

Ecuadorian Foundation for Equity ÑEQUE

*Financial Statements for the Period
Ended
December 31, 2025*

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Abbreviations

FV	Fair value
	International Accounting Standards Board (IASB)
IASB	International Accounting Standards Board)
	International Ethics Standards Board for Accountants
IESBA	
VAT	Value-Added Tax
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards (SMEs) SRI
	Internal Revenue Service
US\$	U.S. dollars
	International Financial Reporting Standards Interpretation Committee
IFRIC	Financial



AUDITORES
& CONSULTORES

Report of the Independent Auditors

To the Board of Directors of
EQUATORIAN FOUNDATION FOR EQUITY ÑEQUE:

Opinion

We have audited the accompanying financial statements of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE (an organization incorporated in Ecuador), which comprise the statement of financial position as of December 31, 2025, and the related statements of income, changes in equity, and cash flows for the year ended on that date, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE as of December 31, 2025, the results of its operations, and its cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities - IFRS for SMEs issued by the International Accounting Standards Board (IASB).

Basis for Opinion

The audit was conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described later in this report in the section *“The Auditor’s Responsibilities Regarding the Audit of the Financial Statements.”* We are independent of FUNDACIÓN ECUATORIANA POR LA EQUIDAD ÑEQUE in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- The financial statements for the period ended December 31, 2024, were audited by other professionals who issued an unqualified opinion on February 28, 2025.
- Without modifying our opinion, we draw attention to Note 10 of the financial statements, which describes how, during the 2025 fiscal year, a new regulatory framework applicable to nonprofit social organizations came into effect with the enactment of the Organic Law on Social Transparency, which establishes new registration, control, and oversight obligations on the part of the competent authorities. These provisions include the obligation to register with the Unified Information System for Non-Profit Social Organizations as a requirement to operate legally in the country. The Foundation’s management has indicated that it has completed the required registration and is in the process of implementing the requirements established by the aforementioned regulations.

Information presented in addition to the financial statements

The Organization is responsible for preparing supplementary information, which comprises the Annual Economic and Financial Report but does not include the complete set of financial statements and our audit report.

Our opinion on the Organization's financial statements does not include such information, and we will not express any form of assurance or conclusion regarding it.

In connection with the audit of the financial statements, our responsibility is to read such additional information when available and, in doing so, consider whether this information contains material inconsistencies with the financial statements or with our knowledge obtained during the audit, or whether it otherwise appears to be materially incorrect.

Based on the work performed as described in the preceding paragraph, we have nothing to report to the Organization's Board of Directors regarding the Financial Report.

The Organization's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities—IFRS for SMEs issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting, unless management intends to liquidate the Organization or cease its operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Organization's financial reporting process.

The auditor's responsibility regarding the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing, we exercised our professional judgment and maintained a mindset of professional skepticism throughout the audit. In addition:

- We identified and assessed the risks of material misstatement in the financial statements, whether due to fraud or error; we designed and performed audit procedures to address those risks; and we obtained sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, deliberate omissions, intentional misrepresentations, or breaches of internal control.
- We obtained 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.
- We evaluated whether the accounting policies applied are appropriate and whether the accounting estimates and related disclosures made by the Organization are reasonable.
- We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether or not there is material uncertainty related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to issue a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report; however, future events or conditions may cause the Organization to cease to be a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We report to the Organization's management regarding, among other matters, the scope and timing of the planned audit and the significant findings, as well as any significant internal control deficiencies we identified during the course of the audit.

Pcs Auditores

Quito, March 2, 2026
Registration No. SCVS - RNAE – 1222



Francisco Xavier
Calo Machay



Francisco Calo
Partner

ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE
Statement of Financial Position as
of December 31, 2025 *(Expressed*
in dollars)

	Note	Dec 31, 2025	Dec 31, 2024
Assets			
Current Assets			
Cash and cash equivalents	4	46,285	139,339
Accounts receivable for donations and other accounts receivable	5	55,560	8,252
Current investments			75,000
Current tax assets		<u>356</u>	<u>-</u>
Total current assets and Total assets		<u>102,201</u>	<u>222,591</u>
Liabilities			
Current Liabilities			
Trade and other payables accounts payable	6	1,750	4,908
Accrued liabilities		<u>430</u>	<u>-</u>
Total current liabilities and Total Liabilities		<u>2,180</u>	<u>4,908</u>
Equity			
Permanently restricted	7	2,000	2,000
Temporarily restricted		<u>98,021</u>	<u>215,683</u>
Total equity		<u>100,021</u>	<u>217,683</u>
Total liabilities and equity		<u>102,201</u>	<u>222,591</u>


 Signed electronically by:
SIGRID CECILIA
VASCONEZ DAVIDSSON
Validate only with FirmAD

Sigrid Vasconez
Legal Representative


 Document electronically signed by:
SANDRA LORENA ORTEGA
MORALES

Lorena Ortega
Accountant

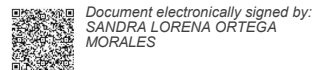
EQUATORIAN FOUNDATION FOR EQUITY ÑEQUE
State of Results
From January 1 to December 31, 2025
(Expressed in dollars)

	Note	Dec 31, 2025	Dec 31, 2024
Revenue – Donations	8	150,040	111,339
Revenue – Fees		3,391	
Operating expenses	9	(106,038)	(183,667)
Administrative expenses	9	(170,510)	(253,685)
Financial expenses		(416)	(569)
Other expenses		(430)	
Other income		<u>6,868</u>	<u>33,945</u>
Deficit for the period		<u>(117,095)</u>	<u>(292,637)</u>

See notes to the financial statements



Sigrid Vasconez
Legal Representative



Lorena Ortega
Accountant

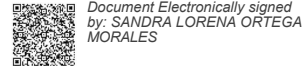
ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE
Statement of Changes in Equity As of
December 31, 2025 (Expressed in
dollars)

	Permanently <u>restricted</u>	Temporarily <u>restricted</u>	Total
<i>Balances as of December 31, 2023</i>	2,000	507,753	509,753
Net loss for the period	<u>-</u>	<u>(292,637)</u>	<u>(292,637)</u>
<i>Balances as of December 31, 2024</i>	2,000	215,116	217,116
Net loss for the period	<u>-</u>	<u>(117,095)</u>	<u>(117,095)</u>
<i>Balances as of December 31, 2025</i>	<u>2,000</u>	<u>98,021</u>	<u>100,021</u>

See notes to the financial statements



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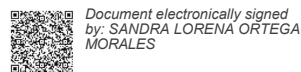
EQUATORIAN FOUNDATION FOR EQUITY ÑEQUE
Cash Flow Statement (Direct Method)
For the period ended December 31, 2025
(Expressed in dollars)

	Dec 31, 2025	Dec 31, 2024
Cash flows from operating activities:		
Received from donors	105,767	106,485
Payments to suppliers and employees	(279,843)	(460,521)
Financial expenses	(416)	(569)
Other income, net	<u>(6,438)</u>	<u>31,822</u>
Net cash used in operating activities	<u>(168,054)</u>	<u>(322,783)</u>
 Cash flows from investing activities:		
Cash paid for current investments and		
Net cash flow from		
investing activities	<u>75,000</u>	<u>325,000</u>
 Cash and cash equivalents:		
(Decrease) Net increase in cash and		
cash equivalents	(93,054)	2,117
Balances at the beginning of the period	<u>139,339</u>	<u>137,122</u>
 Balances at the end of the period	 <u>46,285</u>	 <u>139,339</u>

See notes to the financial statements



Sigrid Vasconez
Legal Representative



Lorena Ortega
Accountant

ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE
Statement of Cash Flow
Reconciliation of Net Income for the Period with Cash Flow from Operating Activities
For the period ended December 31, 2025
(Expressed in dollars)

	Dec 31, 2025	Dec 31, 2024
Cash flows used in operating activities		
operating activities:		
Net loss for the period	(117,095)	(292,637)
Changes in working capital:		
Increase in trade payables and other accounts receivable	(47,664)	(4,752)
Decrease in trade payables and other accounts payable	<u>(3,295)</u>	<u>(25,394)</u>
Net cash flow used in operating activities operating activities	<u>(168,054)</u>	<u>(322,783)</u>

See notes to the financial statements



Sigrid Vasconez
Legal Representative



Lorena Ortega
Accountant

EQUATORIAN FOUNDATION FOR EQUITY ÑEQUE
Notes to the Financial Statements
For the period ended December 31, 2025
(Expressed in dollars)

1. General Information

The Ecuadorian Foundation for Equity – ÑEQUE is a non-governmental, non-profit organization founded in 2000 and headquartered in Quito. Our work is aimed at promoting more just social relations in Ecuador by developing tools for organizational strengthening and providing systematic and comprehensive support to various social actors, local governments, non-governmental, social, and community organizations, as well as citizen groups and collectives seeking equitable and sustainable development.

We provide the country's organizations and social actors with conceptual and methodological tools that enable them to actively influence social change—from communication for development and knowledge management to processes of dialogue and the exchange of knowledge and practices. We promote participatory interventions and pluralistic spaces that facilitate the expression and convergence of diversity and seek to influence public policy.

To contribute to, promote, and coordinate social innovation aimed at testing and identifying solutions to the major socio-environmental, democratic, gender equality, and intercultural dialogue challenges we face, through initiatives that are conceptually and methodologically sound, thereby expanding their opportunities for scaling up and replication. We seek to strengthen and build capacity among social actors through sustained work that contributes to the development of public policies that underpin, strengthen, and promote inclusion, equality, human rights, and sustainability.

As of December 31, 2025, and 2024, the Organization has no employees.

The information contained in the financial statements is the responsibility of the Organization's management.

2. Accounting Policies

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), issued by the International Accounting Standards Board (IASB).

b. Functional Currency

The Organization's functional currency is the United States dollar (U.S. dollar), which is the currency in circulation in Ecuador.

c. Basis of Preparation

The financial statements have been prepared on a historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The following describes the principal accounting policies adopted in the preparation of these financial statements:

d. Cash and cash equivalents

This includes liquid financial assets, deposits, or liquid financial investments that can be quickly converted into cash within a period of less than three months.

e. Taxes

In accordance with the provisions of paragraph 5 of Article 9 of the Internal Tax Regime Law, for the purposes of determining and settling income tax, the income of legally incorporated private nonprofit institutions, as defined in the Regulations, is exempt; provided that their assets and income are used for their specific purposes and only to the extent that they are directly invested in those purposes.

In order for the aforementioned institutions to benefit from this exemption, they must fulfill the following formal requirements and comply with all other laws of the Republic:

- Register with the Single Taxpayer Registry.
- Maintain accounting records.
- File an annual income tax return showing no tax liability, provided the conditions set forth in the Organic Law on the Internal Tax System are met.
- File a Value-Added Tax (VAT) return as a collection agent, when applicable.
- Withhold income tax and Value Added Tax (VAT) at source and file the corresponding returns and pay the amounts withheld.
- Provide any information required by the Tax Administration.

If the Tax Authority determines that an entity does not meet the above requirements, it will suspend the right to the aforementioned exemption, which will be reinstated as of the fiscal year in which the entity has met the aforementioned requirements.

Income Tax:

Paragraph 5 of Article 9 of the LRTI states that the income of nonprofit institutions is exempt from income tax provided they fulfill their purpose and comply with the formal obligations established by law.

Pursuant to Article 19 of the Regulations for the Implementation of the Organic Law on the Internal Tax System, the income of nonprofit organizations shall not be subject to income tax provided that their income consists of contributions or donations in an amount equal to or greater than the percentages set forth in the following table:

<u>Annual revenue in dollars</u>	<u>% of income from donations and contributions as a percentage of income</u>
From 0 to 50,000	5%
From 50,001 to 500,000	10%
From 500,001 and up	15%

As of December 31, 2025, it received donations totaling US\$150,040 (US\$111,339 in 2024), representing 94% of total revenue (77% in 2024).

f. Financial instruments

Financial assets and liabilities are initially measured at fair value, except for trade receivables, which are measured at their transaction price if such trade receivables do not have a significant financial component.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities designated at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, upon initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value through profit or loss are recognized immediately in profit or loss for the period,

g. Financial assets

Financial assets are classified into the following categories: financial assets “at fair value through profit or loss,” “held-to-maturity investments,” “available-for-sale financial assets,” and “loans and receivables.” The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on the transaction date. Regular purchases or sales are all those purchases or sales of financial assets that require the delivery of assets within the time frame established by a regulation or market agreement.

The Organization primarily holds financial assets classified as trade receivables and other receivables.

Management determines the classification of its financial instruments at the time of initial recognition.

Effective interest rate method - The effective interest rate method is a method for calculating the amortized cost of a financial instrument and for recognizing financial income over the relevant period.

The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable (including fees, interest points paid or received, transaction costs, and other premiums or discounts included in the calculation of the effective interest rate) over the expected life of the financial instrument or, where appropriate, over a shorter period, with the net carrying amount at initial recognition.

Financial assets at fair value through profit or loss - Financial assets are classified as at fair value through profit or loss when the financial asset is held for trading or designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are recorded at fair value, with any gain or loss arising from subsequent measurements recognized in the income statement for the period.

The net gain or loss recognized in the statement of comprehensive income for the period includes any interest or dividends earned on the financial asset and is included in the line item “Other gains and losses.”

Other financial assets and trade and other receivables—These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other financial assets and trade and other receivables are measured using the effective interest method, net of any impairment.

For certain categories of financial assets, such as trade receivables, an asset that has not been individually assessed for impairment is assessed for impairment on a collective basis. Objective evidence that a portfolio of receivables may be impaired could include the Organization’s past experience regarding the collection of payments and an increase in the number of past-due payments in the portfolio.

Impairment of financial assets at amortized cost—Financial assets other than those designated at fair value through profit or loss are tested for impairment at the end of each reporting period.

Derecognition of a Financial Asset - The Organization derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it substantially transfers the risks and rewards inherent in ownership of the financial asset. If the Organization neither transfers nor retains substantially all the risks and rewards of ownership and continues to retain control of the transferred asset, the Organization recognizes its interest in the asset and the associated liability for the amounts it would be required to pay.

h. Financial liabilities

Financial liabilities measured at amortized cost - Financial liabilities are subsequently measured at amortized cost using the effective interest method.

Other financial liabilities - Other financial liabilities (including trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method for calculating the amortized cost of a financial liability and for allocating interest expense over the relevant period.

The effective interest rate is the discount rate that exactly equates the estimated cash flows receivable or payable (including all fees and points paid or received that form part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial liability (or, where appropriate), over a shorter period, to the net carrying amount at the time of initial recognition.

Derecognition of a financial liability—The Organization derecognizes a financial liability if, and only if, the Organization's obligations expire, are canceled, or are discharged.

The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in net income for the period.

i. Revenue Recognition

Revenue is recognized on an accrual basis, as established by IFRS for SMEs, and is measured at the fair value of the consideration received or receivable, taking into account any discounts, rebates, or trade allowances that the Foundation may grant, and excluding taxes and duties.

Revenue from contributions: This consists of donations received from local and international organizations. This revenue is recognized upon receipt rather than on an accrual basis, due to the uncertainty surrounding the negotiation process.

Revenue from the provision of services: Consulting fees are recognized as revenue based on the stage of completion of the contracts, determined as the proportion based on the progress of the consulting work and the services rendered.

Interest income: Interest income is recognized on a time basis, based on the outstanding principal and the applicable effective interest rate.

j. Costs and Expenses

They are recorded at historical cost. Costs and expenses are recognized as incurred, regardless of the date of payment, and are recorded in the period in which they are recognized.

k. Amendments to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)

The Third Edition of the IFRS for SMEs, issued in February 2025, amended and revised sections of the IFRS for SMEs. An entity shall apply those amendments and revisions for annual periods beginning on or after January 1, 2027. Early application is permitted. If an entity applies this third edition of the IFRS for SMEs in a period beginning earlier, it shall disclose this fact.

The Third Edition includes significant updates designed to partially align the standard with the full International Financial Reporting Standards (IFRS), while maintaining the simplified approach for small and medium-sized entities.

The main changes adopted are as follows:

Section 23—Revenue from Ordinary Activities—was updated, incorporating a model based on principles similar to the five-step approach to revenue recognition.

This model requires:

- Identification of the contract with the customer.
- Identification of performance obligations.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations.
- Recognition of revenue when (or as) the performance obligation is satisfied.

Sections 11 and 12—Financial Instruments—were updated to incorporate improvements related to:

- Classification and measurement of financial assets.
- Simplifications to the impairment model.
- Clarifications regarding measurement at amortized cost.

Improvements were made to:

- Section 9 – Consolidated and Separate Financial Statements, and
- Section 19 – Business Combinations and Goodwill.

Section 20 – Leases was updated to improve consistency and clarity in the accounting treatment of finance and operating leases, maintaining the dual model (it does not adopt the single model of IFRS 16).

Improvements were introduced in Section 27 – Impairment of Assets, primarily related to indicators of impairment and simplification in determining the recoverable amount.

The Foundation's management does not expect that the adoption of these new standards and interpretations, as well as the amendments to existing standards, will have a significant impact on the amounts recognized in the financial statements or on the related disclosures.

3. Accounting Estimates

The preparation of these financial statements in accordance with IFRS for SMEs requires management to make certain estimates and establish certain assumptions regarding the entity's economic activity, for the purpose of determining the measurement and presentation of certain items included in the financial statements. In Management's opinion, such estimates and assumptions were based on the best use of the information available at the time, which may differ from their final outcomes.

The following are the critical accounting estimates and judgments that the Organization's management has used in applying the accounting policies:

Impairment of Assets

At the end of each reporting period, or whenever deemed necessary, the value of assets is analyzed to determine whether there is any indication that such assets have suffered an impairment loss. If any such indication exists, an estimate of the asset's recoverable amount is made. In the case of identifiable assets that do not generate cash flows independently, the recoverability of the cash-generating unit to which the asset belongs is estimated.

Impairment losses recognized on an asset in prior periods are reversed when there is a change in estimates of its recoverable amount, increasing the asset's carrying amount with a credit to income, up to the carrying amount the asset would have had had the impairment loss not been recognized.

4. Cash and cash equivalents

	Dec. 31, 2025	Dec. 31, 2024
Banks (a)	46,285	139,231
Savings		103
Petty cash	<u>-</u>	<u>5</u>
Total	<u>46,285</u>	<u>139,339</u>

- a) This corresponds primarily to the reconciled balance held at Banco de la Producción C.A. (Produbanco).

5. Accounts receivable from donations and other accounts receivable

	Dec. 31, 2025	Dec. 31, 2024
Donations receivable (a)	54,560	
Other accounts receivable	<u>1,000</u>	<u>8,252</u>
	<u>55,560</u>	<u>8,252</u>

a) This corresponds to the provisioned balance pending receipt from donors in accordance with the signed agreements. Details are as follows:

	Dec 31, 2025
Marín Community Foundation (PANTHA REA)	50,000
Both ENDS (GAGGA)	<u>4,560</u>
	<u>55,560</u>

6. Trade payables and other payables

	Dec 31, 2025	Dec. 31, 2024
Trade payables:		
Local suppliers and Total	<u>1,750</u>	<u>4,908</u>

7. Equity

	Dec 31, 2025	Dec 31, 2024
Equity Fund Permanently restricted		
Equity Fund and Total Equity Permanently restricted (a)	<u>2,000</u>	<u>2,000</u>
Temporarily restricted		
Surplus of revenue over expenses Total Temporarily restricted equity (b)	<u>98,021</u>	<u>215,683</u>
Total Equity	<u>100,021</u>	<u>217,683</u>

a) *Permanently restricted* - This corresponds to the endowment fund, intended to strengthen the institution to ensure its future operations, consisting mainly of contributions made by the founding members.

b) *Temporarily Restricted* - This refers to assets subject to temporary restrictions imposed by donors, the purpose of which is to ensure that the funds received are used solely to fulfill the objectives of the programs for which the donations were received.

8. Donation Revenue

As of December 31, 2025, and 2024, this refers to income from contributions received. Details are as follows:

	Dec 31, 2025	Dec 31, 2024
Marín Community Foundation (PANTHA REA)		
(a)	100,000	49,960
Both ENDS (GAGGA) (b)	<u>50,040</u>	<u>61,379</u>
Total	<u>150,040</u>	<u>111,339</u>

- a) On June 6, 2025, an agreement was signed between the ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE and the MARÍN COMMUNITY FOUNDATION MARÍN. The purpose of this agreement is to establish a partnership for the transfer of financial resources in the form of a donation, with the aim of strengthening the Foundation’s institutional capacity.

FUNDACIÓN COMUNITARIA MARÍN will transfer to FUNDACIÓN ÑEQUE the amount of US\$100,000, which will be allocated to the institutional strengthening of the Foundation, in accordance with the actions outlined in the agreement. The total project amount will be transferred in two installments: the first installment will be 50% of the total amount, and the second installment will be the remaining 50%.

Financial Resources

During the 2025 fiscal year, the Foundation received the following disbursements:

<u>Date</u>	Amou nt <u>Receive</u> <u>d</u>	Foreign bank fees <u>abroad</u>	<u>Total</u>
06-06-2025	<u>49,960</u>	<u>40</u>	<u>50,000</u>
Total	<u>49.60</u>	<u>40</u>	<u>50,000</u>

The Foundation recognizes the outstanding balance owed to the MARÍN COMMUNITY FOUNDATION as accounts receivable in the amount of US\$50,000. (See Note 5)

- b) On January 14, 2025, an agreement was entered into between the ECUADORIAN FOUNDATION FOR EQUITY ÑEQUE and BOTH ENDS, the purpose of which is to establish a partnership for the transfer of financial resources in the form of a donation, intended for the implementation of the commitment established between the parties identified herein, for a project titled “Strengthening the Gender Approach of the Socio-Environmental Fund – Ñeque.”

BOTH ENDS will transfer the amount of US\$45,600 to the FUNDACIÓN ÑEQUE organization, which will be used exclusively for the implementation of the Project’s provisions, in accordance with the actions outlined therein. The total project amount will be transferred in three installments: the first installment will be 70% of the total amount, the second 20%, and the third 10%.

Financial Resources

During the 2025 fiscal year, the Foundation received the following disbursements:

<u>Date Received</u>	<u>Amount</u>	<u>Bank fees from abroad</u>	<u>Total</u>
01/27/2025	31,900	20	31,920
07/29/2025	<u>9,100</u>	<u>20</u>	<u>9,120</u>
Total	<u>41,000</u>	<u>40</u>	<u>41,040</u>

The Foundation recognizes the outstanding balance owed by BOTH ENDS as accounts receivable in the amount of US\$4,560. (See Note 5)

9. Expenses by nature

	Dec. 31, 2025	Dec. 31, 2024
Organization Expenses and Total	<u>276,548</u>	<u>437,352</u>

A breakdown of costs and expenses by nature is as follows:

	Dec 31, 2025	Dec 31, 2024
Project investments (a)	73,556	216,815
Fees and consulting (b)	98,825	101,787
Services rendered	40,777	39,805
Value-Added Tax Expense	21,325	22,675
Travel expenses	16,384	21,298
Transportation and mobility	11,359	17,836
Rent	6,000	5,500
Other expenses (less than \$1,000)	5,434	6,868
Insurance	1,397	466
Maintenance expenses	760	1,380
Supplies	433	1,573
Printing expenses	<u>298</u>	<u>1,349</u>
Total	<u>276,548</u>	<u>437,352</u>

- a) This corresponds to the aid provided in the form of grants to various initiatives that carry out different activities aimed at protecting the environment. Below is a breakdown of the beneficiary organizations:

<u>Project Name</u>	<u>Dec 31, 2025</u>	<u>Dec 31, 24</u>
Ayuda en Acción Foundation	12,600	18,700
Arcoiris Ecological Foundation	6,800	21,200
Latin American Association for Alternative Development Foundation	6,500	22,000
Andes Botanical Foundation	5,000	500
Federation of Indigenous Organizations of Napo (FOIN)	4,500	500
Amawtay Wasi Pluriversity Community Organization	4,200	
Union of Indigenous Communities of Toallo Santa Rosa	4,200	
Pakarimuy Women's Organization of Pilalo	4,200	
Cotopaxi Indigenous and Peasant Movement	3,780	
Tukuy Cañaris Ayllukunapa Tantanakuy Tucayta	3,780	
Aliados Foundation	1,500	13,500
Yacuwarmi	1,420	9,000
Durazno Ochoa Hermelinda Elizabet	600	
Artisanal Association for the Production of Agricultural and Livestock Goods and Píscolas Taramak Asotak	500	4,500
Waorani Association for the Production of Amazonian Cacao	500	4,500
Asoproawaoca Asopallyguayusa	500	4,500
Ally Guayusa Buena Guayusa Agricultural Production Association	500	4,500
Sacha Waysa Wayusa de la Selva Tourism Services Association	500	4,500
Asosachawaysa	500	4,500
Carachupa Pakcha Community Tourism Association	500	4,500
"Kuri Waska" Vanilla Growers Association	500	4,500
José Ricardo Centeno Buitrón	500	1,500
Cofan Sinangoe Center	500	4,500
Achuar Mashientz Community	500	4,500
Kichwa Santa Rita Community	500	4,500
Sucumbíos Women's Federation	500	4,500
Federation of the Shuar People of Pastaza (FENASH-P)	500	4,500
Ceibo Alliance Foundation	500	9,000
Sacred Watersheds Alliance Foundation	500	4,500
Ser Ambiente Foundation	500	4,500
Ecuador Zoological Foundation	500	4,500
Lunacorp, Inc.	500	4,500
Andwa people of Pastaza, Ecuador	500	5,500
Shiwiar people of Ecuador	500	4,500
Organization of the Siona Indigenous People of Ecuador (ONISE)	500	4,500
Pastaza Kikin Kichwa Runakuna Pakkiru	500	4,500
Casa del Puma Agritourism Association (ASACAPUM)	500	4,500
Union of Peasant Organizations of Esmeraldas (Uoce)	500	4,500
Foin Project	500	
Kichwa Shamato Community	500	
Asonobleguadua Noble Guadua Artisanal Production Association	500	
Agro-Artisanal Association of Organic Specialty Coffee Producers of the Loja Canton	300	2,700
Pacha Mama Women's Production Association of the Angla Community	300	2,700
Yunguilla Microenterprise Corporation	300	2,700
Corporation for the Research and Protection of the Tropical Andes Forests	300	2,700
Allpa Group	300	2,700
Monica Aguilar	200	
Kichwa Tamia Yura Center	(224)	
Sacha de la Selva Wayusa MBH Agricultural and Food Artisanal Production Association		500
Association of Individual Producers and Marketers of Organic Wayusa and Other Products from the Ruku Kawsay Pkr Region		500
El Sombrero Association for Tourism and Ecological Services for Environmental Conservation (Asosombrero)		500
Cajas Salazar Ana Lucía		500
"Deportivo Espuce Futbol Club" Specialized Training Club		500
Ancestral Community of San Jacinto del Pindo, Native to the Puyo Indigenous Tribe		1,000
Las Gilces Community		500

"El Paraíso" Panela Production Cooperative	500	
Alejandro Labaka Foundation	500	
Imaymana Foundation	500	
F International Foundation for the Promotion of Sustainable Development in Latin America	500	
Muyuki Muyuntikkawsaymanta Foundation (Spiral of Life) "Muyunsa	500	
Foundation for the Development of Community Alternatives for Tropical Conservation Altrópico	500	
Pueblos de América Foundation (Fupa)	500	
Raíz Foundation – Ecuador	415	
Sacha Warmi Foundation	500	
Carla Lilibeth Morales Villalba	500	
Eduardo Ramiro Morejón Neira	500	
Sapara Nation of Ecuador Nase	500	
Kichwa Indigenous People of Sarayaku	500	
Salem International	500	
Union of People Affected by Texaco's Oil Operations		500
	<u>73,556</u>	<u>216,815</u>

- b) This primarily corresponds to professional fees received for project management and administrative management.

10. Changes to the regulatory framework applicable to nonprofit social organizations

During fiscal year 2025, the Organic Law on Social Transparency was enacted and published in the Official Register, establishing a new regulatory framework for nonprofit social organizations (OSSFL), including foundations, corporations, and non-governmental organizations operating in Ecuador.

This regulation aims to strengthen mechanisms for transparency, accountability, and government oversight of such organizations, and introduces the requirement to register with the Unified Information System for Nonprofit Social Organizations as a prerequisite for their legal operation, as well as the periodic submission of financial and administrative information to the competent authorities.

Among the main obligations introduced by this regulation are:

- Mandatory registration in the Unified Information System for Non-Profit Social Organizations, administered by the competent authority;
- The periodic submission of financial, administrative, and ultimate beneficiary information;
- Subjection to control, supervision, and risk assessment processes by the governing body;
- The implementation of mechanisms for transparency, accountability, and traceability of received funds; and
- The possibility of suspension or revocation of legal status in the event of non-compliance with legal and regulatory obligations.

The Foundation's management has assessed the effects of these legal provisions and confirms that the entity has completed the required registration in the Unified Information System for Nonprofit Social Organizations and is authorized to operate in accordance with the new regulatory framework currently in effect.

As of the date of issuance of these financial statements, the application of these regulations has not had a direct impact on the figures presented; however, it represents a significant change in the legal environment applicable to the Foundation and could influence its compliance obligations and future operations.

11. Events Occurring After the Reporting Period

Between December 31, 2025, and the date of issuance of the financial statements (March 1, 2026), no events occurred that, in the Organization's opinion, could have a material effect on the accompanying financial statements.

12. Approval of the Financial Statements

The financial statements for the year ended December 31, 2025, were approved by management on January 31, 2025, and will be submitted to the board of directors for approval. The financial statements for the year ended December 31, 2024, were approved by the board of directors without modification.