

SEMILLA NUEVA

Consolidated Financial Statements for the Year Ended
December 31, 2021 and 2020, and The Independent
Auditor's Report Dated January 28, 2022.

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Sirs:
Board of Directors
Semilla Nueva
Guatemala

Report about the audit of consolidated financial statements.

Opinion

We have audited the accompanying consolidated financial statements of Asociación Semilla Nueva, Semilla Nueva, S.A. y Semilla Nueva (501)(c)(3) (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2021; the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Company, as of December 31, 2021 have been prepared, in all material respects, in accordance with the accounting policies and practices adopted by non-profit institutions, as described in Note 2).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAS). Our responsibilities in accordance with these rules are described in the section Responsibilities of the Auditor for the audit of the financial statements of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guatemala, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We consider that the audit evidence we have obtained is sufficient and provides a reasonable basis for our unqualified opinion. The Administration has stated that the Company will continue in operation.

Basis of Accounting and use of the Independent Auditor's Report

We draw the attention to Note 2), without that affecting our opinion to the consolidated financial statements that have been drafted, in all the material aspects, in accordance to accounting practices and policies adopted by the Company's management, as described in Note 2), which have their basis in accounting practices for Non-profit institutions, because the financial statements are drafted according to a special

purpose accounting basis. As a result, our report is made only for the Company and must not be distributed or used by other parts different to the Company or its partners.

Emphasis of Matter

During the year 2021, Semilla Nueva, S.A. has considerably decreased its income generation, which causes the existence of a material uncertainty that may generate significant doubts about the Company's ability to continue in operations, the Administration is considering to submit a temporary cessation of operations through the local Superintendency of Tax Administration (SAT).

Other Matters

As of December 31, 2021, Asociación Semilla Nueva hasn't any inventory and cost of sales record for transactions derived from the purchase and sale of biofortified seeds; inventory control and cost of sales are carried out by Operations Department. The administration is currently implementing an inventory management and production cost module within their accounting system, which will be fully functional as of 2022.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting Company policies, as well as for the internal control to allow the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue in operations, disclosing, as applicable, the matters related to the business continuity and using this as accounting basis, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those in charge of management are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of 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 a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Among the other responsibilities we have as auditors, we mention the following:

- We identified and assessed the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, we designed and conducted the audit procedures that responded to these risks; we obtained sufficient and appropriate audit evidence to provide a basis for our opinion, the risk of not detecting a material misstatement resulting from fraud is greater than that resulting from an error, since the fraud involves collusion, forgery, intentional omissions, distortion, or annulment of internal control.
- We gained a knowledge of relevant internal control to the audit, in order to design audit procedures that are appropriate in base of the circumstances and not with the purpose of expressing an opinion on effectiveness of the Company's internal control.
- We evaluated how appropriate the accounting policies are and the rationality of accounting estimates and related disclosures made by management.
- We concluded on the appropriate use of the accounting principle's administration of the Company in operation, on the basis of the obtained evidence, there is a material uncertainty related to events or conditions that might cause a significant doubt on the ability of the Company to continue as an entity in operation. If we conclude that there is a material uncertainty, we have to call the attention in our audit report on the relevant information to be disclosed in the financial statements or, if disclosure is insufficient, to change our opinion. Our conclusions were based on audit evidence obtained to the date of our audit report. However, facts or future conditions can cause the Company ceases being an entity in operation.
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosed information, and whether the financial statements represent the underlying transactions and events in a way that these be faithful.
- We communicated those in charge of the Company in relation to the intended scope and timing of the audit, and the important audit results, including possible significant deficiencies in internal control that we identified during our audit.
- We also provided those responsible for the management of the Company a statement that we have met the requirements of ethics applicable according to the independence and communicated with them about all relationships and other issues that can be reasonably expected may affect our independence and, in this case, the appropriate safeguards.

- Among the issues that have been subject of communication with those responsible for the Company, we determined which have been of great significance in the audit of the financial statements for the current period and which are the audit key issues. We described these issues in our audit report, unless the legal or regulatory dissipation prohibited to public reveal the issue, or in extremely rare circumstances, we determine that a matter should not be communicated in our report because it can expect adverse consequences of doing so, would outweigh the benefits of public interest in the same.

This report is intended exclusively for use of the Company's services and must not be provided to third parties, unless written authorization.



Evelia Azucena Galvez
CPA Register No. 6439

January 28, 2022

SEMILLA NUEVA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the years ended as of December 31
(Expressed in Quetzales and US Dollars)

	2021		2020	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
ASSETS				
CURRENT ASSETS				
Cash and Banks (note 4)	9,795,737	1,360,519	5,891,170	818,218
Accounts Receivable (note 5)	896,409	124,501	649,764	90,245
Total Current Assets	10,692,146	1,485,020	6,540,934	908,463
NON-CURRENT ASSETS				
Property, Plant and Equipment (note 6)	13,068	1,815	72,151	10,021
Total Non-Current Assets	13,068	1,815	72,151	10,021
TOTAL ASSETS	10,705,214	1,486,835	6,613,085	918,484
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Payable Accounts and Documents (note 7)	165,758	23,022	63,850	8,868
Total Current Liabilities	165,758	23,022	63,850	8,868
NON-CURRENT LIABILITIES				
Provision of Compensations (note 2h)	241,777	33,580	226,530	31,462
Other Provisions (note 8)	94,730	13,157	109,642	15,228
Total Non-Current Liabilities	336,507	46,737	336,172	46,690
TOTAL LIABILITIES	502,265	69,759	400,022	55,558
INSTITUTIONAL EQUITY				
Net Assets	10,202,949	1,417,076	6,213,063	862,926
TOTAL LIABILITIES AND EQUITY	10,705,214	1,486,835	6,613,085	918,484

The accompanying notes are part of the consolidated financial statements.

SEMILLA NUEVA
CONSOLIDATED STATEMENTS OF INCOME
For the years ended as of December 31
(Expressed in Quetzales and US Dollars)

	2021		2020	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
INCOME				
Donations (note 9)	14,647,737	2,034,408	9,377,376	1,302,413
Services (note 10)	333,533	46,324	1,518,689	210,929
Sales (note 10)	736,481	102,289	944,791	131,221
Sales discounts (note 10)	(53,294)	(7,402)	(52,178)	(7,247)
Other income	8,957	1,244	1,166	162
Bank interest	8,993	1,249	7,085	984
TOTAL INCOME	15,682,407	2,178,112	11,796,929	1,638,462
EXPENSES				
Salaries and benefits (note A)	4,733,062	657,370	3,465,878	481,372
Honoraria and benefits (note B)	1,882,748	261,493	2,037,672	283,010
General operating activities (note C)	3,489,954	484,716	2,210,314	306,988
Transportation, mobilization, fuel (note D)	1,215,061	168,758	854,525	118,684
Rental and maintenance expenses (note E)	451,878	62,761	436,464	60,620
General office expenses (note F)	277,712	38,571	683,416	94,919
Taxes, fees and arbitration (note G)	85,123	11,823	198,590	27,582
Depreciations (note H)	59,086	8,206	65,189	9,054
Bank expenses, forex and others (note I)	(399,702)	(55,514)	(227,210)	(31,557)
TOTAL EXPENSES (Note 11)	11,794,922	1,638,184	9,724,838	1,350,672
EXCESS OF INCOME OVER EXPENSES	3,887,485	539,928	2,072,091	287,790

The accompanying notes are part of the consolidated financial statements.

SEMILLA NUEVA
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended as of December 31
(Expressed in US Dollars)

DESCRIPTION	SEN ONG	SEN, S.A.	SEN 501 (c)(3)	TOTAL
Balance as of December 31, 2019	197,432	49,294	316,647	563,373
Contribution to future capitalizations	-	199,437	(199,437)	-
Forex effect	-	11,624	-	11,624
Shares authorized	-	139	-	139
Intercompany eliminations	654,961	-	(654,961)	-
Net income or loss	(642,461)	(196,546)	1,126,797	287,790
Balance as of December 31, 2020	209,932	63,948	589,046	862,926
Contribution to future capitalizations	-	217,953	(217,953)	-
Forex effect	-	14,222	-	14,222
Intercompany eliminations	890,000	-	(890,000)	-
Net income or loss	(955,711)	(251,882)	1,747,522	539,928
Balance as of December 31, 2021	144,221	44,241	1,228,615	1,417,076

The accompanying notes are part of the consolidated financial statements.

SEMILLA NUEVA

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended as of December 31
(Expressed in Quetzales and US Dollars)

DESCRIPTION	2021		2020	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
Cash Flows from Operating Activities				
Customer Cash Increase	67,196	9,333	(182,081)	(25,289)
Taxes payment increase	(170,746)	(23,715)	(323,543)	(44,936)
Decrease in suppliers and expense payment	(173,122)	(24,045)	(1,951,177)	(270,998)
Cash paid to operating expenses	(12,226,891)	(1,698,179)	(9,257,489)	(1,285,761)
Cash paid to personnel	(6,011,558)	(834,939)	(2,745,015)	(381,252)
Cash from donations	21,491,176	2,984,886	14,407,839	2,001,089
Cash from sales and services	1,016,720	141,211	2,411,301	334,903
Cash from other income	17,951	2,493	8,252	1,146
Net cash provided by operating activities	4,010,726	557,045	2,368,087	328,902
Cash Flows from Investing Activities				
Increase in Leasing	(208,557)	(28,966)	(92,132)	(12,797)
Net cash provided by investing activities	(208,557)	(28,966)	(92,132)	(12,797)
Cash Flows from Financing Activities				
Increase for investments SEN (501) (e)(3)	(1,569,265)	(217,953)	(1,435,945)	(199,437)
Increase in future capitalizations (SEN, S.A.)	1,671,663	232,175	1,520,640	211,200
Net cash rovided by financing activities	102,398	14,222	84,695	11,763
Net increase in cash and cash equivalents	3,904,567	542,301	2,360,650	327,868
Cash and cash equivalents at the beginning of the year	5,891,170	818,218	3,530,520	490,350
Cash and cash equivalents at the end of the year	9,795,737	1,360,519	5,891,170	818,218

The accompanying notes are part of the consolidated financial statements.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

1. ORGANIZATION

- A) **Semilla Nueva**, was incorporated on May 19, 2010 under the Oregon laws, as a non-profit organization. On September 20, 2010, was awarded tax exempt status from Federal income tax under section 501 (c) (3) of the Internal Revenue Code (IRC). This entity is organized exclusively for charitable, religious, educational, and scientific purposes, including, the distribution to organizations that qualify as exempt organizations under section 501 (c) (3) of the IRC for such purposes.
- B) **Asociación Semilla Nueva** was constituted under the laws of the Republic of Guatemala, according to testimony of the public deed number four hundred and sixty-one (461), dated August 27, 2012 for an indefinite period. It is a private, service, assistance, social benefit and agricultural local economic development entity, composed of professionals and altruistic persons belonging to civil society, non-profit, non-religious and without any political purpose.

The Association aims and objectives are:

- a) Develop projects with a focus on sustainable local economic agricultural development, which seek to raise the living standard of the Guatemalan people;
 - b) Develop actions and activities to promote human development, agricultural, social, technical and administrative assistance to strengthen the functioning of the communities and groups that need it;
 - c) Establish education, health, housing, agriculture, industry, production, marketing support, technical assistance and training programs, according to the needs and aspirations of the attended communities;
 - d) Manage the funds coming from the contributions of its associates and those received from other entities in order to execute the services required in its communities;
 - e) Accept inheritances, legacies, internal and external donations, contract loans and enter into agreements with national and international institutions for the achievement of the Association's purposes;
 - f) Manage and receive technical assistance and specialized training for the realization and administration of sustainable projects, programs and plans aimed at raising the standard of living of the population.
- C) **Semilla Nueva, S.A.** was constituted under the laws of the Republic of Guatemala, according to testimony of the public deed number eighty-nine (89), dated November 28, 2018 for an indefinite period. The Company's main purpose is the realization of all kinds of commercial and business activities related to lucrative activities to undertake business, creation, strengthening of individual companies and incorporation into the formal trade of evaluation, production and marketing of seeds crops. Likewise, the Company may carry out any commercial, industrial or business, lawful and lucrative activity, undertake, execute, perform or celebrate all necessary acts, operations, negotiations and contracts.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

The consolidated financial statements include the operations of Semilla Nueva 501 (c)(3) (USA), Asociación Semilla Nueva and Semilla Nueva, S.A.

2. SUMMARY OF THE MAIN ACCOUNTING POLICIES

The main accounting policies used by the Company in the preparation of the financial statements, are set out below:

On July 7, 2010, the Institute of Public Accountants and Auditors of Guatemala resolved to adopt as Generally Accepted Accounting Principles in Guatemala, the International Financial Reporting Standard for Small and Medium-Sized Entities - NIF for PYMES (in English, International Financial Reporting Standard for Small and Medium-Sized Entities- IFRS for SMEs -), issued by the Council of International Financial Reporting Standards (in English, International Accounting Standards Board - IASB). That resolution took effect for the entities in Guatemala: optional from the annual period which began on January 1, 2010 and obligatory from January 1, 2011.

Semilla Nueva is a non-profit organization. Therefore, it has not under the obligation to adopt International Financial Reporting Standard for Small and Medium-Sized Entities - NIF for PYMES, because these entities are not defined by the standard to do so, but it continues operating in accordance with the accounting practices for non-profit institutions, because the financial statements are prepared in accordance with a special purpose basis of accounting.

a) Financial statements presentation

Asociación Semilla Nueva and Semilla Nueva, S.A., operates its accounting records according to the accrual method, as it is registered in the Unified Tax Register (UTR) issued by the Superintendencia de Administración Tributaria (SAT), both are registered as follows:

- Optional Simplified Regime on Income-generating Activities.
 - Monthly payments on the basis of the gross income obtained in each month.
 - Annual Declaration.
- Value Added Tax (VAT) 12%, between the VAT collected and VAT paid.
 - Difference between VAT collected and VAT paid (rate 12%).
- The inventory valuation system is “Estimated cost or fixed price” for Semilla Nueva, S.A.
- Its accounting period is from January 1 to December 31 each year.
- It has assigned Tax Identification Number 8110876-1 for Asociación Semilla Nueva and 10303702-0 for Semilla Nueva, S.A.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

b) Financial Instruments

Financial instruments are defined as any contract that originates an increment to a financial asset in one company and a financial liability or equity instrument in another company. Financial assets and liabilities are recognized when the Company becomes a part of the contractual provisions of the corresponding instrument.

Financial assets and financial liabilities are initially measured at fair value, plus the transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, except for those classified at fair value through profit or loss, which are initially measured at fair value and whose transaction costs directly attributable to the acquisition or issue, are recognized immediately in profit or loss of the period.

Financial Assets

All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, in which the following are recognized on such date: a) the asset receivable and the liability payable, and (b) the derecognition of the asset that is sold, the recognition of the eventual income from the sale or disposal by another means, and the recognition of an item receivable from the purchaser.

Effective interest method: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts included in the calculation of the effective interest rate) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The financial assets held by the Company are classified as accounts receivable. These assets are measured at amortized cost using the effective interest method, less any accumulated impairment. The Company does not have financial assets that require being classified into the categories of: financial assets at fair value through profit or loss; held-to-maturity investments; or, available-for sale financial assets, nor has it entered into transactions during the period that have required such classifications.

Financial Liabilities

The financial liabilities and equity instruments are classified in accordance with the content of the contractual arrangements and considering the economic substance of the contract. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

Effective interest method: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts included in the calculation of the effective interest rate) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The financial liabilities held by the Company are classified as Other financial liabilities. These liabilities are recorded at amortized cost, which are recorded subsequent to their initial recognition at amortized cost, using the effective interest method, recognizing the interest expense over the relevant period. The Company does not have financial liabilities that require being classified into the category of financial liabilities at fair value through profit or loss, nor has it entered into transactions during the period that have required such classification.

c) Cash and cash equivalents

It is considered as cash and cash equivalents the petty cash and bank balances, these balances can be easily converted into cash without restriction.

d) Property and Equipment

Property and equipment are recorded at cost, minus the depreciation and any loss recognized for impairment. The initial disbursements, as well as those subsequently incurred, related to assets whose cost may be reliably valued, and for which it is probable that future economic benefits will be obtained from them, are recognized as fixed assets. The disbursements for maintenance and repairs are recognized as an expense of the period in which they are incurred. The gains or losses resulting from the sale or disposal of an item of property and equipment are determined as the difference between the profit from the sale and the book value of the asset, which are recognized in profit or loss of the period when the sale is considered to be realized.

The depreciation is calculated under the direct method using the following estimated useful life:

	Years
Computer equipment	3
Furniture and equipment	5
Vehicles	5

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

e) Asset Impairment

The value in asset books is reviewed on the date of each balance, in order to determine if there is impairment. If there is such indication, the recoverable amount of this asset is estimated. The impairment loss is recognized when the carrying amount of such asset exceeds its recoverable amount or its value in use, such loss is recognized in the statement of activities for those assets recorded at cost. There are no indications that the Company shows a deterioration of its assets, due to the nature of its operations and that its assets correspond to office and computer equipment, which are depreciated on a monthly basis.

f) Commercial Accounts Payable

Commercial accounts payable are obligations to pay for goods or services purchased from suppliers in the normal course of business. Accounts payable are classified as Current Liabilities if the payment has to be made in the term of one year or less. Otherwise, they are presented as non-current liabilities.

g) Provisions

Provisions are recognized when the Company has a present obligation (legal or taken) as a result of a past event, it is probable that the Company will have to leave resources, that incorporate economic benefits to cancel the obligation, and a reliable estimate of the amount of the obligation can be made.

h) Severance Compensation

According to the act 1441 Labor Code, Article 82 Severance Compensation, Annual Bonus Law 42-92 for Workers in the Private and Public Sector, article 4 and 76-78 Regulating Law of the provision of the Holiday Bonus for Workers in the Private Sector Article 9. Says: Companies have the obligation to pay compensation to the employees to dismiss, under certain circumstances, at a rate of one month's salary, plus one-twelfth of Holiday Bonus and Bonus 14, for each year of service. As of December 31, 2021, the amount of this concept is Q 241,777 equivalent to US\$ 33,580 and as of December 31, 2020, the amount of this concept is Q 226,530 equivalent to US\$ 31,462.

i) Net Assets

The income surpluses over expenses originated by the activities of each period are executed according to a grant agreement, forming part of net assets. These net assets are not distributed in the form of dividends, shares or any other form of distribution.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

j) Accounting for Interests

The interest generated by the bank accounts, are registered at the time of accreditation by the bank.

k) Donations recognition

Donations are registered as they have been granted to the Company. These have been originated by the funds from national or international institutions, mainly for the implementation or administration of projects. These donations are not attached to deductions of reserves of the heritage and are not distributed among its partners; however, at the end of the agreement, the funds not executed are returned to the donor.

l) Foreign currency transactions

Foreign currency transactions are recorded in national currency at the exchange rate in effect at the time of operation.

m) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. If these exist, they are disclosed in the notes to the financial statements, unless the possibility of cash being disbursed is remote, in which case no disclosure is required. As of December 31, 2021, and 2020, the Company does not present contingent liabilities that require disclosure.

n) Risk Management

By fluctuation in exchange rates: The Company manages the majority of their income, expenses, assets and liabilities in local currency, so it is not exposed to risks of exchange rate fluctuation.

By variation in interest rate and market prices: The Company has no financial instruments that are exposed to fluctuations in interest rate.

Liquidity: The Company covers its operating expenses mainly through the donations made by the cooperating agencies; as well as of the lucrative activities on the sales of biofortified seeds and provision of services.

Cash Flows: The adequacy of the cash flows to be generated is evaluated on a monthly basis to cover the obligations.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

3. MONETARY UNIT AND EXCHANGE RATE

Every year in December, the management analyzes the fluctuation of the exchange rate of US Dollars and Quetzales during the current year, and establishes a conservative exchange rate to budget the expenses of the following year. The transactions of each of the Companies are recorded in local currency for the presentation of individual financial statements; for the purpose of presenting the consolidated financial statements, the balances in Quetzales were expressed in US Dollars for the year 2021 and 2020, applying the exchange rate of Q.7.20 Quetzales per US \$1.00.

4. CASH AND BANKS

The integration as of December 31, is as shown below:

Description	2021		2020	
	Quetzales	US Dólares	Quetzales	US Dollars
Foreign Banks	8,821,843	1,225,256	4,191,444	582,145
Local Banks	950,198	131,972	1,651,500	229,375
Petty Cash	23,696	3,291	48,226	6,698
Total	9,795,737	1,360,519	5,891,170	818,218

5. ACCOUNTS RECEIVABLE

The integration as of December 31, is as shown below:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Advances to producers	373,824	51,920	244,201	33,917
VAT Tax Credit	358,007	49,723	264,023	36,670
Employees accounts receivable	46,912	6,515	46,066	6,398
Other advances	41,650	5,785	18,994	2,638
Advances to suppliers	38,166	5,301	2,858	397
Pasfesa	33,433	4,643	54,938	7,630
Other accounts receivable	4,417	613	18,684	2,595
Total	896,409	124,501	649,764	90,245

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

6. PROPERTY, PLANT AND EQUIPMENT

The integration as of December 31, 2021, is as shown below:

Amounts in Quetzales

Description	Balance as of 12-31-20	Movement of fixed assets		Balance as of 12-31-21
		Write-On	Write-Off	
PROPERTY, PLANT AND EQUIPMENT				
Furniture and Equipment	7,787	-	-	7,787
Computer Equipment	1,024	-	-	1,024
Vehicles	503,428	-	24,500	478,928
Sub-total	512,239	-	24,500	487,739
ACCUMULATED DEPRECIATION				
(-) Furniture and Equipment	(7,786)	-	-	(7,786)
(-) Computer Equipment	(1,024)	-	-	(1,024)
(-) Vehicles	(431,278)	34,583	-	(465,861)
Sub-total	(440,088)	34,583	-	(474,671)
Total	72,151	34,583	24,500	13,068

Amounts in US Dollars

Description	Balance as of 12-31-20	Movement of fixed assets		Balance as of 12-31-21
		Write-On	Write-Off	
PROPERTY, PLANT AND EQUIPMENT				
Furniture and Equipment	1,082	-	-	1,082
Computer Equipment	142	-	-	142
Vehicles	69,921	-	3,403	66,518
Sub-total	71,145	-	3,403	67,742
ACCUMULATED DEPRECIATION				
(-) Furniture and Equipment	(1,081)	-	-	(1,081)
(-) Computer Equipment	(142)	-	-	(142)
(-) Vehicles	(59,901)	4,804	-	(64,704)
Sub-total	(61,124)	4,804	-	(65,927)
Total	10,021	4,804	3,403	1,815

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

The integration as of December 31, 2020, is as shown below:

Amounts in Quetzales

Description	Balance as of 31-12-19	Movement of fixed assets		Balance as of 31-12-20
		Write-On	Write-Off	
PROPERTY, PLANT AND EQUIPMENT				
Furniture and Equipment	7,787	-	-	7,787
Computer equipment	1,024	-	-	1,024
Vehicles	503,428	-	-	503,428
Sub-total	512,239	-	-	512,239
ACCUMULATED DEPRECIATION				
(-) Furniture and Equipment	(7,786)	-	-	(7,786)
(-) Computer equipment	(1,024)	-	-	(1,024)
(-) Vehicles	(366,089)	65,189	-	(431,278)
Sub-total	(374,899)	65,189	-	(440,088)
Total	137,340	65,189	-	72,151

Amounts in US Dollars

Description	Balance as of 31-12-19	Movement of fixed assets		Balance as of 31-12-20
		Write-On	Write-Off	
PROPERTY, PLANT AND EQUIPMENT				
Furniture and Equipment	1,082	-	-	1,082
Computer equipment	142	-	-	142
Vehicles	69,921	-	-	69,921
Sub-total	71,145	-	-	71,145
ACCUMULATED DEPRECIATION				
(-) Furniture and Equipment	(1,081)	-	-	(1,081)
(-) Computer equipment	(142)	-	-	(142)
(-) Vehicles	(50,847)	9,055	-	(59,901)
Sub-total	(52,070)	9,055	-	(61,124)
Total	19,075	9,055	-	10,021

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

7. ACCOUNTS PAYABLE

The integration as of December 31, is as shown below:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Other payable accounts	146,231	20,310	50,652	7,035
Taxes payables	19,527	2,712	13,198	1,833
Total	165,758	23,022	63,850	8,868

8. OTHER PROVISIONS

The integration as of December 31, is as shown below:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Bonus 14	79,285	11,012	17,066	2,370
Holiday bonus	15,445	2,145	92,576	12,858
Total	94,730	13,157	109,642	15,228

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

9. DONATIONS

The income of the cooperation agencies is integrated as follows:

Description	2021		Status	2020	
	Quetzales	US Dollars		Quetzales	US Dollars
Light a Single Candle Foundation <i>a/</i>	4,320,000	600,000	Restricted	1,904,400	264,500
Mulago <i>b/</i>	1,800,000	250,000	No restricted	1,800,000	250,000
Cartier Philanthropy <i>c/</i>	1,512,000	210,000	No restricted	1,368,000	190,000
The Vitol Foundation <i>d/</i>	1,439,654	199,952	Restricted	179,827	24,976
Popoyan <i>e/</i>	805,068	111,815	Restricted	182,280	25,317
The Innocent Foundation <i>f/</i>	773,467	107,426	Restricted	-	-
Swiss Re Foundation <i>g/</i>	750,679	104,261	Restricted	1,396,800	194,000
David Weekley Family Foundation <i>h/</i>	720,000	100,000	No restricted	-	-
Harbourton <i>i/</i>	468,000	65,000	Restricted	-	-
Club Rotario de la Ermita <i>j/</i>	365,249	50,729	Restricted	-	-
Miracles in Action <i>k/</i>	309,600	43,000	No restricted	716,400	99,500
CFH <i>l/</i>	216,000	30,000	Restricted	216,000	30,000
RA5 Foundation <i>m/</i>	216,000	30,000	No restricted	216,000	30,000
The Eric Martin Fund <i>n/</i>	216,000	30,000	No restricted	-	-
Van Auker <i>o/</i>	180,000	25,000	No restricted	-	-
The Rotary Foundation <i>p/</i>	72,000	10,000	No restricted	-	-
Expo-2020 <i>q/</i>	-	-	Restricted	360,000	50,000
The International Foundation <i>r/</i>	-	-	Restricted	144,000	20,000
GLG <i>s/</i>	-	-	No restricted	72,000	10,000
Individual donations (Guatemala)	15,674	2,177	No restricted	15,175	2,108
Individual donations (United States)	468,346	65,048	No restricted	806,494	112,013
Total	14,647,737	2,034,408		9,377,376	1,302,413
Summary					
Restricted	62%	1,269,183		47%	608,793
No restricted	38%	765,225		53%	693,621
Total	100%	2,034,408		100%	1,302,414

a/: Light a Single Candle Foundation

Dated September 23, 2020, agreement number N4220 was signed for one year for the support of pilot program to incentivize companies to produce and sell biofortified seeds at reduced prices, for a total amount of \$49,500.

Dated May 21, 2021, agreement number N2821 was signed to provide the opportunity to launch the new seed F5, continue developing new hybrid seeds, to reach 1800 farmers and 7,200 commercial farmers through seed and to improve the income of 2,000 subsistence farmers, for a total amount of \$200,000.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

Dated August 08, 2021, agreement number N4121 was signed proposal for one of 3-year that will provide the opportunity to test the strategies for scaling biofortified maize, to reach 44,500 families, and invest in expansion and ability to reach 200,000 families within the 10-year goal, for a total amount of \$400,000.

For the year 2021 and 2020, donations for US\$600,000 and US\$264,500 were received, the funds are restricted.

b/: Mulago

On May 25, 2021, a letter from Mulago Foundation to Semilla Nueva was signed, in which they will transfer funds in the amount of US\$250,000.

For the year 2021 and 2020 donations were received for US\$250,000 each year; the funds correspond to an unrestricted grant to Semilla Nueva.

c/: Cartier Philanthropy

On November 28, 2018, the grant agreement between the private foundation Cartier Philanthropy and Semilla Nueva was signed. Cartier Philanthropy will contribute for a maximum amount of US\$400,000, for a period of two years (January 1, 2019 to December 31, 2020).

The objective of the Project named "Fighting Malnutrition in Guatemala" is to focus on the direct selling of biofortified seeds through existing distribution channels without advertising their nutritional qualities, and to sell seeds at price points that allow the long-term growth of Semilla Nueva while providing better financial returns for farmers, distributors and agrodealers resulting in scale adoption.

On January 12, 2021, the grant agreement between the private foundation Cartier Philanthropy and Semilla Nueva was signed. Cartier Philanthropy will contribute for a maximum amount of US\$600,000, for a period of three years (March 1, 2021 to December 31, 2023).

The Activities comprise in particular the promotion of seeds that have been conventionally bred (non -GMO) to have higher level of the most important missing nutrients: zinc, iron, and protein quality.

For the year 2021 and 2020, donations of US\$210,000 and US\$190,000 were received respectively.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

d/: The Vitol Foundation

For the year 2021, a donation was received for US\$199,952, and for the year 2020 a donation of US\$24,976 was received for the Semilla Nueva program for the period from May 1, 2021 to December 31, 2022 and from May 8 to November 30, 2020 respectively, to the program Scaling biofortified maize in Guatemala.

e/: Agropecuaria Popoyán, S.A.

On March 25, 2019, the fixed price subcontract between Agropecuaria Popoyán, S.A. and Asociación Semilla Nueva was established. As part of the PRO-INNOVA project and through its ProCompite fund, they will be contributing funds for the project execution through partial disbursements given to the Association for the fulfillment of 15 Milestones. The amount contributed by the Pro-Innova project will be Q2,025,331.90. Payments will be made in accordance with the payment schedule of performance goals, as long as the milestone is fully accomplished.

The subcontract will be valid from February 26, 2019 to September 30, 2021, and could be extended for the period that the contractor considers necessary to achieve the main objective of the PRO-INNOVA project. The end date may not exceed August 6, 2022.

On September 2, 2019, the fixed price subcontract suffered the first modification, in which the project expanded its areas of intervention and milestones 6, 8, 9, 10, 11, 12, 13, 14 and 15 were modified.

On September 9, 2020, happened the second modification of the subcontract of fixed price, in which was modified milestone 10.

On July 13, 2021, the third modification of the subcontract of fixed price took place, in which the end date is extended until November 30, 2021.

For the year 2021, and 2020, donations for Q805,068 equivalent to US\$111,815 and Q182,280 equivalent to US\$25,317 were received respectively.

f/: The Innocent Foundation

On December 21, 2020 an agreement from October 1, 2020 to July 31, 2023 was signed, to support the project that includes 4 items contained in 6 phases, for an amount of £150,003.

For the year 2021, donations for US\$107,426 were received.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

g/: Swiss Re Foundation

On April 6, 2018, a donation agreement was signed between Swiss Re Foundation and Semilla Nueva, Project number 6128, Semilla Nueva: Expanding biofortified seed to combat malnutrition (2018:2020) for an amount subject to the terms, for \$200,000 (VAT included), from January 1, 2018 to January 31, 2020.

On January 21, 2020, a grant agreement was signed between Swiss Re Foundation and Semilla Nueva, project number 6349, Semilla Nueva: Expanding a Biofortified Seed Venture to Combat Malnutrition (2019 - 2022) for an amount subject to the terms of the agreement for US\$200,000 (includes VAT), from December 1, 2019 to January 31, 2022.

On May 29, 2020, the Covid-19 relief agreement was signed between Swiss Re Foundation and Semilla Nueva, project number 6427, for an amount subject to the terms of the agreement for \$34,000 (includes VAT), from May 19, 2020 to December 31, 2020.

On June 23, 2020, an addendum was signed between the Swiss Re Foundation and Semilla Nueva, project number 6349 (Addendum no. 6353) Global Atlas Challenge – Semilla Nueva, during the year 2020.

For the year 2021 and 2020, donations for US\$104,261 and US\$194,000 were received respectively.

h/: David Weekley Family Foundation

There is no formal agreement, however, the communication and approval of the grant was made through letter dated August 24, 2021, for a US\$100,000 grant, to assist the Semilla Nueva's work.

i/: Harbourton Foundation

On May 19, 2021 a letter from Harbourton Foundation to Semilla Nueva was signed, in which they has approved a grant of US\$65,000, in support of Scaling biofortified corn in Guatemala. From April 1, 2021 to April 2, 2022.

For the year 2021, grant for US\$65,000 were received.

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

j/: Club Rotario de la Ermita

On January 20, 2021 the Cooperating Organization Memorandum of Understanding was signed as an agreement between RC Guatemala City Ermita and RC Boise Southwest, according to Global Grant 1987229.

For the year 2021, a total of US\$50,729 were received.

k/: Miracles in action

There is no formal agreement, however, the communication and approval of the grant was made through email.

For the year 2021 and 2020, donations were received for US\$43,000 and US\$99,500 respectively, the funds are destined for the fulfillment of the mission, investment in communications and public relations of Semilla Nueva.

l/: Conservation, Food & Health Foundation, Inc. (CFH)

On November 20, 2019, a letter from Conservation, Food & Health Foundation, Inc to Semilla Nueva, in which a donation for US\$30,000 was approved, to support the project "Combat chronic malnutrition in Guatemala: Production, promotion and sale of biofortified seeds".

On November 6, 2020, a letter from Conservation, Food & Health Foundation, Inc. to Semilla Nueva was signed, in which a donation for US\$30,000 was approved, to support the project titled "Semilla Nueva's COVID-19 Recovery: Adaptative Farmer Engagement & Seed Distribution".

On November 8, 2021 a letter from Conservation, Food & Health Foundation, Inc. to Semilla Nueva was signed, in which a donation for US\$30,000 was approved, to support the project titled Scaling Biofortified Corn in Guatemala.

For the year 2021 and 2020, donations for US\$30,000 were received each year.

m/: RA5 Foundation

There is no formal agreement, however, the communication and approval of the financing was made through a letter dated November 15, 2020 and December 10, 2021.

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

For the year 2021 and 2020, donations of US\$30,000 were received each year, the funds are unrestricted.

n/: The Eric Martin Fund

There is no formal agreement, however, the communication and approval of the financing was made through email.

For the year 2021, funding for US\$30,000 was received.

o/: Van Auker

There is no formal agreement, however, the communication and approval of the financing was made through email.

For the year 2021, grant for US\$25,000 were received.

p/: The Rotary Foundation

For the year 2021, The Rotary Foundation granted the total amount of US\$10,000 unrestricted funds to contribute to the organization's matching funds campaign that happens every year.

q/: Expo 2020

On August 1, 2019, a donation agreement was signed between Expo Dubai 2020 LLC - SO and Semilla Nueva, Project number EL-GA-110 titled "Scaling Biofortified Maize to Combat Malnutrition through a Social Enterprise Model". Expo 2020 will pay the Grantee in accordance with the following:

- a) An advance payment of US\$50,000 for the submission and approval of the documents set out in Article 4(b).
- b) Final payment of US\$50,000 after the submission of milestones 1 and 2, Estimated Date: January 2020.

For the year 2020 funding for US\$50,000 was received.

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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r/: The International Foundation

There is no formal agreement, however, the communication and approval of the financing was made through email.

For the year 2020, donations for US\$20,000 were received, the funds are restricted.

s/: GLG

There is no formal agreement, however, the communication and approval of the financing was made through email.

For the year 2020, donations for US\$10,000 were received, the funds are not restricted.

10. SALES AND SERVICES

These correspond to the sale of biofortified seeds, local services and services abroad, billed by the Asociación Semilla Nueva and Semilla Nueva, S.A.

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Sales	736,481	102,289	944,791	131,221
(-) Sales Discounts	(53,294)	(7,402)	(52,178)	(7,247)
Services	333,533	46,324	1,518,689	210,929
TOTAL	1,016,720	141,211	2,411,302	334,903

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

11. EXPENSES

A) Salaries and benefits as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Salaries	2,602,503	361,459	1,950,545	270,909
Mileage Reimbursement	646,138	89,741	420,674	58,427
IGSS, IRTRA and INTECAP fees	287,958	39,994	226,908	31,515
Severance	259,707	36,070	165,420	22,975
Bonus 14	217,077	30,150	156,751	21,771
Holiday bonus	217,013	30,141	158,832	22,060
Fringe	146,725	20,378	18,583	2,581
Insurances	112,250	15,590	99,094	13,763
Sales bonus	100,300	13,931	154,152	21,410
Bonus 37-2001	68,739	9,547	53,266	7,398
Telephone & Internet	62,585	8,692	59,083	8,206
Vacations	12,067	1,676	2,570	357
TOTAL	4,733,062	657,370	3,465,878	481,372

B) The Honoraria and benefits as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Honoraria and benefits	1,827,926	253,879	1,943,837	269,977
Telephone & Internet	23,077	3,205	21,903	3,042
Health insurance	20,147	2,798	15,575	2,163
Mileage reimbursement	11,598	1,611	25,033	3,477
Training and development	-	-	31,324	4,351
TOTAL	1,882,748	261,493	2,037,672	283,010

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

C) The general operating activities as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Commercial Seed Production	1,092,386	151,720	878,166	121,967
Project 1: Breeding (Backcrossing)	700,449	97,285	613,404	85,195
Professional Services	397,170	55,163	158,438	22,005
Project 6: Partnering Organizations	289,250	40,174	-	-
Project 5: Demo Plots	283,307	39,348	128,766	17,884
Project 3: Parental Seed Production	202,219	28,086	35,120	4,878
Project 4: Evaluation Trials	164,675	22,871	110,341	15,325
Advertising and Promotion	144,594	20,082	144,992	20,138
Counter incentives	114,146	15,854	-	-
Country Promotional Day (CPD)	95,450	13,257	105,615	14,669
Project 2: Other Projects (Agrobiofortifications, Aflotoxins)	6,308	876	35,472	4,927
TOTAL	3,489,954	484,716	2,210,314	306,988

D) Transportation, mobilization, fuel as of December 31, is integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Vehicles / Maintenance / Insurance / Leasing	356,164	49,467	253,978	35,275
Oil and Gas	352,711	48,988	258,820	35,947
Per diems	235,654	32,730	149,490	20,763
Hotel	190,240	26,422	149,504	20,765
Flights	42,528	5,907	17,239	2,394
Parking	13,802	1,917	-	-
Taxi Service	13,491	1,874	16,045	2,228
Toll and Ferry	6,346	881	7,590	1,054
Public Transportation	4,123	573	1,859	258
TOTAL	1,215,059	168,758	854,525	118,684

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

E) Rental and maintenance expenses as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Rent	276,206	38,362	281,270	39,065
General services	123,351	17,132	83,074	11,538
Utilities	52,321	7,267	72,120	10,017
TOTAL	451,878	62,761	436,464	60,620

F) General office expenses as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
General Supplies	160,751	22,327	528,595	73,416
General Services	116,961	16,245	154,821	21,503
TOTAL	277,712	38,571	683,416	94,919

G) Taxes, fees and arbitration as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Income Tax on Sales	67,026	9,309	169,111	23,488
United States Taxes	13,788	1,915	12,816	1,780
Vehicle Traffic Tax	1,820	253	2,322	322
VAT Special Invoice	1,203	167	5,650	785
Fines, Surcharges and Other				
SAT	817	114	6,337	880
Income Tax Special Invoice	469	65	2,354	327
TOTAL	85,123	11,823	198,590	27,582

SEMILLA NUEVA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2021 and 2020

H) Depreciations as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Vehicle Depreciation	59,086	8,206	65,189	9,054
TOTAL	59,086	8,206	65,189	9,054

I) Bank expenses, forex and others as of December 31, are integrated as follows:

Description	2021		2020	
	Quetzales	US Dollars	Quetzales	US Dollars
Uncollectible accounts	32,045	4,451	80,600	11,194
Banking fees	3,692	513	6,941	964
Exchange rate differential (forex)	(435,439)	(60,478)	(314,751)	(43,715)
TOTAL	(399,702)	(55,514)	(227,210)	(31,557)

12. COMMITMENTS

- a) On June 12, 2019, Semilla Nueva, S.A., as lessee and Asociación Semilla Nueva as joint guarantor and jointly obligated, signed a mandatory term lease agreement of an operational nature with Comercial Administradora, S.A. The contract establishes the rental of the Nissan Pick Up Vehicle, model 2019, silver color, NP300 style, for a period of 48 months or 200,000 km, the annual rent is Q89,807.28 plus VAT equivalent to US\$12,473.23.
- b) On June 27, 2019, Semilla Nueva, S.A. signed contract number 266 of lease and guarantee with El Kiosco, S.A. The contract establishes the rent of location number 35, first level, building "La Galería" for one year from May 1, 2019, which expires on April 30, 2020. The term can be extended for equal or shorter terms by crossing letters. The monthly rent is US\$1,167.00 plus VAT.

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

On May 21, 2020, by crossing letters, an extension of the contract term was made, for the period from May 1, 2020 to April 30, 2021, it is also established that Semilla Nueva S.A. will cover 70% of the value of the contract and Asociación Semilla Nueva will cover the remaining 30%.

- c) On September 24, 2019, Asociación Semilla Nueva signed a lease contract number 57 with Ambitto Arquitectura, S.A. The contract establishes the rental of warehouse number four of the condominium of Cinco Ofibodegas, Residenciales El Paraíso, Aldea La Libertad, in the municipality of Santa Lucia Milpas Altas in the department of Sacatepéquez, for one year from October 1, 2019, to September 30, 2020. The term can be extended for equal or shorter terms by crossing letters. The monthly rent is Q11,200.00 equivalent to US\$1,555.55 VAT included.

On September 22, 2020, through crossing of letters, the lease term is extended for one year, maintaining the rental value until December 2020 and for the period from January 1 to September 30, 2021 the rent is Q11,760 equivalent to US\$1,633.33 VAT included.

On September 14, 2021 through crossing of letters, the lease term is extended for one year, the rental value from October 1 to November 30, 2022 is Q12,054 equivalent to US\$1,674.17 VAT included.

- d) On November 9, 2020 Asociación Semilla Nueva as tenant and Semilla Nueva, S.A. as joint guarantor and jointly obligated, signed a compulsory operating term lease with Comercial Administradora, S.A. The contract establishes the rental of a Toyota Pick Up Vehicle, model 2021, metallic gray color, Hilux style for a term of 48 months or 200,000 km, the annual rent is Q101,009.04 plus VAT equivalent to US\$14,029.03.

13. TAX ASPECTS

According to the laws of Guatemala, the Company has the following tax obligations:

- a) Perform income tax withholdings to officials and employees when appropriate and refer them to the Superintendencia de Administración Tributaria (SAT) within ten working days after the end of the month.
- b) Perform withholdings of 5% for services rendered, when the invoice is obtained and for special invoices when they are services and purchase of goods, and present them to the fiscal entity within 10 business days of the following month.
- c) Submit an annual affidavit of Income Tax on March 31 of each year.
- d) Issue special invoices when the suppliers do not extend sales invoices, withhold them the Value Added Tax and report to the fiscal entity in the following calendar month.
- e) Enable and authorize accounting, journal, mayor, inventory and balance books in the Superintendencia de Administración Tributaria (SAT).

SEMILLA NUEVA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 and 2020

- f) Authorize the wage book and internal work regulations (When they have more than 10 employees).
- g) Report employees to the Instituto Guatemalteco de Seguridad Social (IGSS).
- h) Issue cash receipts authorized by the Superintendencia de Administración Tributaria (SAT).
- i) Pay work benefits.

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events as of December 31, 2021 to determine the need for potential records or disclosures in the financial statements. Such events were evaluated until January 3, 2021, date on which these financial statements are considered available for issuance. Based on this evaluation, there is no knowledge of subsequent events that occurred between the closing date of these financial statements and the date of issuance, which may significantly affect them.

15. FINANCIAL STATEMENTS APPROVAL

The consolidated financial statements for the ended year December 31, 2021, have been approved by management for issuance on January 19, 2022.

Annex I
“Financial Statements
Semilla Nueva 501 (c)(3)”

SEMILLA NUEVA

ANNEX I: STATEMENTS OF FINANCIAL POSITION OF SEMILLA NUEVA 501 (c)(3)

BALANCE SHEET

For the year ended as of December 31, 2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
ASSETS						
CURRENT ASSETS						
Cash and banks	8,845,539	1,228,547	-	-	8,845,539	1,228,547
Accounts receivable	500	69	-	-	500	69
Total current assets	8,846,039	1,228,616	-	-	8,846,039	1,228,616
NON-CURRENT ASSETS						
Investments	4,089,897	568,041	(4,089,897)	(568,041) <i>a/</i>	-	-
Property, plant and equipment	-	-	-	-	-	-
Total non-current assets	4,089,897	568,041	(4,089,897)	(568,041)	-	-
TOTAL ASSETS	12,935,936	1,796,657	(4,089,897)	(568,041)	8,846,039	1,228,616
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Accounts and documents payable	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-
NON-CURRENT LIABILITIES						
Severance	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
INSTITUTIONAL EQUITY						
Net assets	12,935,936	1,796,659	(4,089,897)	(568,041) <i>a/</i>	8,846,039	1,228,616
TOTAL LIABILITIES AND EQUITY	12,935,936	1,796,659	(4,089,897)	(568,041)	8,846,039	1,228,616

a/: This corresponds to the investment made in Semilla Nueva, S.A. as of December 31, 2021.

SEMILLA NUEVA

ANNEX I: STATEMENTS OF FINANCIAL POSITION OF SEMILLA NUEVA 501 (c)(3)

STATEMENT OF INCOME

For the year ended as of December 31, 2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
INCOME						
Donations	13,461,747	1,869,687	-	-	13,461,747	1,869,687
Services	-	-	-	-	-	-
Sales	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Bank interest	14	2	-	-	14	2
TOTAL INCOME	13,461,761	1,869,689	-	-	13,461,761	1,869,689
EXPENSES						
Salaries and benefits	98,983	13,748	-	-	98,983	13,748
Honoraria and benefits	34,095	4,735	-	-	34,095	4,735
General development activities	576,999	80,139	-	-	576,999	80,139
Transportation, mobilization, fuel	73,492	10,207	-	-	73,492	10,207
Rent and maintenance expenses	-	-	-	-	-	-
General office expenses	64,245	8,923	-	-	64,245	8,923
Taxes, fees and duties	13,788	1,915	-	-	13,788	1,915
Depreciations	-	-	-	-	-	-
Bank charges, differential and others	6,425,997	892,500	(6,408,000)	(890,000) a/	17,997	2,500
TOTAL EXPENSES	7,287,599	1,012,167	(6,408,000)	(890,000)	879,599	122,167
EXCESS OF INCOME OVER EXPENDITURE	6,174,162	857,522	6,408,000	890,000	12,582,162	1,747,522

a/: This corresponds to the disbursements made to Asociación Semilla Nueva NGO for operation in 2021.

Annex II
“Financial Statements
Semilla Nueva, S.A.”

SEMILLA NUEVA

ANNEX II: STATEMENTS OF FINANCIAL POSITION OF SEMILLA NUEVA, S.A.

BALANCE SHEET

For the year ended as of December 31, 2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
ASSETS						
CURRENT ASSETS						
Cash and banks	41,568	5,773	-	-	41,568	5,773
Accounts receivable	304,288	42,262	-	-	304,288	42,262
Total current assets	345,856	48,035	-	-	345,856	48,035
NON-CURRENT ASSETS						
Property, plant and equipment	-	-	-	-	-	-
Total non-current assets	-	-	-	-	-	-
TOTAL ASSETS	345,856	48,035	-	-	345,856	48,035
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Accounts and documents payable	27,325	3,795	-	-	27,325	3,795
Total current liabilities	27,325	3,795	-	-	27,325	3,795
NON-CURRENT LIABILITIES						
Severance	-	-	-	-	-	-
Other provisions	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	27,325	3,795	-	-	27,325	3,795
INSTITUTIONAL EQUITY						
Net assets	318,531	44,240	-	-	318,531	44,240
TOTAL LIABILITIES AND EQUITY	345,856	48,035	-	-	345,856	48,035

SEMILLA NUEVA

ANNEX II: STATEMENTS OF FINANCIAL POSITION OF SEMILLA NUEVA, S.A.

STATEMENT OF INCOME RESULT

For the year ended as of December 31, 2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
INCOME						
Donations	-	-	-	-	-	-
Services	333,532	46,324	-	-	333,532	46,324
Sales	-	-	-	-	-	-
Other income	8,954	1,244	-	-	8,954	1,244
Bank interest	4,573	635	-	-	4,573	635
TOTAL INCOME	347,059	48,203	-	-	347,059	48,203
EXPENSES						
Salaries and benefits	1,395,944	193,881	-	-	1,395,944	193,881
Honoraria and benefits	282,695	39,263	-	-	282,695	39,263
General development activities	158,504	22,014	-	-	158,504	22,014
Transportation, mobilization, fuel	236,385	32,832	-	-	236,385	32,832
Rent and maintenance expenses	8,111	1,127	-	-	8,111	1,127
General office expenses	53,207	7,390	-	-	53,207	7,390
Taxes, fees and duties	22,665	3,148	-	-	22,665	3,148
Depreciations	-	-	-	-	-	-
Bank charges, differential and others	3,101	431	-	-	3,101	431
TOTAL EXPENSES	2,160,612	300,086	-	-	2,160,612	300,086
EXCESS OF INCOME OVER EXPENDITURE	(1,813,553)	(251,883)	-	-	(1,813,553)	(251,883)

Annex III
“Financial Statements
Asociación Semilla Nueva”

SEMILLA NUEVA

ANNEX III: STATEMENTS OF FINANCIAL POSITION OF ASOCIACIÓN SEMILLA NUEVA

BALANCE SHEET

For the year ended as of December 31,2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
ASSETS						
CURRENT ASSETS						
Cash and banks	908,630	126,199	-	-	908,630	126,199
Accounts receivable	759,381	105,470	(167,760)	(23,300) a/	591,621	82,170
Total current assets	1,668,011	231,669	(167,760)	(23,300)	1,500,251	208,369
NON-CURRENT ASSETS						
Property, plant and equipment	13,068	1,815	-	-	13,068	1,815
Total non-current assets	13,068	1,815	-	-	13,068	1,815
TOTAL ASSETS	1,681,079	233,484	(167,760)	(23,300)	1,513,319	210,184
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Accounts and documents payable	306,193	42,527	(167,760)	(23,300) a/	138,433	19,227
Total current liabilities	306,193	42,527	(167,760)	(23,300)	138,433	19,227
NON-CURRENT LIABILITIES						
Severance	241,777	33,580	-	-	241,777	33,580
Other provisions	94,730	13,157	-	-	94,730	13,157
Total non-current liabilities	336,507	46,737	-	-	336,507	46,737
TOTAL LIABILITIES	642,700	89,264	(167,760)	(23,300)	474,940	65,964
INSTITUTIONAL EQUITY						
Net assets	1,038,379	144,220	-	-	1,038,379	144,220
TOTAL LIABILITIES AND EQUITY	1,681,079	233,484	(167,760)	(23,300)	1,513,319	210,184

a/: This corresponds to expenses pending settlement for the Popoyán and Commercial Venture project, for this cause the obligations are recorded in assets and liabilities.

SEMILLA NUEVA

ANNEX III: STATEMENTS OF FINANCIAL POSITION OF ASOCIACIÓN SEMILLA NUEVA

STATEMENT OF INCOME RESULT

For the year ended as of December 31, 2021

	INITIAL FINANCIAL STATEMENTS		ADJUSTMENTS AND RECLASSIFICATIONS		FINAL FINANCIAL STATEMENTS	
	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS	QUETZALES	US DOLLARS
INCOME						
Donations	8,029,429	1,115,198	(6,843,439)	(950,478) a/	1,185,990	164,720
Services	-	-	-	-	-	-
Sales	736,481	102,289	-	-	736,481	102,289
Sales discounts	(53,294)	(7,402)	-	-	(53,294)	(7,402)
Other income	1	-	-	-	1	-
Bank interest	4,411	613	-	-	4,411	613
TOTAL INCOME	8,717,028	1,210,698	(6,843,439)	(950,478)	1,873,589	260,220
EXPENSES						
Salaries and benefits	3,238,136	449,741	-	-	3,238,135	449,741
Honoraria and benefits	1,565,958	217,494	-	-	1,565,958	217,494
General development activities	2,754,451	382,563	-	-	2,754,451	382,563
Transportation, mobilization, fuel	905,184	125,720	-	-	905,184	125,720
Rent and maintenance expenses	443,767	61,634	-	-	443,767	61,634
General office expenses	160,260	22,258	-	-	160,260	22,258
Taxes, fees and duties	48,670	6,760	-	-	48,670	6,760
Depreciations	59,086	8,206	-	-	59,086	8,206
Bank charges, differential and others	14,638	2,033	(435,439)	(60,478) a/	(420,800)	(58,445)
TOTAL EXPENSES	9,190,150	1,276,409	(435,439)	(60,478)	8,754,711	1,215,931
EXCESS OF INCOME OVER EXPENDITURE	(473,122)	(65,711)	(6,408,000)	(890,000) a/	(6,881,122)	(955,711)

a/: This corresponds to the disbursements made by Semilla Nueva 501 (c) (3), for the 2020 operation of Asociación Semilla Nueva.