



# FUNCTIONAL

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## INVESTOR UPDATE

April 2024

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The purpose of this communication is to provide you with an update regarding our IPO as well as a business update for our respective entities.

### **IPO UPDATE**

We have engaged in a new auditor, TAAD (<https://taadllp.com>) due to slow response times and poor performance from the previous firm. This move to TAAD will help solidify our readiness with the SEC. TAAD, LLP is a full-service accounting firm based in Southern California, serving private and public companies listed on major U.S. stock exchange platforms. They recently visited our location March 28 – 30, 2024, and

successfully completed a physical inventory audit. In addition, we are conducting weekly progress meetings with their leadership team to ensure that all items are being addressed and reported. This work is a requirement for our S1 resubmission.

Once the audit is completed, we will re-engage with our attorney, <https://www.lucbro.com>, to update the S1 for resubmission to the SEC. Lucosky Brookman is a corporate law firm with offices in New York, New Jersey, and Philadelphia that represents both domestic and international clients in sophisticated corporate and securities transactions, mergers and acquisitions, secured and unsecured lending transactions, commercial and securities litigation, intellectual property, insurance coverage and defense, real estate, and general corporate matters.

The SEC Form S-1 is the initial registration form for new securities required by the SEC for public companies that are based in the U.S. Any security that meets the criteria must have an S-1 filing before shares can be listed on a national exchange, such as the New York Stock Exchange. Companies usually file SEC Form S-1 in anticipation of their initial public offering (IPO).

We are working feverishly to complete all relevant actions to achieve our IPO. We appreciate everyone's investment and continued patience while we diligently work through these actions.

## **BUSINESS UPDATE**

### **Kirkman Brand**

Our overall Kirkman brand revenue is up approximately 15% vs. Q1, 2023. This was driven by two of our major customers. iHerb.com sells Kirkman products on their direct-to-consumer platform. Most of their business is international. We continue to add new

items to their platform. Oceanside Health (OCS) is our current Amazon partner that has increased our revenue 45% vs. last year in Q1. We slowly and strategically increased advertising spending on Amazon, which is generating very positive results.



In addition to the Kirkman brand, we have finalized a prenatal supplement, *P2i by Kirkman*.

We believe this is our largest growth opportunity enterprise-wide because we will have the only certified product in the market that passes the FIGO Standard. The FIGO position document is available at this link: <https://www.figo.org/resources/figo-statements/toxic-chemicals-and-environmental-contaminants-prenatal-vitamins>.

[Click here to view FIGO document](#)

We have been working on this formulation since January 2023 with support from OBGYNs. We completed our first pilot production this year, and based on the requirements of being certified (24 heavy metals, 120 environmental contaminants, micros, etc.), we feel very bullish about the introduction of this product into the marketplace. The prenatal supplement market exceeds \$200M annually, so having the only product that is certified provides a great opportunity for growth.

We engaged with Market Performance Group (MPG) (<https://www.marketperformancegroup.com>) to help us launch P2i by Kirkman via eCommerce. MPG is a large brokerage/consultancy firm that sells over \$8B in revenue to large retailers and another \$2B in revenue via eCommerce with multiple brands. We believe this new partnership will not only help our short-term goals, but create significant long-term opportunities with 'big-box' retailers.

## Hempton Naturals Brand

In addition to launching the D9 Trailer Park Boys Drink Enhancers, we recently launched Trailer Park Boys pre-rolled all natural blunt tubes. These premium blunt tubes are available in three flavors: Orange, Rum & Cola, and Blueberry. We are excited about these products and looking forward to introducing them into the U.S. and Canadian markets.





Buy 3 or more Trailer Park Boys blunt tubes and receive one free for our valued shareholders. Please use the 'InvestorPromo3' discount code upon check-out at [www.hemptownnaturals.com](http://www.hemptownnaturals.com) to receive your promotional incentive. As we continue to broaden the portfolio to properly compete in the sector, we believe the partnership with the Trailer Park Boys will enable additional sales.

## CONCLUSION

We continue to work diligently through the required audit with a new auditing firm, TAAD. This critical step is required prior to our resubmission to the SEC. We feel very positive about our recent progress and recent changes. We thank you for your patience and understanding.

Thank you and please feel free to reach out if you have any questions.

Sincerely,

**The Team at Functional Brands Inc.**

**K KIRKMAN®**

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