

myAgro Farms and Subsidiaries

Consolidated Financial Statements
Year Ended December 31, 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



myAgro Farms and Subsidiaries

Consolidated Financial Statements
Year Ended December 31, 2024

myAgro Farms and Subsidiaries

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Independent Auditor's Report

The Board of Directors
myAgro Farms and Subsidiaries
New York, New York

Opinion

We have audited the consolidated financial statements of myAgro Farms and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the 2023 consolidated financial statements of the Organization and our report, dated June 28, 2024, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BDO USA, P.C.

July 31, 2025

myAgro Farms and Subsidiaries

Consolidated Statement of Financial Position (with comparative totals for 2023)

| December 31, | 2024 | 2023 |
|---|----------------------|----------------------|
| Assets (Note 9) | | |
| Current Assets | | |
| Cash and cash equivalents (Note 4) | \$ 13,675,870 | \$ 29,967,978 |
| Grants and contributions receivable, current portion (Notes 4, 6, and 7) | 8,538,332 | 9,425,000 |
| Inventory (Note 4) | 952,429 | 3,374,176 |
| Advances for inventory (Note 4) | 1,610,139 | 1,095,510 |
| Prepaid expenses and other assets | 1,525,528 | 346,266 |
| Total Current Assets | 26,302,298 | 44,208,930 |
| Grants and Contributions Receivable, less current portion, net | 6,782,070 | 15,182,363 |
| Fixed Assets, Net (Notes 4 and 8) | 385,070 | 455,081 |
| Security Deposits | 343,669 | 537,393 |
| Total Assets | \$ 33,813,107 | \$ 60,383,767 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 2,300,501 | \$ 998,446 |
| Line of credit (Note 9) | 994,255 | - |
| Notes payable, current portion (Note 10) | 2,250,000 | 3,950,000 |
| Accrued payroll and other liabilities | 1,886,437 | 1,526,519 |
| Deferred revenue (Note 4) | 997,446 | 2,043,945 |
| Total Current Liabilities | 8,428,639 | 8,518,910 |
| Notes Payable, less current portion (Note 10) | 250,000 | - |
| Total Liabilities | 8,678,639 | 8,518,910 |
| Commitments and Contingencies (Notes 4, 5, 6, 9, 10, 11, 12, and 13) | | |
| Net Assets | | |
| Without donor restrictions | 22,141,598 | 41,187,332 |
| With donor restrictions (Note 13) | 2,992,870 | 10,677,525 |
| Total Net Assets | 25,134,468 | 51,864,857 |
| Total Liabilities and Net Assets | \$ 33,813,107 | \$ 60,383,767 |

See accompanying notes to consolidated financial statements.

myAgro Farms and Subsidiaries

Consolidated Statement of Activities (with comparative totals for 2023)

Year ended December 31,

| | Without Donor Restrictions | With Donor Restrictions | Total | |
|---|-------------------------------|----------------------------|----------------------|----------------------|
| | | | 2024 | 2023 |
| Revenue and Public Support | | | | |
| Foundation grants | \$ 3,115,488 | \$ 1,830,246 | \$ 4,945,734 | \$ 9,517,176 |
| Inputs and layaway | 7,721,771 | - | 7,721,771 | 5,628,469 |
| Government grants | - | 500,000 | 500,000 | 10,710,000 |
| Other grants and contributions | 47,873 | - | 47,873 | 638,919 |
| Contributed non-financial assets | - | - | - | 507,061 |
| Interest and other income | 566,986 | - | 566,986 | 1,999,805 |
| Net assets released from restrictions | 10,014,901 | (10,014,901) | - | - |
| Total Revenue and Public Support | 21,467,019 | (7,684,655) | 13,782,364 | 29,001,430 |
| Expenses | | | | |
| Program services | 34,531,502 | - | 34,531,502 | 40,525,106 |
| Management and general | 5,449,712 | - | 5,449,712 | 2,236,536 |
| Fundraising | 1,160,208 | - | 1,160,208 | 2,724,638 |
| Total Expenses | 41,141,422 | - | 41,141,422 | 45,486,280 |
| Change in Net Assets, before non-operating gain (loss) | (19,674,403) | (7,684,655) | (27,359,058) | (16,484,850) |
| Non-Operating Gain (Loss) | | | | |
| Loss on disposal of fixed assets | (124,857) | - | (124,857) | - |
| Foreign currency translation gain (Note 4) | 753,526 | - | 753,526 | 752,421 |
| Total Non-Operating Gain | 628,669 | - | 628,669 | 752,421 |
| Change in Net Assets | (19,045,734) | (7,684,655) | (26,730,389) | (15,732,429) |
| Net Assets, beginning of year | 41,187,332 | 10,677,525 | 51,864,857 | 67,597,286 |
| Net Assets, end of year | \$ 22,141,598 | \$ 2,992,870 | \$ 25,134,468 | \$ 51,864,857 |

See accompanying notes to consolidated financial statements.

myAgro Farms and Subsidiaries

Consolidated Statement of Functional Expenses (with comparative totals for 2023)

Year ended December 31,

| | Support Services | | | Total | |
|--|----------------------|------------------------|---------------------|----------------------|----------------------|
| | Program Services | Management and General | Fundraising | 2024 | 2023 |
| Salaries | \$ 10,334,864 | \$ 1,692,643 | \$ 726,889 | \$ 12,754,396 | \$ 12,311,159 |
| Payroll taxes and benefits | 1,893,296 | 567,292 | 58,582 | 2,519,170 | 4,396,848 |
| Total Personnel Expenses | 12,228,160 | 2,259,935 | 785,471 | 15,273,566 | 16,708,007 |
| Advertising | 331,513 | - | - | 331,513 | 297,902 |
| Bank charges | 127,120 | 78,065 | - | 205,185 | 91,994 |
| Cost of goods sold | 5,782,111 | - | - | 5,782,111 | 12,682,239 |
| Fuel | 247,352 | 126 | - | 247,478 | 178,305 |
| Insurance | 100,822 | 51,740 | 164 | 152,726 | 133,506 |
| Interest | - | 317,313 | - | 317,313 | 6,062 |
| Office expenses | 389,964 | 134,107 | - | 524,071 | 469,505 |
| Professional fees | 4,290,607 | 1,601,781 | 36,967 | 5,929,355 | 5,780,335 |
| Program expenses | 3,475,927 | - | 866 | 3,476,793 | 3,894,606 |
| Rent, utilities, and telecommunication | 2,493,331 | 25,831 | - | 2,519,162 | 1,192,969 |
| Software and subscriptions | 203,347 | 282,577 | 291,359 | 777,283 | 534,326 |
| Taxes and fees | 2,067,846 | 414,656 | - | 2,482,502 | 1,140,377 |
| Transportation and travel | 2,641,522 | 283,581 | 45,381 | 2,970,484 | 1,753,361 |
| Contributed nonfinancial assets | - | - | - | - | 507,061 |
| Total Other Expenses | 22,151,462 | 3,189,777 | 374,737 | 25,715,976 | 28,662,548 |
| Depreciation | 151,880 | - | - | 151,880 | 115,725 |
| Total Expenses | \$ 34,531,502 | \$ 5,449,712 | \$ 1,160,208 | \$ 41,141,422 | \$ 45,486,280 |

See accompanying notes to consolidated financial statements.

myAgro Farms and Subsidiaries

Consolidated Statement of Cash Flows (with comparative totals for 2023)

| <i>Year ended December 31,</i> | 2024 | 2023 |
|---|----------------------|----------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (26,730,389) | \$ (15,732,429) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 151,880 | 115,725 |
| Loss on disposal of fixed assets | 124,857 | - |
| Decrease (increase) in: | | |
| Grants and contributions receivable | 9,286,961 | 3,687,378 |
| Change in discount on grants and contributions receivable | - | 1,100,000 |
| Inventory | 2,421,747 | 4,016,071 |
| Advances for inventory | (514,629) | (700,308) |
| Prepaid expenses and other assets | (1,179,262) | (5,398) |
| Security deposits | 193,724 | (82,121) |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 1,302,055 | 432,809 |
| Accrued payroll and other liabilities | 359,918 | 1,171,300 |
| Deferred revenue | (1,046,499) | 1,058,616 |
| Net Cash Used in Operating Activities | (15,629,637) | (4,938,357) |
| Cash Flows from Investing Activities | | |
| Purchases of fixed assets | (206,726) | (281,690) |
| Net Cash Used in Investing Activities | (206,726) | (281,690) |
| Cash Flows from Financing Activities | | |
| Proceeds from line of credit | 994,255 | - |
| Proceeds from notes payable | 1,750,000 | 3,950,000 |
| Principal payments on notes payable | (3,200,000) | (750,000) |
| Net Cash Provided by (Used in) Financing Activities | (455,745) | 3,200,000 |
| Net Increase in Cash and Cash Equivalents | (16,292,108) | (2,020,047) |
| Cash and Cash Equivalents, beginning of year | 29,967,978 | 31,988,025 |
| Cash and Cash Equivalents, end of year | \$ 13,675,870 | \$ 29,967,978 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for interest | \$ 317,313 | \$ 6,062 |

See accompanying notes to consolidated financial statements.

myAgro Farms and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Organization

myAgro Farms is a California not-for-profit organization that was incorporated in March 2012 and is registered to operate in its program countries. Currently, the primary countries of operations are Senegal, Mali, Tanzania, and Ivory Coast. The mission of myAgro Farms is to move small-scale farmers out of poverty. myAgro Farms achieves this mission by helping farmers using a mobile network layaway system to purchase agricultural inputs and by providing technical training to help increase their harvests.

2. Financial and Liquidity Considerations

myAgro Farms and Subsidiaries have sustained recurring losses. Management meets regularly to monitor various costs. For the year ended December 31, 2024, myAgro Farms and Subsidiaries reported a change in net assets of \$(26,730,389).

myAgro Farms and Subsidiaries' year-over-year operating losses reflect a planned investment phase following the transformational funding received from strategic philanthropic partners in 2022. In line with donor commitments, myAgro Farms and Subsidiaries have strategically invested in scaling operations, strengthening systems, and expanding their reach to smallholder farmers.

These investments have been made with careful management of cash reserves and a clear focus on long-term impact and sustainability. As myAgro Farms and Subsidiaries approach the end of this funding cycle and navigate a shifting funding landscape, they are critically reviewing their operating model and footprint to ensure alignment with future priorities and financial resilience.

3. Principles of Consolidation

The consolidated financial statements include the entities of myAgro Farms and Subsidiaries that are required to be consolidated and are related through shared management and members of the Board of Directors. For the year ended December 31, 2024, myAgro Farms and Subsidiaries include myAgro Farms (U.S.), myAgro Farms Senegal (Senegal), myAgro Farms Mali (Mali), myAgro Farms Tanzania (Tanzania), and myAgro Farms Ivory Coast (Ivory Coast) (collectively, the Organization). All significant intercompany transactions are eliminated in consolidation.

4. Summary of Significant Accounting Policies

Basis of Accounting

The Organization maintains its accounting records and prepares its consolidated financial statements on the accrual basis of accounting, whereby unconditional support is recognized when received, revenue is recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

The consolidated financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States (GAAP). In the consolidated statement of financial position, assets are presented in order of liquidity or conversion to cash, and liabilities are presented according to their maturity resulting in the use of cash.

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Notes to Consolidated Financial Statements

Consolidated Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with and without donor restrictions—be displayed in a consolidated statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a consolidated statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, interest, and other investment income, net of direct internal and external investment expenses, should be reported as increases (or decreases) in net assets without donor restrictions, unless the use of the income received is limited by donor-imposed restrictions.

These classes are defined as follows:

Without Donor Restrictions - This class consists of net assets that are available for use at the discretion of the Board of Directors and/or management for general operating purposes. These amounts are not subject to donor-imposed stipulations.

With Donor Restrictions - This class consists of net assets whose use is limited by donor-imposed, time, and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restrictions is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

See Note 13 for more information on the composition of net assets with donor restrictions and the releases from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization's cash and cash equivalents, at times, may exceed government-insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. Receivables that are to be collected over one year from December 31, 2024 have been discounted at a rate of 5% (see Note 6).

Inventory

Inventory is valued at the lower of cost or market with cost determined on a weighted-average basis. Inventories consist of seeds and fertilizer for use in the Organization's programs or kept for sale. During 2024, the Organization had a one-time sale of excess inventory with a cost of \$438,680 and \$277,470 for Senegal and Mali, respectively.

myAgro Farms and Subsidiaries

Notes to Consolidated Financial Statements

Advances for Inventory

Advances for inventory represent amounts paid to the Organization's suppliers as under contracts prior to 2024 for inventory shipped and delivered to the Organization's warehouses after year-end.

Fixed Assets

Fixed assets are recorded at cost when purchased, while donated fixed assets are recorded at their estimated fair value on the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of fixed assets are capitalized. Depreciation and amortization is computed on the straight-line method over various useful lives.

| <u>Asset Category</u> | <u>Useful Life (Years)</u> |
|-------------------------|----------------------------|
| Furniture and equipment | 7-10 |
| Computer hardware | 3-5 |
| Vehicles | 3-5 |

Impairment of Fixed Assets

The Organization reviews fixed assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the future cash flows from the use of the asset are less than the carrying amount of that asset. As of December 31, 2024, there have been no such losses.

Leases (Topic 842)

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Accounting for Leases*, as amended, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Consolidated statement of financial position recognition of finance and operating leases is similar, but the pattern of expense recognition in the consolidated statement of activities, as well as the effect on the consolidated statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted the standard for the year ended December 31, 2022. The adoption of this accounting standard did not have a material impact on the Organization's consolidated financial statements.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

myAgro Farms and Subsidiaries

Notes to Consolidated Financial Statements

Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as income without donor restrictions.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets; or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There was no such amount for the year ended December 31, 2024. This amount was for contributed software subscriptions.

Grant contributions are evaluated for conditions that may exist. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer the assets. Revenue from grant contributions is recognized when the conditions are satisfied, which is generally when the service has been performed or expenditures have been incurred.

The Organization has grant agreements with several donors that consist of providing conditional funding in future years amounting to \$9,120,000 at December 31, 2024. Corresponding grants receivable have not been recorded on the consolidated statement of financial position, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones.

Revenue from foundations, government, and other grants is recognized as revenue without donor restrictions when expenditures have been incurred in compliance with the grantor's restrictions or when applicable performance-based milestones are reached, and as requisitions for payments are submitted. Foundation, government, and other grants revenues are nonexchange transactions in which no commensurate value is exchanged. Accordingly, contribution accounting is applied under Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Government and other grants contracts are evaluated for contributions that are conditional.

Inputs and Layaway Revenue

The Organization provides its program resources and services for a fee and the farmers pay cash deposits on enrollment to the program. The Organization earns these fees as it provides seeds, fertilizer, training, and other services to the farmers. Cash received from farmers in advance of the Organization providing goods and services is recorded in the consolidated statement of financial position as deferred revenue.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, a provision for income taxes has not been made on the consolidated financial statements. It is also classified as "other than a private foundation." The Organization had no unrelated business income during the year and, therefore, no provision for federal or state income taxes has been made in the accompanying consolidated financial statements. Additionally, the Organization has filed Internal Revenue Service Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. The Organization is subject to routine audits by a taxing authority. As of December 31, 2024, the Organization was not subject to any examination by a taxing authority.

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Notes to Consolidated Financial Statements

Under ASC 740, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The implementation of ASC 740 had no impact on the Organization's consolidated financial statements. The Organization does not believe they have taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

Use of Estimates

In preparing the consolidated financial statements in conformity with GAAP, management is required to make estimates and judgments that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated by management among the programs and supporting services benefited, including rent and utilities, internet and telecommunication, office expenses, and depreciation, based on an estimation of time and/or space utilized.

For country reporting purposes, Senegal only allows the delivery inputs to be included in the cost of goods sold. For the consolidated financial statements, management allocated all relevant delivery expenses (i.e., salaries, delivery expense) to the cost of goods sold. Salaries are allocated based on estimated time and effort of personnel.

During 2023, management adjusted the allocation of global operating expenses based on the same allocation used for global staff involved in managing or overseeing program activities.

Foreign Currency Translations

Foreign currencies are translated in accordance with ASC 830, *Foreign Currency Matters*. Under the provisions of ASC 830, the local currencies used in the Organization's foreign operations are considered to be the functional currencies of these operations. Assets and liabilities denominated in each functional currency are translated to U.S. dollars (USD) using the exchange rate in effect at the date of the consolidated statement of financial position. Revenues, expenses, gains, and losses are translated using the average exchange rate for the year. Gains or losses on foreign currency translation are recognized in the accompanying consolidated financial statements. The foreign currency exchange rate utilized within the consolidated statement of financial position at December 31, 2024 was USD 1/0.00168 CFA.

The cumulative translation gain is included in net assets without donor restrictions. Cumulative translation gain on foreign currency translation for the year ended December 31, 2024 amounted to \$753,526.

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Notes to Consolidated Financial Statements

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The new credit-loss standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying FASB ASC 606, loans, and certain other instruments, entities will be required to use a new forward-looking “expected-loss” model that generally will result in earlier recognition of credit losses than under today’s incurred-loss model. ASU 2016-03 is effective for annual periods beginning after December 15, 2022. The Organization adopted the standard for the year ended December 31, 2023, and this accounting guidance did not have a material effect on the Organization’s consolidated financial statements.

5. Liquidity and Availability of Resources

The Organization’s financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

December 31, 2024

| | | |
|--|-----------|--------------------|
| Cash and cash equivalents | \$ | 13,675,870 |
| Grants and contributions receivable, current portion | | 8,538,332 |
| Total Financial Assets Available | | 22,214,202 |
| Less: | | |
| Amounts unavailable for general expenditures within one year due to: | | |
| Restricted by donors with purpose or time | | (2,992,870) |
| Total Financial Assets Unavailable for General Expenditures | | (2,992,870) |
| Total Financial Assets Available to Management for General Expenditures Within One Year | \$ | 19,221,332 |

Liquidity Management

The Organization has \$19,221,332 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditure, consisting of cash and cash equivalents of \$13,675,870, and accounts receivable of \$8,538,332. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As described in Note 9, the Organization has committed operating line of credit in the amount of \$5,000,000 of which \$4,005,745 was available as of December 31, 2024, to help manage unanticipated liquidity needs.

myAgro Farms and Subsidiaries

Notes to Consolidated Financial Statements

6. Grants and Contributions Receivable, Net

The net present value of grants and contributions receivable was calculated using a discount rate equal to 5%. Grants and contributions receivable consist of the following amounts:

December 31, 2024

| | | |
|---|-----------|-------------------|
| Less than one year | \$ | 8,538,332 |
| One to two years | | 7,982,070 |
| Unconditional Promises to Give | | 16,520,402 |
| Less: discount balance to present value | | (1,200,000) |
| Grants and Contributions Receivable, Net | \$ | 15,320,402 |

7. Inputs and Layaway Revenue and Receivable

The Organization recognizes revenue when control of the promised services is transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. The Organization has identified revenue from inputs and layaway as a category subject to the adoption of ASU 2014-09 Topic 606.

| <i>Year ended December 31, 2024</i> | <i>Total</i> |
|---|----------------------|
| Inputs and layaway | \$ 7,721,771 |
| Total Revenue Subject to ASC 606 | 7,721,771 |
| Foundation grants | 4,945,734 |
| Government grants | 500,000 |
| Other grants and contributions | 47,873 |
| Interest and other income | 566,986 |
| Total Revenue Not Subject to ASC 606 | 6,060,593 |
| Total Revenue | \$ 13,782,364 |

The following table shows the Organization's inputs and layaway revenue, disaggregated by geographical area:

Year ended December 31, 2024

| | | |
|--|-----------|------------------|
| Mali | \$ | 5,017,854 |
| Senegal | | 2,683,330 |
| Ivory Coast | | 20,587 |
| Total Revenue from Inputs and Layaway | \$ | 7,721,771 |

Receivables from inputs and layaway for the year ended December 31, 2024 totaled \$871,903.

Inputs and layaway revenue is reported in the amount that reflects consideration to which the Organization is entitled in exchange for providing services. These amounts do not include variable consideration (reductions to revenue) for valuation discounts. Since the Organization's performance

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obligations are satisfied at a point in time, there was no adjustment to prior-year amounts. All respective geographical locations' farmers' revenues are presented above.

As substantially all of its performance obligations relate to a bundle of service-type agreements with a duration of less than one year, the Organization has elected, as part of its adoption of the new revenue standard, to apply the optional exemption provided in ASU 2014-19 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

8. Fixed Assets, Net

Fixed assets, net, consist of the following:

December 31, 2024

| | Mali | Senegal | Ivory Coast | Total |
|--------------------------------|-----------|------------|-------------|------------|
| Furniture and equipment | \$ 90,458 | \$ 139,310 | \$ 800 | \$ 230,568 |
| Computer hardware | 52,999 | 190,920 | 1,583 | 245,502 |
| Vehicles | 125,667 | 149,202 | 20,067 | 294,936 |
| | 269,124 | 479,432 | 22,450 | 771,006 |
| Less: accumulated depreciation | (175,036) | (209,931) | (969) | (385,936) |
| | \$ 94,088 | \$ 269,501 | \$ 21,481 | \$ 385,070 |

Depreciation expense for the year ended December 31, 2024 was \$151,880.

9. Line of Credit

The Organization is obligated under the following line-of-credit arrangement:

December 31, 2024

| | |
|---|------------|
| Bank line of credit due June 7, 2029. Secured by all assets of US. Interest rate is subject to change from time to time based on changes in an independent index determined by the lender. The line has a limit of \$5,000,000. | \$ 994,255 |
|---|------------|

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10. Notes Payable

Notes payable consist of the following:

December 31, 2024

| | |
|---|---------------------|
| \$750,000 note payable to Netri Fundación Privada dated December 4, 2023, due in one payment on August 31, 2025, inclusive of interest at 7.3%. | \$ 750,000 |
| \$1,500,000 note payable to Impact Bridge Asset Management SGIIC, S.A. dated October 2, 2024, due in one payment on August 31, 2025, inclusive of interest at 7.0%. | 1,500,000 |
| \$250,000 note payable to Whole Foods Market Foundation dated October 2, 2024, due in one payment on October 31, 2027, inclusive of interest of 0.0%. | 250,000 |
| Total Notes Payable | \$ 2,500,000 |

11. Leases

The Organization leases offices, apartments and warehouse space, and housing for its workforce in Africa under multiple operating leases expiring on various dates. Lease commitments amount to \$369,983 for the year ending December 31, 2025. Lease commitments amount to \$51,000 for the year ending December 31, 2026. Lease commitments amount to \$46,750 for the year ending December 31, 2027.

Total rent expense under all leases for the year ended December 31, 2024 was \$762,184. This is included in the rent, utilities, and telecommunication line of the functional expenses. All existing leases are short-term and therefore, are not subject to the ASC Topic 842 provisions.

Litigation

From time to time, the Organization is involved in judicial and administrative proceedings in the normal course of business. Although adverse decisions or settlements may occur, management believes that the final disposition of such matters will not have a material adverse effect on the consolidated financial statements.

12. Concentration of Foreign Operations Risk

Contributions are raised globally, with a majority within the U.S. The nature of the Organization's program activities is to supply agricultural inputs, training, and credit in foreign countries. While foreign operations risk is somewhat diversified across countries, and is actively managed by the Organization, it remains reasonably possible that operations outside the U.S. could be disrupted due to political, economic, or natural events, impacting the normal functioning of these programs.

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13. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

December 31, 2024

| | | |
|----------|----|-----------|
| Mali | \$ | 1,914,107 |
| Senegal | | 1,071,773 |
| Tanzania | | 6,990 |
| | \$ | 2,992,870 |

Net assets were released from donor restrictions by incurring expenses satisfying the following purpose restrictions specified by donors during the year:

December 31, 2024

| | | |
|---|----|------------|
| Mali | \$ | 5,813,801 |
| Senegal | | 2,263,960 |
| Tanzania | | 46,399 |
| Without geographic-specific designation | | 1,890,741 |
| | \$ | 10,014,901 |

14. Subsequent Events

The Organization's management has performed subsequent events procedures through July 31, 2025, which is the date the consolidated financial statements were available to be issued, and there were no subsequent events requiring adjustment to the consolidated financial statements or disclosures as stated herein.