ASOCIACIÓN SEMILLA NUEVA
AND SEMILLA NUEVA 501(c)(3)

COMBINED FINANCIAL STATEMENTS REPORT

Period Covered
From 01 January to 31 December 2025

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I. KNOWLEDGE OF THE ORGANIZATION

Semilla Nueva was incorporated on May 19, 2010 under Oregon law as a non-profit entity. On September 20, 2010, she received federal tax-exempt status under section 501(c)(3) from the Internal Revenue Code (IRC). Such entity is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, distribution to organizations that qualify as exempt organizations under IRC section 501(c)(3).

In order to achieve our mission of improving the incomes of hundreds of thousands of farming families and the nutrition of millions, the Republic of Guatemala was selected with the sixth highest rate of chronic malnutrition in the world, where the following organizations were created:

Asociación Semilla Nueva, was constituted under the laws of the Republic of Guatemala according to the testimony of public deed number four hundred and sixty-one (461) dated August 27, 2012 for an indefinite period. It is a private entity, of service, assistance, social benefit and local agricultural economic development, made up of professionals and altruistic people belonging to civil society, of a non-profit, non-religious nature and without any political purpose.

I.I LEGAL STATUS AND LEGAL REPRESENTATIVE

a)	**Company name:**	Asociación Semilla Nueva and Semilla Nueva 501(c)(3)
b)	**Constitution:**	Asociación Semilla Nueva was established under the laws of the Republic of Guatemala according to the testimony of public deed number four hundred sixty-one (461) dated August 27, 2012, with an indefinite term.
c)	**Type of entity:**	It is a private entity, providing service, assistance, social benefit and local agricultural economic development, made up of professionals and altruistic people belonging to civil society, of a non-profit, non-religious nature and without any political purpose.
d)	**Legal representative:**	On November 26, 2025, the appointment of Federico Eduardo Fiallos Salmeron, as president of the Board of Directors and Legal Representative, was Registro de Personas Jurídicas under item 381, folio 381 of book 136 of Appointments. The term in office begins on December 1, 2025 and expires on November 30, 2027.

e) Address: The domicile of the Association will be in the Department of Guatemala and its headquarters in Guatemala City, at Vía 4, 01-00, Zona 4, Edificio Campus Tecnológico, Torre 2, Oficina 1102.

f) Fiscal period: From January 1 to December 31 of each year.

g) Main aims and objectives:

- Support and consolidate integration into Community Social Development processes whose objectives are related.
- To promote the provision of social service works in favor of the entire Guatemalan population.
- To promote the Local, Agricultural, Sustainable and Integral Economic Development of the communities of the Guatemalan population.
- To promote the identification and management of projects for integral agricultural development.
- To promote the participation of its partners in micro-regional, regional and national development.
- To generate conditions for the sustainable and equitable development of the Guatemalan population.
- To promote and defend the different laws and regulations that are oriented to the development of society.

I.II Composition of the Board of Directors

The current Board of Directors is composed as follows:

First and last names	appointment
Federico Eduardo Fiallos Salmerón	President and Legal Representative
Esteban Alfonso Fernández Melgar	Vice President
Jaquelin Paola Martínez Castañeda	Secretary
Mónica Fernanda Meza Ramírez	Treasurer
Jessica Paola Aguirre de los Reyes	Member I

II. EXECUTIVE SUMMARY

In this document we make available to the Asociación Semilla Nueva and Semilla Nueva 501(c)(3), the results of the Audit performed on the combined Financial Statements for the period from January 1 to December 31, 2025.

The Combined Financial Statements were issued on a basis of accounting principles generally accepted in the United States of America (US GAAP for non-profit organizations), the form of presentation for non-profit entities, recommended and accepted for this type of organization.

The audit was requested by Asociación Semilla Nueva and Semilla Nueva 501(c)(3), in order to obtain an external opinion on the reasonableness and compliance with the established aspects of the entity. The procedures for reviewing documentation and internal control were carried out on-site at the Association's offices.

The audit was conducted by Garcia Monroy, S.A., in compliance with the agreement established with Asociación Semilla Nueva and Semilla Nueva 501(c)(3). Applying the International Standards on Auditing (ISAS).

Our auditors had at their disposal all the requested information and the collaboration of the management team, without any limitation in scope.

García Monroy
Auditores & Consultores

REPORT OF THE PUBLIC ACCOUNTANT AND INDEPENDENT AUDITOR

Gentlemen,
Board of Directors
Semilla Nueva

Favorable Opinion

We have examined the attached combined financial statements of the Asociación Semilla Nueva and Semilla Nueva 501(c)(3), which comprise the Statement of Financial Position (Balance Sheet) and the Statement of Income and Expenditure (Income Statement) for the period from January 1 to December 31, 2025 and 2024. As well as a summary of significant accounting policies and explanatory notes to the financial statements.

In our opinion,

The accompanying combined financial statements of the Asociación Semilla Nueva and Semilla Nueva 501(c)(3), for the year ended December 31, 2025 have been prepared on the accrual (or accrual) accounting basis in accordance with accounting principles generally accepted in the United States of America (US GAAP for non-profit organizations), indicated in Note 1(a) and reasonably reflect, in all material respects, the financial condition of the two organizations.

Basis of the Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Asociación Semilla Nueva and Semilla Nueva 501(c)(3) in accordance with the ethical requirements that are relevant to our audit of financial statements in Guatemala, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and provides a reasonable basis to support our opinion.

Emphasis Paragraph - Accounting Bases and Restriction on Distribution and Use

Without this having any effect in our view, we draw attention to Note 1(a), which describes the basis of accounting. The financial statements have been prepared by Asociación Semilla Nueva and Semilla Nueva 501(c)(3), in compliance with the financial provisions of the collaboration agreement. Our report has been prepared for the administration of the Semilla Nueva, The distribution and use of this document is not limited to the parties indicated above.

The combined financial statements have been prepared by the management of the Asociación Semilla Nueva and Semilla Nueva 501(c)(3), in accordance with the accounting policies and accounting practices set forth in note 1a).

Other matters paragraph

The combined financial statements for the year ended December 31, 2024 were audited by another auditor, who expressed an unqualified opinion on those combined financial statements, dated March 3, 2025.

Responsibilities of management and entity managers for financial statements

Management is responsible for the preparation of the combined financial statements based on the agreement set forth in the financial reporting provisions of the collaboration agreement and for the internal control that the management of the Asociación Semilla Nueva and Semilla Nueva 501(c)(3) deems necessary to permit the preparation of combined financial statements free from material misstatement. either by fraud or error.

The Board of Directors of the are responsible for overseeing the entity's financial reporting process.

Auditor Responsibility

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the auditor's report which includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material error where it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to affect the economic decisions made by users on the basis of these financial statements.

In the process of our audit work in accordance with the International Standards on Auditing (ISAS) we have maintained professional judgment and skepticism, in addition:

- Identification and assessment of risks of misrepresentation of financial statements due to fraud or error. The necessary audit procedures were designed to respond to these risks and sufficient and competent evidence was obtained to support the basis of our opinion. The risk of failing to detect materiality resulting from fraud is greater than those resulting from error, as fraud involves collusion, falsification, intentional omission, misrepresentations, or inefficient internal control.

- Understanding and understanding of internal control relevant to the audit was obtained in order to design procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Communicated with management regarding the planned scope, audit timing, and important audit results, including potential significant internal control deficiencies that were identified during our work.

Sincerely,

García Monroy, S.A.



Walter Hernández Monroy (Ms)
Public Accountant and Auditor
Collegiate No. CPA-3,783

13 Calle "D" 30-35 Zona 7 Ciudad de Plata 1, Guatemala Central America
Tel. 2424-9177 / 2473-8419

Guatemala, February 27, 2026

COMBINED STATEMENTS OF FINANCIAL POSITION

(Figures expressed in Dollars)

	Note	Page	2025	2024
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	(3)	(19)	909,383	263,315
Accounts receivable	(4)	(20)	880,053	470,381
Inventories	(5)	(20)	22,975	20,388
Investments	(6)	(20)	6,421,778	2,122,241
Total current assets			**8,234,189**	**2,876,325**
NON-CURRENT ASSETS				
Property, plant and equipment	(7)	(20)	29,300	40,964
Intangibles	(8)	(21)	951	951
Total non-current assets			**30,251**	**41,915**
TOTAL ASSETS			**8,264,440**	**2,918,240**
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	(9)	(21)	299,327	98,794
Total current liabilities			**299,327**	**98,794**
NON-CURRENT LIABILITIES				
Employee benefits	(10)	(21)	213,519	161,702
Other provisions	(11)	(22)	55,589	54,684
Total non-current liabilities			**269,108**	**216,386**
TOTAL LIABILITIES			**568,435**	**315,180**
NET ASSETS				
Unrestricted	(12)	(22)	6,826,737	2,014,789
Restricted	(12)	(22)	869,268	588,271
Total net assets			**7,696,005**	**2,603,060**
TOTAL LIABILITIES AND NET ASSETS			**8,264,440**	**2,918,240**

(See explanatory notes to the combined financial statements)

COMBINED ACTIVITY STATEMENTS

As of December 31, 2025
(Figures expressed in Dollars)

Description	Note	Page	Net Assets		2025
			Unrestricted	Restricted	
OPERATING INCOME					
Donations	(13)	(22)	9,305,631	1,500,562	10,806,193
Sales	(14)	(24)	146,799	-	146,799
Financial Income			182,949	-	182,949
Other Income			2,661		2,661
Total Operating Income			**9,638,040**	**1,500,562**	**11,138,602**
Net Assets Released from Restrictions			1,249,701	(1,249,701)	-
Total Operating Income and Net Assets Released from Restrictions			**10,887,741**	**250,861**	**11,138,602**
Operating expenses					
Service program			5,065,256	-	5,065,256
Administrative and general expenses			584,170	-	584,170
Fundraising			355,340	-	355,340
Total operating expenses			**6,004,766**	**-**	**6,004,766**
Change in net assets from operating activities			**4,882,975**	**250,861**	**5,133,836**
Non-Operating Activities					
Exchange Rate Difference			-	-	-
Gain (Loss) on Translation of Financial Statements			(40,891)	-	(40,891)
Change in Net Assets from Non-Operating Activities			**(40,891)**	**-**	**(40,891)**
Change in Net Assets			**4,842,084**	**250,861**	**5,092,945**
Net Assets, Beginning of Year			2,014,789	588,271	2,603,060
Net Assets, Ending of Year	(12)	(22)	**6,856,873**	**839,132**	**7,696,005**

(See explanatory notes to the combined financial statements)

COMBINED ACTIVITY STATEMENTS

As of December 31, 2024
(Figures expressed in Dollars)

Descripción	Note	Page	Net Assets Unrestricted	Net Assets Restricted	2024
OPERATING INCOME					
Donations	(13)	(22)	2,871,103	1,288,860	4,159,963
Sales	(14)	(24)	130,807	-	130,807
Financial Income			133,415	-	133,415
Other Income			96		96
Total Operating Income			**3,135,421**	**1,288,860**	**4,424,281**
Net Assets Released from Restrictions			1,168,324	(1,168,324)	-
Total Operating Income and Net Assets Released from Restrictions			**4,303,745**	**120,536**	**4,424,281**
Operating expenses					
Service program			3,980,494	-	3,980,494
Administrative and general expenses			600,322	-	600,322
Fundraising			381,102	-	381,102
Total operating expenses			**4,961,918**	**-**	**4,961,918**
Change in net assets from operating activities			**(658,173)**	**120,536**	**(537,637)**
Non-Operating Activities					
Exchange Rate Difference			-	-	-
Gain (Loss) on Translation of Financial Statements			(83,199)	-	(83,199)
Change in Net Assets from Non-Operating Activities			**(83,199)**	**-**	**(83,199)**
Change in Net Assets			**(741,372)**	**120,536**	**(620,836)**
Net Assets, Beginning of Year			2,756,161	467,735	3,223,896
Net Assets, Ending of Year	(12)	(22)	**2,014,789**	**588,271**	**2,603,060**

(See explanatory notes to the combined financial statements)

COMBINED FUNCTIONAL EXPENSE STATEMENTS

(Figures expressed in Dollars)

Description	Note	Page	Services Program	Administration and General Expenses	Fundraising	2025
Salaries and benefits	(15)	(24)	1,431,595	345,222	90,178	1,866,995
Fees	(16)	(25)	418,114	-	208,182	626,296
General development activities	(17)	(25)	2,736,485	60,299	1,237	2,798,021
Transportation, mobilization, and fuel	(18)	(25)	353,168	3,748	4,981	361,897
Rent and maintenance expenses	(19)	(26)	57,304	71,279	-	128,583
General office expenses	(20)	(26)	16,123	79,188	29,950	125,261
Taxes, fees, and levies	(21)	(26)	32,998	14,657	18,565	66,220
Depreciation	(22)	(27)	9,806	1,858	-	11,664
Bank charges	(23)	(27)	9,663	7,919	2,247	19,829
Total operating expenses			**5,065,256**	**584,170**	**355,340**	**6,004,766**

Description	Note	Page	Services Program	Administration and General Expenses	Fundraising	2024
Salaries and benefits	(15)	(24)	1,216,248	319,632	91,115	1,626,995
Fees	(16)	(25)	70,489	-	5,640	76,129
General development activities	(17)	(25)	2,282,682	76,387	231,078	2,590,147
Transportation, mobilization, and fuel	(18)	(25)	354,193	5,890	4,099	364,182
Rent and maintenance expenses	(19)	(26)	30,588	102,205	-	132,793
General office expenses	(20)	(26)	10,670	67,315	29,183	107,168
Taxes, fees, and levies	(21)	(26)	5,818	11,953	19,987	37,758
Depreciation	(22)	(27)	9,806	2,884	-	12,690
Bank charges	(23)	(27)	-	14,056	-	14,056
Total operating expenses			**3,980,494**	**600,322**	**381,102**	**4,961,918**

(See explanatory notes to the combined financial statements)

COMBINED CASH FLOW STATEMENTS

(Figures expressed in Dollars)

Description	2025	2024
Cash flows from operating activities		
Increase (decrease) in net assets	5,092,944	(620,836)
Adjustments to reconcile the increase in net assets with the net cash (used in) provided by operating activities:		
Depreciation and amortization	11,664	12,691
Changes in working capital		
Accounts receivable	(409,672)	(230,026)
Inventories	(2,587)	(6,178)
Accounts payable and accrued liabilities	200,533	22,875
Severance pay and other provisions	52,722	98,149
Net cash from (used in) operating activities	**4,945,604**	**(723,325)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	-
Acquisition of investments	(4,299,536)	585,119
Net cash from (used in) investing activities	**(4,299,536)**	**585,119**
Cash flows from financing activities		
Obtaining (repaying) loans payable	-	-
Net cash received (used) in financing activities	**-**	**-**
Net increase (decrease) in cash and cash equivalents	646,068	(138,206)
Cash and cash equivalents at the beginning of the year	263,315	401,521
Cash and cash equivalents at the end of the year	**909,383**	**263,315**

(See explanatory notes to the combined financial statements)

EXPLANATORY NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Presentation Base

The Organization's consolidated financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (US GAAP for non-profit organizations).

b) Consolidation Bases

The consolidation includes the operations of Semilla Nueva 501(c)(3) based in the State of Oregon, United States of America and the organizations operating in the Republic of Guatemala that are Asociación Semilla Nueva. Collectively, all of these entities are referred to as the "Organization."

The accompanying consolidated financial statements present the consolidated financial position and changes in the net assets, functional expenses and cash flows of the Organization. All-important accounts and transactions between entities have been eliminated in consolidation.

c) Classification of Net Assets

Net assets, income, gains and losses are classified according to the existence or absence of restrictions imposed by the donor or grantor. Accordingly, net assets and their changes are classified and reported as follows:

Unrestricted Net Assets:
net assets available for use in general operations and not subject to restrictions by donors (or certain grantors). Unrestricted net assets also include investment in property, plant and equipment, net of accumulated depreciation.

Restricted Net Assets:
Net assets subject to restrictions by donors (or certain grantors). Some restrictions imposed by donors are temporary in nature, such as those that will be met over time or other events specified by the donor. Other restrictions imposed by donors are perpetual in nature, and the donor stipulates that resources will be held in perpetuity. Gifts of long-lived assets and restricted cash gifts for the acquisition of long-lived assets are recognized as restricted income when received and released from restrictions when the assets are placed in service.

Donor restrictions are released when a restriction expires, i.e., when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, the restricted net assets are reclassified to unrestricted net assets and reported in the activity statement as unrestricted net assets.

d) Operations Measurement

The consolidated statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of income from donations, sales of the Organization's services and products, interest and dividends earned from investments. Support for operational activities from both restricted and unrestricted donor sources is also included. Non-operating activities are limited to resources that generate investment yield and other activities considered to be of a more unusual or non-recurring nature, gains and losses resulting from foreign currency translation, impairment of long-lived assets and prior-period adjustments.

e) Using Estimates

Preparing financial statements in accordance with generally accepted accounting principles (US GAAP for non-profit organizations) requires management to make estimates and assumptions that affect:

1. The reported amounts of assets and liabilities;
2. Disclosure of contingent assets and liabilities as of the date of the financial statements; y
3. The amounts of income and expenses reported during the reporting period. Actual results could differ materially, in the short term, from the amounts reported.

f) Adopted Accounting Pronouncements

In September 2020, FASB issued an ASU 2020-07 Nonprofit Entities (Topic 958) to improve financial reporting by providing new filing and disclosure requirements on donated nonfinancial assets for nonprofit entities, including additional disclosure requirements to recognize donated services. The amendment in this update must be applied retrospectively and is effective for annual periods beginning after June 15, 2021. The Organization adopted ASU 2020-07 for the fiscal year ending December 31, 2024. There was no material impact on the financial statements as a result of this adoption.

g) Recent Accounting Pronouncements

In June 2016, the FASB issued an ASU 2016-13 Financial Instruments – Credit Losses (Topic 326) to provide users of the financial statements with more useful information for decision-making on expected credit losses on financial instruments and other commitments that include credits extended by the Organization as of the reporting date. The amendments replace the impairment methodology for losses incurred in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supported information to inform credit loss estimates. This guidance is effective for tax years beginning after December 15, 2022. Although early adoption is permitted, the Organization is evaluating the impact this will have on the consolidated financial statements from 2024 onwards.

h) Reclassifications

Certain reclassifications of amounts previously reported in the accompanying financial statements have been made to maintain consistency between the periods presented. The reclassifications had no impact on previously reported net assets.

i) Cash and cash equivalents

Cash and cash equivalents include deposits in banks in both local and foreign currency and highly liquid, highly liquid short-term negotiable instruments that bear interest with original maturities of three months or less from the date of purchase, except for those amounts held in the investment portfolio that are invested for long-term purposes.

The administration manages the risk of concentration of deposits by placing the cash in bank accounts and certificates of deposit in financial institutions both in the United States of America and in the Republic of Guatemala, which we consider solvent. Additionally, these institutions are insured in the United States of America (USA) for $250,000 under the Federal Deposit Insurance Corporation Law (FDICA), in the Republic of Guatemala for $2,547 under the Savings Protection Fund law. On occasion, the amounts deposited may exceed the insured limits in each of the countries. To date, the Organization has not experienced any loss on any of these accounts in terms of government insurance limits.

j) Accounts receivable

Most of the Organization's accounts receivable come from customers, employees, and advances to producers. The credit risk associated with accounts receivable and pledges is considered limited due to historically high collection rates and because substantial portions of the outstanding amounts come from government agencies and foundations that support our mission.

k) Inventories

Inventories of materials and supplies and finished goods are valued at average cost.

l) Property, plant and equipment, net

Property and equipment are valued at cost on the date of purchase or, for donated assets, at fair value on the date of donation, less accumulated depreciation. Expenses for additions and upgrades are capitalized, while replacements, maintenance, and repairs that do not improve the life of assets are accounted for as expenses as they are incurred. Gains or losses resulting from the sale or retirement of an item of property and equipment are determined as the proceeds of the sale and the carrying amount of the asset, which are recognized in the gains or losses for the period at the time the sale is deemed to have been made.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset as follows: 5 years for vehicles, 5 years for furniture and equipment, and 3 years for computer equipment.

m) Impairment and disposal of long-lived assets

The Organization's management evaluates periodically and to date the financial statements whether events or circumstances have occurred that indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposal. If there is such an indication, the recoverable amount of this asset is estimated. When it is considered impaired, an impairment loss is recognised to the extent that the carrying amount exceeds the fair value of the asset. There were no asset impairment indicators for the year ended December 31, 2025.

n) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are obligations for expenses incurred, payment for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if the payment is due within one year or less, otherwise they are presented as non-current liabilities.

o) Compensation

According to decrees No. 1441 of the Labor Code, article 82 calculation of compensation 42-92 of the Annual Bonus Law for Workers in the Private and Public Sector, article 4 and 76-78 of the Law Regulating the Bonus Benefit for Workers in the Private Sector Article 9 indicates: Companies have the obligation to pay compensation to employees who dismiss under certain circumstances at the rate of one month's salary, plus the twelfth part of the Christmas bonus and bonus fourteen, for each year of service. As of December 31, 2025, the value of the provision amounts to US$213,519 and as of December 31, 2024, US$161,702.

p) Donations

Gifts, including unconditional pledges of donation, are recognized as income in the period in which they are received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions that will be received after one year are discounted at a rate commensurate with the risk involved. The amortization of the discount is recorded as grant income. Provisions are made for uncollectible contributions based on management's judgment and analysis of donors' creditworthiness, past creditworthiness, collection experience, and other relevant factors.

Gifts of long-lived assets and restricted cash gifts for the acquisition of long-lived assets are recognized as income in restricted net assets when received and released from restrictions when the assets are placed in service.

The Organization records gifts of non-financial assets at their estimated fair value at the date of the donation. The general policy with respect to the disposition of non-financial donated assets is that the Organization should make the sale of the donation as expeditiously as possible, unless the Organization puts the in-kind donation to use. For the years ended December 31, 2025 and 2024, no non-financial assets were received as a donation.

Income from grant agreements and contracts is recognized as income to the extent that it executes expenditure in accordance with the grant agreement or contract and is shown as net asset unrestricted in the statement of activities

q) Grants and Contracts

The Organization receives grants and contract income from a variety of governmental and private sources. The activity may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a non-reciprocal transaction in which the resources provided are for the benefit of the Organization, the mission of the organization providing the funds, or the general public.

The Organization considers most of its grants and contracts from government sources and private organizations to be conditional non-reciprocal contributions. The Organization recognizes the revenue associated with these grants and contracts as related costs are incurred in accordance with the terms of the grant agreements and shown as net asset released from restrictions in the statement of activities. In all other grants and contracts that are considered exchange transactions, the Organization recognizes income as performance obligations are satisfied.

r) Functional Expense Allocation

The costs of programme activities and support services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the detail of the natural classification of expenses by function. As a result, certain costs have been allocated between programmes and support services. Expenses that are allocated include rent, depreciation, insurance, and interest, which are allocated on the basis of square footage, as well as wages and salaries, benefits, payroll taxes, which are allocated based on estimates of time and effort.

s) Income tax

Semilla Nueva is organized as a non-profit organization in the state of Oregon, United States of America and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation.

Uncertain tax positions. Semilla Nueva currently has processes in place to ensure that its tax-exempt status is maintained; to identify and report unrelated income; to determine your tax and filing obligations in jurisdictions with which you have ties; and identify and evaluate other matters that may be considered uncertain tax positions.
Semilla Nueva has determined that there are no uncertain tax positions that require recognition or disclosure in the financial statements. Annually the Organization files the "Income Tax Exempt Organization Return" (Form 990) with the IRS. In addition, you are subject to income tax on net income that is derived from business activities that are not related to the exempt purposes. The Organization has determined that it is not subject to unrelated corporate income tax and has not filed a "Semilla Nueva Income Tax Return" with the tax authority of the Republic of Guatemala. As of the date of the financial statements, the statements have not been reviewed by the tax authority.

t) Conversion of financial statements

For the conversion of financial statements, the Organization considers the U.S. dollar as its functional and reporting currency. Transactions recorded in foreign currency (GTQ Quetzales) have been converted into United States dollars (USD) as follows:

1. Monetary assets and liabilities at the exchange rate as of the date of the financial statements;
2. Non-cash assets and liabilities, such as inventories, prepaid expenses, machinery and equipment (including accumulated depreciation) and net assets, as well as income and expenditure operations at the exchange rate set by the Organization.

Gains and losses resulting from foreign currency translation are recognized in the statement of activities as a non-operating activity.

u) Exchange Rate

In December of each year, the administration analyzes the fluctuation of the exchange rate of U.S. dollars and Quetzals during the current year and establishes a conservative exchange rate to budget for the following year's expenses. As of December 31, 2025 and 2024, the exchange rate of Quetzales (GTQ) for US$1.00 was Q7.80 for both periods.

2. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity to meet its operational needs and other contractual commitments, while striving to maximize the investment of its available funds. The Organization has a variety of sources of liquidity, including cash and cash equivalents, accounts receivable from customers, inventories and short-term investments.

The Organization has a liquidity and operating reserve policy that is drafted and overseen by the Finance Committee of the Board of Directors. The Liquidity and Operating Reserve Policy sets certain minimum thresholds for cash balances and provides guidance to remedy any situation in the event that cash balances are below the established threshold.

For the purposes of analysing the resources available to cover overhead costs over a 12-month period, the Organization considers all costs related to its ongoing activities of its service programme, as well as the provision of services in support of those activities and fund-raising, to be operational costs.

Financial assets available for operating expenses, i.e., without donor restrictions or other restrictions limiting their use, within one year of the date of the statement of financial position, include the following:

Description	2025	2024
Financial assets at year-end		
Cash and cash equivalents	909,383	263,315
Accounts receivable	880,053	470,381
Inventories	22,975	20,388
Short-term investments	6,421,778	2,122,241
Total financial assets	**8,234,189**	**2,876,325**
Less: amounts not available for use within a year		
Restricted net assets	-	-
Net assets available for general expenses	**8,234,189**	**2,876,325**

The Organization's goal is to maintain financial assets to meet approximately (4) months of operating expenses.

In addition, the Organization also maintains an operating reserve designated by the Board of Directors for UDS862,474 accumulated as of December 31, 2025. These represent unrestricted operating funds that have been designated internally by the Organization. These could be settled over the period if necessary to support operations.

3. CASH AND CASH EQUIVALENTS

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Foreign banks	557,386	58,435
Local banks	349,533	204,880
Petty cash accounts	2,464	-
Total	**909,383**	**263,315**

4. ACCOUNT RECEIVABLE

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Advances to producers	585,397	193,103
Tax	78,924	45,575
Miscellaneous accounts receivable	1,410	1,283
Accounts receivable from employees	3,395	9,439
Customers	50,086	4,986
IVA withholdings	-	2,720
Other advances	160,841	213,275
Total	**880,053**	**470,381**

5. INVENTORY

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Packaging material	16,757	17,172
Raw material	6,218	3,216
Total	**22,975**	**20,388**

6. INVESTMENTS

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Investment Chase	6,260,314	1,968,049
Investment Banco Industrial, S.A.	161,464	154,192
Total	**6,421,778**	**2,122,241**

7. PROPERTY, PLANT AND EQUIPMENT

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Vehicles	61,401	61,401
Computer equipment	15,209	15,209
Furniture and equipment	998	998
Machinery	49,078	49,078
Total property, plant and equipment	**126,686**	**126,686**
Less accumulated depreciation	(97,386)	(85,722)
Book value	**29,300**	**40,964**

8. INTANGIBLES

The integration as of December 31, 2025 and 2024 is made up of a Trademark and Patent registration worth US$951.

9. ACCOUNTS PAYABLE

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Suppliers	641	728
Miscellaneous accounts payable	248,100	33,143
Other accounts payable	3,990	17,130
Taxes payable	6,112	3,978
Employees	40,484	43,815
Total	**299,327**	**98,794**

10. LABOR PROVISIONS

According to decrees No. 1441 of the Labor Code, article 82 calculation of compensation 42-92 of the Annual Bonus Law for Workers in the Private and Public Sector, article 4 and 76-78 of the Law Regulating the Bonus Benefit for Workers in the Private Sector Article 9 indicates: Companies have the obligation to pay compensation to employees who dismiss under certain circumstances at the rate of one month's salary, plus the twelfth part of the Christmas bonus and bonus fourteen, for each year of service.

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

indemnification	2025	2024
Beginning balance	161,702	85,186
Provision	90,645	78,387
Uses	(38,828)	(1,871)
Total	**213,519**	**161,702**

11. OTHER PROVISIONS

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

(See on next page)

Description	2025	2024
Annual bonus		
Balance at the beginning of the year	46,265	27,594
Provision	90,645	84,038
Uses	(89,493)	(65,367)
Total	**47,417**	**46,265**
Christmas Bonus		
Balance at the beginning of the year	8,419	5,458
Provision	90,644	81,107
Uses	(90,891)	(78,146)
Total	**8,172**	**8,419**
Total of other provisions	**55,589**	**54,684**

12. NET ASSETS

Net assets with donor time and purpose constraints, are integrated as of December 31 as shown **below (Dollar figures)**

Description	2025	2024
Donor's unrestricted net assets		
Net assets without designation	5,964,263	1,174,477
Net assets designated by the board	862,474	840,312
Total	**6,826,737**	**2,014,789**
Restricted net assets		
Contributions available for programs	**869,268**	**588,271**

The funds designated by the Board of Directors are for the purpose of covering operating expenses for up to 4 months in case of emergency.

13. DONATIONS

The integration as of December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Foundations	7,205,102	3,637,224
Bilateral	2,342,254	447,614
Individual	1,258,837	75,125
Total	**10,806,193**	**4,159,963**

Unrestricted donations as of December 31 are as shown below: **(Dollar figures)**

Donor	2025	2024
Amazon	300,000	-
Anonymous Donor	507,050	-
Bridges Trust / Matthew 6:3	550	-
Cartier Foundation	200,000	405,000
Dovetail Impact Foundation	350,000	350,000
Duke university	-	-
Eric Martin	-	120,000
F.M. Kirby Prize	-	150,000
Fidelity Investments	733,800	60,000
Focus Central America	-	-
Google Fig	250,000	-
Harburton	-	50,000
Iroh Foundation	-	50,000
Jewish Community Federation	-	100,000
Jcf San Francisco	200,000	-
Jeremy Hockenstein	250,000	-
Laidir Foundation	-	75,000
MIA	-	-
Mulago	-	250,000
Pilot House	200,000	200,000
Pulte Family	75,025	-
Praire Creak Partners	-	30,000
Praxis	-	-
Pulte Family	-	40,000
Rippleworks	3,100,000	500,000
Rotary	-	6,000
Risk Pool Fundation	49,590	-
Shockwave Foundation	100,000	100,000
Van Auker (Arvy Foundation)	-	50,000
Vitol	299,950	199,979
Whole Foods Market Foundation	100,000	-
Total donations	**6,715,965**	**2,735,979**
Unrestricted	247,412	135,124
Agencia para el Desarrollo Internacional	2,342,254	-
Total	**9,305,631**	**2,871,103**

Donations with restrictions as of December 31 are as shown below: **(Figures expressed in dollars)**

Description	2025	2024
Foundations	1,400,562	841,246
Individual or corporate	100,000	-
Bilateral and multilateral	-	447,614
Total	**1,500,562**	**1,288,860**

14. SELLING PRODUCTS AND SERVICES

Sales during the period from January 1 to December 31 are integrated as follows: **(Figures expressed in dollars)**

Description	2025	2024
Sales	146,799	130,807
(-) Returns and discounts	-	-
Total	**146,799**	**130,807**

15. WAGES AND EMPLOYMENT BENEFITS

Salaries and benefits during the period from January 1 to December 31 are integrated as follows: **(Figures expressed in dollars)**

Description	2025	2024
Salary	1,094,903	940,647
Bonus Decree 37-2001	73,642	17,667
Sales Bonus	46,044	38,219
Christmas Bonus Decree 76-78	90,190	81,107
Bonus 14	88,639	84,038
Severance Pay	95,945	78,387
Insurance	60,833	59,056
Vacation	8,988	2,406
IGSS and IRTRA Contributions	116,976	100,367
Mileage Allowance	151,949	177,565
Telephone and Internet	23,271	21,133
Training and Development	15,615	26,403
Total	**1,866,995**	**1,626,995**

16. FEES

The fees for the period from January 1 to December 31 are made up as follows: **(Figures expressed in dollars)**

Description	2025	2024
Professional fees	626,296	76,129
Total	**626,296**	**76,129**

17. GENERAL DEVELOPMENT ACTIVITIES

The general development activities during the period from 1 January to 31 December are integrated as follows: **(Figures expressed in dollars)**

Description	2025	2024
Commercial Seed Production	642,854	399,453
Project 1: Hybrid Development	57,017	91,628
Project 2: Other Projects	238,488	222,999
Project 3: Parental Seed Production	321,200	61,406
Project 4: Evaluation Trial	44,479	56,298
Project 6: Monitoring and Impact Studies	96,318	401,806
Project 7: Genebank Laboratory	15,512	57,550
Project 8: CIMMYT	20,052	-
Professional Services	498,302	797,724
Incentives for Retailers	23,130	59,127
Demonstration Plots	50,109	82,355
Field Days	33,308	43,306
Advertising and Promotion	53,405	31,904
Subsidies to Other Companies	697,063	284,591
Donations	6,784	-
Total	**2,798,021**	**2,590,147**

18. TRANSPORT, MOBILIZATION AND FUEL

Transportation, mobilization and fuel during the period from January 1 to December 31, are integrated as follows: **Figures expressed in dollars)**

Description	2025	2024
Vehicles	32,531	43,277
Transportation	71,032	31,559
Fuels and lubricants	81,172	104,208
Food	95,007	108,586
Accommodation	82,155	76,552
Total	**361,897**	**364,182**

19. RENTALS AND MAINTENANCE COSTS

Rent and maintenance expenses during the period from January 1 to December 31 are integrated as follows: **(Figures expressed in dollars)**

Description	2025	2024
Rental	77,403	69,370
General Services	26,767	19,204
Supplies	24,413	44,219
Total	**128,583**	**132,793**

20. OFFICE OVERHEAD

General office expenses for the period from 1 January to 31 December are as follows: **(Dollar figures)**

Description	2025	2024
General expenses	89,032	60,495
General supplies	36,229	46,673
Total	**125,261**	**107,168**

21. TAXES, FEES AND EXCISE DUTIES

Taxes, fees and excise duties during the period from January 1 to December 31 are integrated as follows: **Figures expressed in dollars)**

Description	2025	2024
Income Tax on Sales	9,628	8,476
United States Taxes	52,915	29,114
Vehicle Registration Taxes	85	106
Fines, Surcharges, and Other SAT Fees	62	62
Stamps, Duties, and Other Fees	3,530	-
Total	**66,220**	**37,758**

22. DEPRECIATION

Depreciation during the period from January 1 to December 31 is as follows: **(Figures expressed in dollars)**

Description	2025	2024
Computer equipment depreciation	1,858	2,884
Machinery depreciation	9,806	9,806
Total	**11,664**	**12,690**

23. BANK CHARGES

Bank charges during the period from January 1 to December 31 are compiled as follows: **(Figures expressed in dollars)**

Description	2025	2024
Uncollectible accounts	13,118	970
PayPal fees	34	51
Bank fees	6,677	13,035
Total	**19,829**	**14,056**

24. TAX AREA

The Asociación Semilla Nueva is registered with the Superintendencia de Administración Triburaria (SAT) under the Número de Identificación Tributaria (NIT) 8110876-1.

25. ACCOUNTING ASPECTS

The Asociación Semilla Nueva prepares financial statements in an accounting system called "ISC", which generates the required accounting books (Journal, General Ledger and Balance Sheet).

26. TAX REVIEW

As of the date of our review, Asociación Semilla Nueva has not been subject to reviews by the tax authorities. The right of the State to make adjustments to the different taxes to which the entity is subject prescribes four years after the deadline set for the filing of the corresponding returns.

27. REGISTRATION WITH THE IVE (INTENDENCIA DE VERIFICACIÓN ESPECIAL)

The Asociación Semilla Nueva is registered with the Intendencia de Verificación Especial (IVE), according to IVE Official Letter No. 1890-2019 dated May 23, 2019, identified before said Intendancy with the number 81108761 that corresponds to the activity of non-profit entities – funds from abroad.

28. SUBSEQUENT EVENTS

We are not aware of any subsequent events that occurred between the date of the combined financial statements as of December 31, 2025 and the date of our audit opinion, which require the modification of the figures presented in the combined financial statement.

29. LITIGATION / LEGAL PROCEEDINGS

As of December 31, 2025, the management of the Asociación Semilla Nueva states that it has no legal litigation or labor proceedings that would cause a significant effect on the combined financial statements reflected on pages 8 to 12.

30. APPROVAL OF FINANCIAL STATEMENTS

The combined financial statements for the year ended December 31, 2025, have been approved for issuance by management on January 31, 2026.