRECIATION, AMORTIZATION, WRITE-DOWNS AND IMPAIRMENT LOSSES		1,705,523	408,978
Depreciation and Amortization of and Impairment Losses on Intangible Assets and Property, Plant and Equipment		<u>4,010</u>	<u>3,861</u>
PROFIT BEFORE NET FINANCIALS		<u>1,701,513</u>	<u>405,117</u>
Financial Income		-	187,463
Financial Expenses	11	(575,356)	(58,362)
TOTAL NET FINANCIALS		<u>(575,356)</u>	<u>129,101</u>
PROFIT BEFORE TAXES		1,126,157	534,218
Tax on Profit for the Year	12	<u>196,110</u>	<u>(221,324)</u>
NET PROFIT FOR THE YEAR		930,047	755,542
OTHER COMPREHENSIVE INCOME (LOSS)		<u>(111,066)</u>	<u>87,475</u>
COMPREHENSIVE INCOME		<u>\$ 818,981</u>	<u>\$ 843,017</u>
PROPOSED APPROPRIATION ACCOUNT			
Distributions		<u>-</u>	<u>(63,322)</u>
Retained Earnings		<u>\$ 818,981</u>	<u>\$ 779,695</u>

See accompanying Notes to Combined Financial Statements.

FUNKY FIELDS, LLC
COMBINED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

ASSETS

	Note	December 31,	
		2021	2020
Fixtures, Fittings, Tools and Equipment	13	\$ 2,457	\$ 6,780
TOTAL PROPERTY, PLANT AND EQUIPMENT		<u>2,457</u>	<u>6,780</u>
TOTAL NON-CURRENT ASSETS		<u>2,457</u>	<u>6,780</u>
Manufactured Goods and Goods for Resale		12,315,558	3,862,529
TOTAL INVENTORIES		<u>12,315,558</u>	<u>3,862,529</u>
Trade Receivables		1,927,085	1,758,500
Receivables from Group Enterprises	14	637,706	2,464
Provisions for Deferred Tax Asset		114,326	394,080
Receivables from Owners and Management		-	119,248
Deferred Income		-	74,756
TOTAL RECEIVABLES		<u>2,679,117</u>	<u>2,349,048</u>
CASH AND CASH EQUIVALENTS	15	<u>535,287</u>	<u>424,318</u>
TOTAL CURRENT ASSETS		<u>15,529,962</u>	<u>6,635,895</u>
TOTAL ASSETS		<u>\$ 15,532,419</u>	<u>\$ 6,642,675</u>

See accompanying Notes to Combined Financial Statements.

FUNKY FIELDS, LLC
COMBINED BALANCE SHEETS – Continued
DECEMBER 31, 2021 AND 2020

EQUITY AND LIABILITIES

	Note	December 31,	
		2021	2020
Paid Capital		\$ 50,000	\$ 50,000
Retained Earnings		1,968,889	913,769
TOTAL EQUITY		<u>2,018,889</u>	<u>963,769</u>
Trade Payables		13,388,827	5,593,880
Other Payables	16	124,703	85,026
TOTAL SHORT-TERM PAYABLES		<u>13,513,530</u>	<u>5,678,906</u>
TOTAL PAYABLES		<u>13,513,530</u>	<u>5,678,906</u>
TOTAL EQUITY AND LIABILITIES		<u>\$ 15,532,419</u>	<u>\$ 6,642,675</u>
Contingent Liabilities	17		
Collateral and Securities	18		

See accompanying Notes to Combined Financial Statements.

FUNKY FIELDS, LLC
COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Paid Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE AT DECEMBER 31, 2019	\$ 50,000	\$ 1,106,333	\$ 1,156,333
Comprehensive Income	-	843,017	843,017
Other Statutory Reserves	-	(972,259)	(972,259)
Distributions	-	(63,322)	(63,322)
BALANCE AT DECEMBER 31, 2020	50,000	913,769	963,769
Value Adjustment to Equity on Forward Exchange Contracts	-	302,742	302,742
Tax on Changes in Equity	-	(66,603)	(66,603)
Comprehensive Income	-	818,981	818,981
BALANCE AT DECEMBER 31, 2021	<u>\$ 50,000</u>	<u>\$ 1,968,889</u>	<u>\$ 2,018,889</u>

See accompanying Notes to Combined Financial Statements.

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 ACCOUNTING POLICIES

Reporting Class

The annual report of Funky Fields, LLC is presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises in reporting Class A. The Company has also decided to follow the Class B and C rules on management's review. The accounting policies have been applied consistently with previous years.

General Information

Description of Business

Funky Fields, LLC is organized in the state of Delaware in the United States and is wholly owned by Nohr Holding Aps. of Denmark which is wholly owned by its single stockholder, Christian Nøhr.

The purpose of Funky Fields, LLC (the Company) is to engage in the business of acting as an international trader, processor, importer, exporter, distributor, marketer or wholesaler of all classes and kinds of food ingredients and food related products and merchandise. The Company is to act as a general agent or principal in the purchase, sale or transfer of such goods and merchandise. The majority of business operations consist of wholesale trade of various dairy products.

There are no operations of Funky Fields, LLC that take place in the United States. The Company was organized in the state of Delaware but has no activity, employees, or permanent establishment in the United States. All of the Company's activity occurred in Denmark under its Denmark branch during the years ended December 31, 2021 and 2020. The Company also has a branch in Dubai. There was no activity under the Dubai branch during the years ended December 31, 2021 and 2020.

Basis of Recognition and Measurement

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

Assets are recognized in the Combined Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of such assets can be measured reliably. Liabilities are recognized in the Combined Balance Sheet when it is probable that future economic benefits attributable to the liability will flow out from the Company, and the value of such liabilities can be measured reliably. Upon 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 combined financial statements, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 ACCOUNTING POLICIES – Continued

Important Events Occurring After the End of the Financial Year

No events materially affecting the financial position of the Company have occurred after the end of the financial year except that the entity has reactivated its Dubai branch and will once again have activity in that branch during 2022.

Foreign Currency

The combined financial statements are presented in U.S. dollars.

The functional currency of the Company's foreign operations is the applicable local currency. The functional currency is translated into U.S. dollars for balance sheet accounts using current exchange rates in effect as of the balance sheet date and for revenue and expense accounts using an average exchange rate during the year. The translation adjustments are reported as other comprehensive income on the Combined Statements of Income and Comprehensive Income.

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognized in the Combined Statements of Income as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest annual report is recognized in the annual report under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

NOTE 2 COMBINED STATEMENTS OF INCOME

Revenue

Income from the sale of goods is recognized in the Combined Statements of Income if goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated to be received. Revenue is measured at fair value and is recognized exclusive of VAT and all discounts granted are recognized in revenue.

Costs of Raw Materials and Consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognized under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other Operating Income

Other operating income includes income of a secondary nature in relation to the Company's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Other External Expenses

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

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 COMBINED STATEMENTS OF INCOME – Continued

Staff Costs

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

Depreciation and Amortization of and Impairment Losses

The depreciation and amortization of and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of useful lives 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 lives and residual values:

	Useful Life, Years	Residual Value, Percent
Fixtures, Fittings, Tools and Equipment	3 – 5	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 costs and the carrying amount at the date of sale, and is recognized in the Combined Statements of Income under Other Operating Income and Expenses.

Financial Income and Expenses

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

Tax on Net Profit/Loss for the Year

The current and deferred tax for the year is recognized in the Combined Statements of Income 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 recognized directly in equity. All current and deferred taxes for the period are based on Danish tax law.

Funky Fields, LLC is a single member LLC for United States tax purposes. Accordingly, no provision has been made for U.S. federal or state income taxes because the applicable tax liability or benefit, if any, is the responsibility of the individual owner.

NOTE 3 COMBINED 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 date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

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

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 **COMBINED BALANCE SHEET – Continued**

Property, Plant and Equipment – Continued

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

Inventories are measured at cost calculated according to the FIFO-method. Where the net realizable value is lower than cost, the Inventories are written down to the lower value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value, less write-downs for expected bad debts.

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

Accrued Income, Assets

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

Cash and Cash Equivalents

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

Deferred Taxes

Deferred tax liabilities and tax assets are recognized on the basis of all temporary differences between the carrying amounts and tax basis of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is non-amortizable 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 recognized, following an assessment, at the expected realizable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 COMBINED BALANCE SHEET – Continued

Deferred Taxes – Continued

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 Combined Balance Sheet date, will be applicable when the deferred tax is expected to be realized as current tax.

Current Tax Liabilities

Current tax payable and receivable is recognized in the Combined 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 amortized cost where capital losses and loan expenses are recognized in the Combined Statements of Income 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 amortized 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 recognized in the Combined Balance Sheet but appear only in the notes.

NOTE 4 REVENUE

	<u>2021</u>	<u>2020</u>
Sales Denmark	\$ 2,813,484	\$ 457,232
Sales EU	15,442,059	6,417,361
Sales EU + 3 Countries	1,971,457	1,703,010
Sales Denmark without VAT	1,306,932	611,954
Fixed ROE vs. FX	59,130	(2,121)
Accrued Revenue	-	(558,761)
Total Revenue	<u>\$ 21,593,062</u>	<u>\$ 8,628,675</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 COST OF RAW MATERIALS AND CONSUMABLES

	<u>2021</u>	<u>2020</u>
Loss on Repack	\$ 3,975	\$ 13,914
Cost of Goods, DK	713,393	105,008
Cost of Goods, EU	13,839,641	3,481,222
Cost of Goods, 3 Countries	11,714,134	1,681,612
Adjustment and Warehouse	(9,042,161)	2,083,381
Samples	-	(4,048)
Warehouse Cost, DK	66,422	5,522
Warehouse Cost, EU	-	3,022
Freight, DK	333,323	49,261
Freight, EU	155,820	65,694
Freight, 3 Countries	7,831	49,105
Legalization	4,319	1,865
Customer Declaration, Documents	341	424
Courier	6,755	21,043
Survey Control of Goods	32,454	5,052
Handling Charges	1,227,581	31,258
Clearance, Trucking and Warehouse Costs EU	27,930	10,458
Adjustments Freight & Misc Costs	-	127,741
Commission, EU	106,486	52,926
Accrued Commission	11,607	89,993
Total Cost of Raw Materials and Consumables	<u>\$ 19,209,849</u>	<u>\$ 7,874,452</u>

NOTE 6 STAFF COSTS

	<u>2021</u>	<u>2020</u>
Wages and Salaries	\$ 251,662	\$ 204,872
Post-Employment Benefit Expense	31,240	25,184
Social Security Contributions	1,870	2,841
Other Employee Expense	7,843	4,333
Total Staff Costs	<u>\$ 292,615</u>	<u>\$ 237,230</u>
Average Number of Employees During the Year	<u>3</u>	<u>3</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 SELLING COSTS

	<u>2021</u>	<u>2020</u>
Restaurant	\$ 405	\$ -
Meeting	1,221	-
Gifts Customers	5,183	-
Cost of Travelling & Staying, EU + 3 Countries	35,183	9,723
Cost of Travelling & Staying, DK	14,554	9,808
Advertising	794	-
Freight Cost Sales, EU	370	-
Freight Cost sales, 3 Countries	30	-
Marketing Contribution Including Expo	1,554	16,593
Total Selling Costs	<u>\$ 59,294</u>	<u>\$ 36,124</u>

NOTE 8 VEHICLE EXPENSES

	<u>2021</u>	<u>2020</u>
Insurance, VW HF51797	\$ (346)	\$ -
Insurance Porsche	1,531	-
Insurance, Maserati	1,070	-
Vehicle Excise Duty, Fiat 500/ZP25407	1,297	-
Vehicle Excise Duty, BK 78201	(83)	1,369
Maintenance, Maserati	10,023	-
Vehicle Excise Duty, CY65062	1,030	-
Maintenance, BK 78201	4,746	6,445
Maintenance, Porsche	3,074	-
Maintenance, Maserati	766	-
Leasing, BK78201	26,384	8,675
Leasing, Porsche	13,043	-
Leasing, Masarati	3,986	-
Total Vehicle Expenses	<u>\$ 66,521</u>	<u>\$ 16,489</u>

NOTE 9 COST OF PREMISES

	<u>2021</u>	<u>2020</u>
Rent	\$ 21,674	\$ 12,309
Usage in House	1,587	2,291
Total Cost of Premises	<u>\$ 23,261</u>	<u>\$ 14,600</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 ADMINISTRATIVE EXPENSES

	<u>2021</u>	<u>2020</u>
Office Supplies	\$ 1,735	\$ 1,374
EDB-Expenses / Software	2,040	4,185
Acquisitions Below \$2,100	5,572	2,335
Telephone	4,418	5,929
Internet-Phone	952	641
Fee DanLøn	276	37
Accountant, DK	26,053	13,292
Accounting Assistance	16,202	37,802
Consulting Assistance	6,600	31,337
Accountant, US	21,207	6,289
Insurances	(237)	(5,859)
Coface	32,244	802
Contea	-	6,252
Memberships - Subscription / Statistics	4,766	2,034
Payment Previously Written off Debtor	114,171	(65,648)
Total Administrative Expenses	<u>\$ 235,999</u>	<u>\$ 40,802</u>

NOTE 11 FINANCIAL EXPENSES

	<u>2021</u>	<u>2020</u>
Interest, Banks	\$ 4,911	\$ 11,824
Interest, Banks	3,687	31,210
Credit Card Expenses	5	788
Interest & Fees, Creditors	2,957	965
Interest, AL Finans	-	8,470
Other Fees	1,376	-
Other Cost of Banks	274,048	4,992
Provision AL Finans	-	113
Interest SKAT	2,432	-
Fixed ROE vs. Ultimo ROE, Creditors	273,575	-
Currency Profit / Loss, Forward Exchange Transaction	12,365	-
Total Financial Expenses	<u>\$ 575,356</u>	<u>\$ 58,362</u>

NOTE 12 TAX EXPENSE

	<u>2021</u>	<u>2020</u>
Change in Deferred Tax	\$ 196,110	\$ (221,324)
Total Change in Deferred Tax	<u>\$ 196,110</u>	<u>\$ (221,324)</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 FIXTURES, FITTINGS, TOOLS AND EQUIPMENT

	<u>2021</u>	<u>2020</u>
Cost at the Beginning of the Year	\$ 37,317	\$ 34,135
Translation Adjustment	(2,568)	3,182
Cost at the End of the Year	<u>\$ 34,749</u>	<u>\$ 37,317</u>
Depreciation and Amortization at the Beginning of the Year	\$ (30,537)	\$ (24,145)
Amortization for the Year	(4,010)	(4,141)
Translation Adjustment	2,255	(2,251)
Impairment Losses and Amortization at End of the Year	<u>\$ (32,292)</u>	<u>\$ (30,537)</u>
Carrying Amount at End of the Year	<u>\$ 2,457</u>	<u>\$ 6,780</u>

NOTE 14 SHORT-TERM RECEIVABLES FROM GROUP ENTERPRISES

	<u>2021</u>	<u>2020</u>
Outstanding Account A sarees Story	\$ -	\$ 2,464
Outstanding Funky bolig	373,041	-
Outstanding Account Nohr Holding	22,199	-
Outstanding Account A Sarees Story	28,820	-
FF LLC Delaware	213,646	-
Total Short-Term Receivables from Group Enterprises	<u>\$ 637,706</u>	<u>\$ 2,464</u>

NOTE 15 CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Deposit Account	\$ 79,744	\$ -
Jyske Bank, USD	445	9,401
Jyske Bank, EUR	452,446	419,355
Jyske Bank, DKK	2,569	(5,666)
Jyske Bank, GBP	83	1
Jyske Bank, AUD	-	1,227
Total Cash and Cash Equivalents	<u>\$ 535,287</u>	<u>\$ 424,318</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 16 OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
Value Added Tax (VAT)		
VAT Payable at the Beginning of the Year	\$ -	\$ (173,003)
Output VAT	-	122,595
Input VAT	-	(5,219)
VAT EU, Goods	(3,328,866)	(933,404)
VAT EU, Goods - (Offsetting Account)	3,328,866	933,404
VAT EU, Costs	(69,857)	(35,533)
VAT EU, Costs - (Offsetting Account)	69,857	35,533
VAT Payments and Receivables	68,113	90,244
Total Value Added Tax (VAT)	<u>\$ 68,113</u>	<u>\$ 34,617</u>
Other Payables		
MasterCard, Christian Nøhr	\$ 13,638	\$ 738
MasterCard, Diarmaid Collins	(7,491)	-
Restrained Taxes on Wages, A-Tax	19,192	20,749
Restrained Taxes on Wages, ATP	333	435
Restrained Vacation Payments	1,343	530
Total Payment	761	818
Restrained Taxes on Wages, AM-Bidrag	8,376	5,418
Holiday Allowance, Transition Balance 8.31.20	14,852	15,949
Holiday Allowance, New Law 9.1.20	5,375	5,772
Tax Account	211	-
Total Other Payables	<u>\$ 56,590</u>	<u>\$ 50,409</u>
Total Other Payables	<u>\$ 124,703</u>	<u>\$ 85,026</u>

NOTE 17 CONTINGENT LIABILITIES

The Company has concluded lease agreements with terms to maturity of two monthly and average lease payments of \$459, a total of \$917. The Company has further concluded a lease agreement for office space and storage room with terms to maturity of 12 months and average lease payments of \$917, a total of \$12,232.

NOTE 18 COLLATERAL AND SECURITIES

No securities or mortgages exist at the Combined Balance Sheet date.

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 19 STATEMENT OF TAXABLE INCOME

		2021
Profit for the Year Before Tax		\$ 1,126,157
<i>Permanent Differences</i>		
Disallowed Deduction		
Representation 75% of \$6,809	5,107	
Interest Regarding Corporation Tax	2,432	
Expenses with Reduced Tax Deduction	62,546	
Total Disallowed Deduction	70,085	
Total Permanent Differences		70,085
Taxable Income Before Temporary Differences		1,196,242
<i>Temporary Differences</i>		
Book Depreciation		
Fixtures, Fittings, Tools and Equipment	4,010	
Total Book Depreciation		4,010
Depreciation for Tax Purposes		
Leasehold Improvements	(896)	
Fixtures, Fittings, Tools and Equipment	(1,711)	
Total Tax Depreciation		(2,607)
Total Temporary Differences		1,403
Taxable Income Before Adjustment of Losses from Previous Years		1,197,645
Use of Tax Losses Carried Forward		(1,197,645)
Taxable Income		\$ -

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 20 STATEMENT OF DEFERRED TAX

	<u>Book Value</u>	<u>Tax Value</u>	<u>Deviation</u>	<u>Estimated Deferred Tax, 22%</u>
Leasehold Improvements	\$ -	\$ 861	\$ (861)	\$ (189)
Fixtures, Fittings, Tools and Equipment	2,555	4,937	(2,382)	(524)
Currency Options	302,742	-	302,742	66,603
Tax Losses Carried Forward	-	807,448	(807,448)	(177,639)
Translation Adjustment			<u>(11,713)</u>	<u>(2,577)</u>
Accounting Calculation Basis and Deferred Tax Asset End of the Year			(519,662)	(114,326)
Calculation Basis and Deferred Tax Beginning of the Year			<u>(1,791,273)</u>	<u>(394,080)</u>
Change During the Year			<u>\$ 1,271,611</u>	<u>\$ 279,754</u>

NOTE 21 STRAIGHT-LINE DEPRECIATION FOR TAX PURPOSES

	<u>Acquisition Price</u>	<u>Depreciation Rate</u>	<u>Depreciation of the Year</u>	<u>Translation Adjustment</u>	<u>Accumulated Depreciation at Year End</u>
Leasehold Improvements	\$ 4,480	20%	\$ 896	\$ 138	\$ 3,446

NOTE 22 OPERATING EQUIPMENT

Opening Balance	<u>\$ 7,069</u>
Basis for Depreciation	7,069
Depreciation for the Year, 25%	(1,767)
Translation Adjustment	(365)
Closing Balance	<u>\$ 4,937</u>

FUNKY FIELDS, LLC
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 23 TAX LOSSES CARRIED FORWARD

	2021
Losses Carried Forward from Income Year 2002 or Later	
Opening Balance	\$ 2,103,935
Loss Applied, this Year	(1,197,645)
Translation Adjustment	(98,842)
Closing Balance	\$ 807,448

NOTE 24 SALARY RECONCILIATION

	2021
According to Accounts	
Salaries	\$ 251,662
Employee Benefits / Salaries	41,859
Driving / KM-Compensation Employees	(2,850)
Total Salaries	290,671
Declared for Tax	
Reported to E-Income	290,671
Total Declared for Tax	290,671
Difference	\$ -