Fondo Bicorredor Amazónico INC

Financial Statements for the
Year Ended December 31, 2025
and Independent Auditors' Report

FONDO BICORREDOR AMAZÓNICO INC

FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED DECEMBER 31, 2025

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Abbreviations:

IFRIC	IFRS Interpretations Committee
FV	Fair Value
FVTPL	Fair value through profit or loss
FVTOCI	Fair value through other comprehensive income
IASB	International Accounting Standards Board
IESBA	International Ethics Standards Board for Accountants
VAT	Value Added Tax
ISA	International Standards on Auditing
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ORI	Other comprehensive income
ECL	Expected credit Loss
SCVS	Superintendency of Companies, Securities and Insurance
SPPI	Solely payment of principal and interest
SRI	Internal Revenue Service
MSP	Ministry of Public Health
CFA	Conservation Funding Agreement
PIA	Project Implementation Agreement
US$	U.S. dollars

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INDEPENDENT AUDITORS' REPORT

To the members of the Board of Directors of
Fondo Bicorredor Amazónico INC:

Opinion

We have audited the accompanying financial statements of Fondo Bicorredor Amazónico INC (the Fund), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA) and the relevant ethical requirements for our audit of the financial statements in Ecuador, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Fondo Biocorredor Amazónico INC for the year ended December 31, 2025, are the first issued by the Fund, since it obtained recognition to operate in Ecuador after signing of the Basic Operating Agreement, published in the Official Gazette on July 10, 2025. Consequently, these financial statements do not include comparative amounts.

Responsibilities of Management of the Fund and the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management and the Fund's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Translation of the financial statements into English has been made solely for the convenience of international readers.

Firmado electrónicamente por:
HELEN IRMA GUILLEN PACHECO
Validar únicamente con FirmaEC

Deloitte & Touche

SC-RNAE-19
Guayaquil, Ecuador
March 31, 2026

Helen Guillen
Partner

FONDO BICORREDOR AMAZÓNICO INC

STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2025

ASSETS	Notes	31/12/25 (in U.S. dollars)
CURRENT ASSETS:		
Cash and banks	5	12,977,314
Investments in financial assets	6	10,000
Trade and other receivables, net		6,093
Current tax assets	8	14,414
Total current assets		13,007,821
NON- CURRENT ASSETS:		
Equipment and total non-current assets	7	14,793
TOTAL ASSETS		13,022,614
CURRENT LIABILITIES:		
Trade and other payables		7,544
Contractual liabilities	9	12,911,220
Accrued liabilities		12,311
Current tax liabilities	8	2,412
Total current liabilities		12,933,487
NON-CURRENT LIABILITIES:		
Defined benefit obligations and total current liabilities		850
Total liabilities		12,934,337
EQUITY:		
Accumulated surplus		88,277
TOTAL LIABILITIES AND EQUITY		13,022,614

See notes to financial statements

Esteban Mauricio Vega Hidalgo
Time Stamping Security Data

MSc MBA Esteban Vega Hidalgo
Executive Director

Mayra Alejandra Navas Figueroa
Time Stamping Security Data

Ing. Mayra Navas
Finance Manager

FONDO BICORREDOR AMAZÓNICO INC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	Year ended 31/12/25 (in U.S. dollars)
Income from donations	1	244,778
Other income		69
Salaries and social benefits	10	(62,230)
Professional services		(71,839)
Leases		(3,883)
Insurance		(2,811)
Depreciation and amortization	7	(546)
Other expenses		(15,261)
SURPLUS FOR THE YEAR		88,277

See notes to financial statements

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Ing. Mayra Navas
Finance Manager

FONDO BICORREDOR AMAZÓNICO INC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Accumulated surplus	Total
	… (in U.S. dollars) …	
Balances at December 31, 2024		
Surplus for the year	88,277	88,277
Balances at December 31, 2025	88,277	88,277

See notes to financial statements

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Vega Hidalgo
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Navas Figueroa
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Ing. Mayra Navas
Finance Manager

FONDO BICORREDOR AMAZÓNICO INC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	31/12/2025
Cash flows from operating activities	
Types of Charges and Payments in Cash for Operating Activities	
Cash received for operating activities	13,155,998
Paid to suppliers of Goods and Services	(162,433)
Paid to and on behalf of Employees	9,018
Cash flows from operating activities	13,002,583
Cash flows from investing activities	
Types of Charges and Payments in Cash for Investing Activities	
Interest Received	69
Purchase of equipment	(15,338)
Investments in Financial Assets	(10,000)
Cash used in investing activities	(25,269)
Net increase in cash and banks	12,977,314
Cash and banks beginning of the year	
Cash and banks end of the year	12,977,314

See notes to financial statements

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1. GENERAL INFORMATION

Fondo del Biocorredor Amazónico Inc. (hereinafter FBCA) is a non-profit entity, incorporated under the laws of the State of Delaware, United States, on November 20, 2024, for the purpose of managing resources destined for the conservation and sustainable use of the ecosystems of the Ecuadorian Amazon. The entity was created within a framework of an international financial operation signed in December 2024, through agreements between the Ecuadorian State and international organizations, i) the Conservation Funding Agreement (CFA) signed on December 16, 2024, which establishes how the resources received by the BCA Fund are managed within the conservation transaction, and additionally defines the control and reporting framework; ii) The Project Implementation Agreement (PIA), signed on December 11, 2024, establishes a framework of commitments, declarations, and guarantees for the obligations of the BCA Fund for the implementation of projects linked to the conservation transaction. These documents are focused on generating and channeling resources for conservation.

Furthermore, the Fund is authorized to operate in Ecuador following the signing of the Basic Operating Agreement, published in the Official Gazette on July 10, 2025. In this context, the BCA Fund's principal function is to manage and administer these resources, including project financing schemes, ensuring their use in accordance with the signed agreements and in compliance with the conservation commitments established within the framework of the operation.

Pursuant to the Fund's bylaws, all grants, donations, contributions, or other financial aid provided by the Fund shall be used for the following purposes:

a) Support fulfillment of the Conservation Commitments assumed by the Republic of Ecuador in the Ecuadorian Amazon;
b) Support implementation of activities related to the Amazon Biocorridor, including the Amazon Biocorridor Program;
c) Support the sustainable development of the communes, communities, peoples, and indigenous nationalities inhabiting the Ecuadorian Amazon;
d) Support management of Ecuador's National System of Protected Areas or any other area under a national or local conservation or protection scheme in the Ecuadorian Amazon; and
e) Contribute to sustainable development, conservation, and climate change mitigation or adaptation in the Ecuadorian Amazon.

In accordance with the Project Implementation Agreement (PIA), the Conservation Funding Agreement (CFA), the Fund's Bylaws, and the Operational Manual, the Board of Directors comprises nine members appointed through a mixed governance model. This model includes government-affiliated directors, one director appointed by The Nature Conservancy, and non-government-affiliated directors with technical and sectoral profiles, including experience in finance, Amazonian social or productive organizations, Indigenous peoples and nationalities, international cooperation or conservation, and academia.

Members are selected based on the criteria and procedures established in the Bylaws and the Operational Manual, based on experience, integrity, independence, representativeness, and active participation. Within its purview, the Board of Directors acts as the Fund's governing body, responsible for approving and overseeing the work plan, budget, policies, organizational structure, financing mechanisms, and grant allocation processes, as well as for the overall monitoring of institutional management.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 IFRSs issued but not yet effective

As of the date of authorization of these financial statements, the Fund has not applied the following new and revised IFRSs that have been issued, but are not yet effective.

Annual Improvements to IFRS Accounting Standards - (Volume11)	*IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on the implementation of IFRS 7, IFRS 9 Financial Instruments and IAS 7 Statement of Cash Flows.*
IFRS 18	*Presentation and disclosure in the financial statements*

Annual Improvements to IFRS Accounting Standards - Volume11

Includes the following principal changes:

<u>IAS 7 Statement of Cash Flows - Cost Method</u>

The amendment replaces the term “cost method” with “at cost” in IAS7:37 in line with the removal of the definition of “cost method” from the IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. An entity is required to apply the amendments to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. No specific transition provisions are provided in respect of the other amendments.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor changes to IAS 7 and IAS 33 Earnings Per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

Management of the Fund does not anticipate that the application of the new standard may have an impact on the Fund's financial statements in future periods.

Fund Management anticipates that the application of these amendments would not have an impact on the Fund's financial statements in future periods, given that it is not the Fund's practice to execute this type of transaction related to new, rules or amendments not yet in effect.

3. MATERIAL ACCOUNTING POLICIES

3.1 ***Basis of preparation*** - The Fund's financial statements have been prepared on a historical cost basis, as explained in the accounting policies included below.

i. *Historical cost*

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

ii. *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants an orderly transaction at the valuation date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability that market participants would consider in pricing the asset or liability at the measurement date.

The principal accounting policies adopted in the preparation of these financial statements are as follows:

3.2 ***Functional currency*** - The Fund's functional currency in the U.S. dollar, the currency in circulation in Ecuador.

3.3 ***Cash and Banks*** - Cash and banks comprise cash on hand and deposits in checking accounts, which are subject to an insignificant risk of changes in value.

3.4 ***Equipment***

Measurement at recognition - Equipment held for administrative purposes is initially measured at cost.

The cost of equipment comprises the purchase price plus any cost directly attributable to the location of the asset and the conditions necessary for it to operate as intended by Fund Management.

Subsequent measurement: cost model - After initial recognition, equipment is recorded at cost less accumulated depreciation and impairment losses, if any.

Depreciation method and useful lives - The cost of equipment is depreciated using the straight-line method. The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any change in the estimate accounted for on a prospective basis.

Depreciation is recognized to charge the cost of assets (other than land and properties under construction) to profit or loss over their useful lives using the straight-line method, based on the following:

Type of assets	Useful life (years)
Computer equipment	3

Retirement or sale of equipment - An item of property and equipment is derecognized when it is sold or when no future economic benefits are expected from its continued use. The gain or loss arising from the sale or retirement of an item of property and equipment is calculated as the difference between the proceeds received from the sale and the asset's carrying amount, and is recognized in profit or loss.

3.5 ***Provisions*** - Provisions are recognized when the Fund has a present obligation (whether legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision should be the best estimate of the cash outflow required to settle the present obligation at the end of each reporting period, taking into account the associated risks and uncertainties. When a provision is measured using the estimated cash flow required to settle the present obligation, its carrying amount represents the present value of that cash flow (when the time value of money effect is material).

When the recovery of some or all of the economic benefits required to settle a provision is expected, a receivable is recognized as an asset if it is virtually certain that the cash outflow will be received and the amount of the receivable can be reliably measured.

3.6 Employee benefits

Defined benefits: Retirement and severance - Cost of defined benefits (retirement and severance) is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Service costs are recognized in profit and loss for the year, as well as the financing interest generated on the defined benefit obligation.

Actuarial gains and losses and other remeasurements of plan assets (if any) are recognized in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. They are reflected immediately in retained earnings and are not reclassified to profit or loss for the period. The remeasurements included in other comprehensive income are not subsequently reclassified. Past service costs are recognized in profit or loss when the plan amendment or curtailment occurs, or when the Fund recognizes the related restructuring costs or termination benefits, whichever occurs first.

Other short-term benefits - A liability is recognized for benefits accruing to employees in respect of wages and salaries, social benefits, annual leave, etc., in the period in which the employee provides the related service at the amount of the benefits expected to be paid in exchange for that service. The liabilities recognized in respect to short-term employee benefits are measured at the present value expected to be paid in exchange for the service, based on the calculation for each benefit.

3.7 ***Revenue Recognition*** - The revenue of Biocorredor Amazónico Inc. (FBCA) comes primarily from contributions, transfers, and grants received under international agreements for the financing of conservation activities. Revenue is recognized in accordance with International Financial Reporting Standards (IFRS), particularly considering the guidelines of IAS 20 – Accounting for Government Grants and Disclosure of. Government Assistance, to the extent that the resources received have characteristics similar to grants subject to specific conditions of compliance. In this regard, the funds are initially recognized when there is reasonable certainty of their receipt and compliance with the associated conditions. When subject to restrictions or compliance commitments, these resources are recognized as deferred revenue and are systematically allocated to profit or loss as the programs are implemented and the established conservation commitments are met. In addition, financial returns generated by managed assets, including those from Endowment funds, are recognized on an accrual basis, in accordance with investment policies and applicable restrictions.

3.8 ***Expenses*** Are recorded at historical cost. Expenses are recognized as incurred, regardless of the payment date, and are recorded in the period in which they are known.

3.9 Financial instruments

Financial instruments - Financial assets and liabilities are recognized when the Fund becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for receivables and payables that have no significant financing component, which are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets at fair value through profit or loss) are added to or subtracted from the fair value of the financial assets or liabilities, as applicable, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

3.10 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized at the transaction date. Regular way purchases or sales of financial assets that require the delivery of assets within the time frame established by a regulation or convention in the marketplace.

All financial assets recognized as such are subsequently valued, in their entirety, at amortized cost or at fair value, depending on the classification of financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Fund may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Fund may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Fund may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortized Cost and 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.

For financial assets other than those purchased or originated with credit-impaired financial assets (for example, assets that have credit impairment at initial recognition), the effective interest rate is the rate that exactly discounts expected future cash inflows (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), excluding expected credit losses, through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition, using the gross carrying amount of the debt instrument at initial recognition. For credit-impaired financial assets purchased or originated, a credit-adjusted effective interest rate is calculated by discounting estimated future cash flows, including expected credit losses, at the amortized cost of the debt instrument at initial recognition.

The amortized cost of a financial asset is the amount at which a financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization, using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate at the amortized cost to the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit- impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For financial assets purchased or originated with impairment, the Fund recognizes interest income by applying the adjusted effective interest rate to the amortized cost of the financial asset at its initial recognition. The calculation does not revert to the gross basis, even if the credit risk of the financial asset subsequently improves such that the financial asset is no longer impaired.

Interest income is recognized in the profit or loss for the period.

Impairment of financial assets

The Fund recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Fund recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the fund's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Fund's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased:

- A significant existing or expected deterioration in the external (if any) or internal rating of the financial instrument;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Fund presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

Despite the above, the Fund assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Fund considers a financial asset to have low credit risk when the asset has an external credit rating of "investment grade" according to the globally accepted definition, or, if no external rating is available, when the asset has an internal rating of "realizable." Realizable means that the counterparty has a strong financial position and there are no outstanding past-due amounts.

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as necessary to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes due.

(ii) Definition of default

The Fund considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor;

- Information developed internally or obtained from external sources indicates that it is unlikely that the debtor will pay its creditors, including the Fund, in full (without taking into account any guarantees held by the Fund).

Notwithstanding the above analysis, the Fund considers that default has occurred when a financial asset is more than 90 days past due, unless the Fund has reasonable and reliable information to demonstrate that a later default criterion is more appropriate.

<u>(iii) Credit-impaired financial assets</u>

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) A significant financial difficulty of the issuer or the borrower;
b) A breach of contract, such as a default or past due event (see (ii) above);
c) The lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e) The disappearance of an active market for that financial asset because of financial difficulties.

<u>(iv) Write-off policy</u>

The Fund writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

<u>(v) Measurement and recognition of expected credit losses</u>

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, expected credit loss is estimated as the difference between all contractual cash flows due to the Fund under the contract and all cash flows the Fund expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used to determine expected credit losses are consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Fund has measured the allowance for losses for a financial instrument at an amount equal to the expected lifetime credit loss in the previous reporting period, but determines at the current reporting date that the conditions for expected lifetime credit loss are no longer met, the Fund measures the loss margin at an amount equal to the 12-month expected credit loss at the current reporting date, except for assets for which the simplified approach was used.

The Fund recognizes an impairment gain or loss in year-end results of all financial instruments with an adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the provision for bad debts is recognized in other comprehensive and retained earnings in the investment revaluation reserve account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Fund derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Upon derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of profit or loss for the year.

3.11 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is used to calculate the amortized cost of a financial liability to allocate interest expenses during a relevant period. The effective interest rate is the rate that exactly discounts the cash flows receivable or payable (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) through the expected life of the financial liability (or, where appropriate), in a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Fund derecognizes financial liabilities if, and only if, the Fund's obligations are fulfilled, cancelled, or have expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Fund's accounting policies, which are described in note 3, Management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not easily determinable. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or if the revision affects both current and future periods.

4.1 Sources for key assumptions

Key assumptions about the future and other key sources of uncertainty for estimates in the reporting period are those that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. As of December 31, 2025, the Fund does not include account balances that depend on assumptions whose change could cause a material adjustment to the carrying amounts of assets and liabilities.

5. CASH AND BANKS

	31/12/25
Cash	500
Local banks **(1)**	65,594
Foreign banks, see note 9	12,911,220
Total	12,977,314

(1) Banks include cash deposited in local financial institutions that generates interest. The carrying amount of these assets is equal to their fair value.

(2) Represent funds received in an overseas bank account derived from the sovereign debt conversion structure in accordance with the Conservation Funding Agreement and the Project Implementation Agreement, note 9. These funds may be drawn down by the entity in Ecuador when the conditions established in the referred structures are met.

6. INVESTMENTS IN FINANCIAL ASSETS

	31/12/25
Measured at amortized cost:	
Term deposits and total investments in financial assets **(1)**	10,000

(1) As of December 31, 2025, represent certificates of deposit in local banks maturing up to December 21, 2026, generating an effective annual interest of 4.85%.

7. EQUIPMENT

	31/12/25
Cost	15,338
Accumulated depreciation	(545)
Total	14,793
Classification:	
Computer equipment and total	14,793

Movements in equipment were as follows

	Computer equipment and total
Cost:	
Balance at January 1, 2025	
Additions	15,338
Balance at December 31, 2025	15,338
Accumulated depreciation:	
Balance at January 1, 2025	
Depreciation for the year	(545)
Balance at December 31, 2025	(545)
At December 31, 2025	14,793

8. TAXES

8.1 Tax assets and liabilities

	31/12/25
Current tax assets:	
Value Added Tax credit	14,413
Income tax credit	1
Total	14,414
Current tax liabilities:	
Income tax withholdings at source and total current tax liability	2,412

8.2 Income tax

Pursuant to Article 9, paragraph 5 of the Tax Law, for the purposes of determining and settling income tax, legally constituted private non-profit institutions are exempt, provided that their assets and income are allocated to their specific purposes and any surplus generated at the end of the fiscal year is reinvested in those specific purposes until the close of the following financial year.

To benefit from this exemption, such institutions must be registered in the Single Taxpayer Registry, maintain accounting records, and comply with all other formal obligations stipulated in the Tax Code, this Law, and other Ecuadorian laws. As a consequence of compliance with the referred conditions, Fondo Bicorredor Amazónico INC is exempt from paying Income Tax.

9. CONTRACTUAL LIABILITIES

The contractual liability recorded in the financial statements as of December 31, 2025, refers to the commitments arising from the financing structure originating from a sovereign debt conversion operation, executed through a Special Purpose Vehicle (SPV), which channels resources for conservation in the Ecuadorian Amazon. This structure is formalized primarily through the Conservation Funding Agreement and the Project Implementation Agreement. These instruments establish the conditions, obligations, and restrictions applicable to the use and administration of these resources by the Fund.

In this context, the liability reflects the obligation to execute the funds received in accordance with the defined contractual terms, including compliance with conservation commitments, disbursement rules, and the established payment schedule, as well as the conditions associated with the establishment and maintenance of specific accounts, as stipulated in the Conservation Funding Agreement.

In addition, the Fund's operation in Ecuador is supported by the Basic Operating Agreement signed with the Ecuadorian State and published in the Official Gazette on July 10, 2025, which authorizes its operations within the national territory. Consequently, this liability does not constitute a conventional financial obligation, but rather a commitment conditional upon the fulfillment of the project's objectives and compliance with current contractual provisions.

10. FINANCIAL INSTRUMENTS

10.1 Financial Risk Management - In the normal course of its business and financing activities, the Fund is exposed to various financial risks that may affect, to a greater or lesser degree, the economic value of its cash flows and assets and, consequently, its results.

The Fund has an organizational structure and information systems, managed by the Executive Committee, that allows it to identify these risks, determine their magnitude, propose mitigation measures to Management, implement such measures, and monitor their effectiveness.

The following provides a definition of the risks the Fund faces, a characterization and quantification of these risks, and a description of the mitigation measures currently in use by the Fund, if any.

Market Risk - The possibility that fluctuations in exchange rates, prices, and interest rates may negatively affect the value of the Fund's financial assets, liabilities, or expected cash flows. Due to the nature of its operations, the Fund is not exposed to exchange rate risk resulting from exposure to multiple currencies since its transactions are conducted in its functional currency. With respect to price risk, the Fund does not hold volatile financial instruments.

10.2 ***Liquidity Risk*** - The Fund's Financial Management team has ultimate responsibility for liquidity management and has established an appropriate framework to handle short-, medium-, and long-term financing requirements. The Fund manages liquidity risk by maintaining adequate reserves, financial facilities, and borrowing capacity, and by continuously monitoring projected and actual cash flows.

11. SALARIES AND SOCIAL BENEFITS

	Year ended 31/12/25
Wages and salaries	48,786
Social benefits	6,672
IESS contributions	5,922
Retirement and severance	850
Total	62,230

12. SIGNIFICANT AGREEMENTS

The Project Implementation Agreement (PIA) is a legal agreement signed on December 11, 2024, between Fondo del Biocorredor Amazónico Inc., The Nature Conservancy, Amazon Conservation DAC., and the U.S. International Development Finance Corporation (DFC). It establishes the contractual framework for implementing the Biocorredor Amazónico debt conversion project in Ecuador, aimed at financing biodiversity conservation, climate change mitigation, and the well-being of Indigenous communities in the Ecuadorian Amazon.

The Conservation Funding Agreement (CFA) is a legal agreement signed on December 16, 2024, that regulates how the resources generated by Ecuador's debt swap are allocated, managed, and monitored to finance the conservation of the Ecuadorian Amazon through the Biocorredor Amazónico. It establishes an orderly flow of payments from the Ecuadorian government, with strict rules governing the use of funds and the effective fulfillment of conservation commitments up to 2042.

13. EVENTS AFTER THE REPORTING PERIOD

Between December 31, 2025, and the date of issuance of these financial statements, March 31, 2026, no subsequent events occurred in addition to those disclosed in the notes to these financial statements.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2025, were issued with the authorization of the Fund's Executive Management on January 26, 2026, and will subsequently be submitted to the Board of Directors for final approval. Management is of the opinion that the financial statements will be approved by the Board of Directors without any modifications.