Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)

Financial Statements
December 31, 2022 and 2021
Together with the Independent Auditor's Report

Fideicomiso Irrevocable Costa Rica
por Siempre
(Costa Rican entity)

Financial Statements
December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Executive Board of
Fideicomiso Irrevocable Costa Rica por Siempre

Opinion

We have audited the financial statements of the Fideicomiso Irrevocable Costa Rica por Siempre ("the Trust"), which comprise the statement of financial position as of December 31, 2022, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, including notes to the financial statements and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Trust's financial position as of December 31, 2022, its financial performance and cash flows for the year then ended, in conformity with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards (“IAS”). Our responsibilities regarding such standards are described in the section titled *Auditor’s responsibility regarding the audit of the financial statements* of our report. We are independent from the Trust in accordance with article 9 of the Regulatory Law of Public Accountants Profession and the Creation of the Association of Public Accountants of Costa Rica (Act 1038), the Code of Professional Ethics of said association, and the Code of Ethics for Accounting Professionals of the International Ethics Standards Board for Accountants (IESBA), which apply to our audit of the financial statements. We have met all other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and those charged with Corporate Governance on the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is also responsible for assessing the Trust's capacity to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, except if Management intends to liquidate the Trust or terminate its operations, or if there is no other realistic alternative but doing so.

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

Building a better working world

To the Executive Board of
Fideicomiso Irrevocable Costa Rica por Siempre

Auditor’s responsibilities regarding the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatements, whether due to fraud or error, and issue an audit 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 one exists. Misstatements could be due to fraud or error, and are considered significant when individually or as a whole, could be expected to reasonably influence economic decisions made by its users based on these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. As auditors, we also:

- Identify and assess the risk of material misstatement in the financial statements, due to fraud or error, design and apply audit procedures to respond to those risks, and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of a material misstatement due to fraud going undetected is higher than one due to error, since fraud may involve collusion, forgery, intentional omissions, intentionally mistaken statements, or the circumvention of internal control.

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

- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management.

- We 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 the events or conditions that may cast significant doubt on the Trust’s ability to continue as going concern. If we conclude that there is material uncertainty, we are required to highlight in our audit report the corresponding disclosures in the financial statements, or if such disclosures are not adequate, to express a modified opinion Our conclusions are based on audit evidence obtained as of the date of our audit report. Nevertheless, future events or conditions could cause the Trust to not continue as a going concern.

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

To the Executive Board of
Fideicomiso Irrevocable Costa Rica por Siempre

We communicated with those in charge of the Trust's Management regarding, among other, the scope and timing of our audit and the significant findings, including any significant deficiencies in internal control that we identified during our audit.

March 22, 2023

Ernst & Young, S.A.

Jennifer Badilla Moore - CPA No. 6557
EPIC Corporate Center, 6th floor,
Escazú, Costa Rica
Fidelity policy N° 0116 FIG 7
Stamp – Law No. 6663,
affixed and cancelled on the original

Fideicomiso Irrevocable Costa Rica por Siempre (Costa Rican entity)
Statements of Financial Position
As of December 31, 2022, and 2021

Amounts in US Dollars

	Notes	**December 31, 2022**			December 31, 2021		
		Amortization fund	**Endowment fund**	**Total**	Amortization fund	Endowment fund	Total
ASSETS							
Current assets:							
Investments in financial assets	5	**$ 3,450,613**	**$ 23,560,656**	**$ 27,011,269**	$ 3,598,844	$ 27,752,047	$ 31,350,891
Prepaid expenses	7	**-**	**646,152**	**646,152**	-	1,279,635	1,279,635
Total assets		**$ 3,450,613**	**$ 24,206,808**	**$ 27,657,421**	$ 3,598,844	$ 29,031,682	$ 32,630,526
NET LIABILITIES AND ASSETS							
Current liabilities:							
Accounts payable		**$ -**	**$ 100,000**	**$ 100,000**	$ -	$ 100,060	$ 100,060
Total liabilities		**-**	**100,000**	**100,000**	-	100,060	100,060
Net assets:							
Accumulated surpluses		**$ 3,450,613**	**$ 24,106,808**	**$ 27,557,421**	$ 3,598,844	$ 28,931,622	$ 32,530,466
Total net assets		**3,450,613**	**24,106,808**	**27,557,421**	3,598,844	28,931,622	32,530,466
Total liabilities and net assets		**$ 3,450,613**	**$ 24,206,808**	**$ 27,657,421**	$ 3,598,844	$ 29,031,682	$ 32,630,526

The accompanying notes are an integral part of the financial statements.

Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

Amounts in US Dollars

		2022			2021		
	Notes	**Amortization Fund**	**Endowment Fund**	**Total**	Amortization Fund	Endowment Fund	Total
INCOME							
(Losses) Gains on fair value measurement of financial assets	6	**$ (148,236)**	**$ (4,144,674)**	**$ (4,292,910)**	$ 90,077	$ 2,842,357	$ 2,932,434
Interest on investments in financial assets		**8**	**44,658**	**44,666**	-	22,594	22,594
Total (Loss) / income		**(148,228)**	**(4,100,016)**	**(4,248,244)**	90,077	2,864,951	2,955,028
EXPENSES							
Management services	7	**-**	**633,483**	**633,483**	-	627,153	627,153
Fees for brokerage services	8	**3**	**91,315**	**91,318**	-	92,251	92,251
Implementation of the Program Asociación Costa Rica por Siempre		**-**	**-**	**-**	-	662,000	662,000
Total expenses		**3**	**724,798**	**724,801**	-	1,381,404	1,381,404
Net (deficit) surplus for the year		**(148,231)**	**(4,824,814)**	**(4,973,045)**	90,077	1,483,547	1,573,624
Other comprehensive income		**-**	**-**	**-**	-	-	-
Total comprehensive income for the year		**$ (148,231)**	**$ (4,824,814)**	**$ (4,973,045)**	$ 90,077	$ 1,483,547	$ 1,573,624

The accompanying notes are an integral part of the financial statements.

Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021

Amounts in US Dollars

	Amortization Fund	Endowment Fund	Total net assets
Net assets as of January 1, 2021	$ 3,508,767	$ 27,448,075	$ 30,956,842
Total comprehensive income for the year	90,077	1,483,547	1,573,624
Net assets as of December 31, 2021	3,598,844	28,931,622	32,530,466
Total comprehensive income of the year	**(148,231)**	**(4,824,814)**	**(4,973,045)**
Net assets as of December 31, 2022	**$ 3,450,613**	**$ 24,106,808**	**$ 27,557,421**

The accompanying notes are an integral part of the financial statements.

Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)
Statements of Cash Flows
For the years ended December 31, 2022 and 2021

Amounts in US Dollars

			2022		2021
Cash flows from operating activities:					
Net (deficit) surplus for the year		**$**	**(4,973,045)**	$	1,573,624
Adjustments to reconcile the net surplus for the year to net cash flows:					
Interest income			**(44,666)**		(22,594)
Amortization in prepaid expenses	7		**633,483**		-
Losses (gains) on fair value measurement of financial assets			**4,292,910**		(2,932,434)
			(91,318)		(1,381,404)
Changes in working capital:					
Prepaid expenses			**-**		(233,692)
Accounts payable			**(60)**		-
Interest received			**44,666**		22,594
Cash flows provided by operating activities			**(46,712)**		(1,592,502)
Cash flows from investment activities:					
Net increase in financial instruments			**(46,712)**		(1,592,502)
Cash flows used in investing activities			**(46,712)**		(1,592,502)
Net variation in cash			**-**		-
Cash at beginning of year			**-**		-
Cash at year end		**$**	**-**	$	-

1. Corporate Information

Fideicomiso Irrevocable Costa Rica por Siempre (the Trust) was signed on July 27, 2010 by the Linden Trust for Conservation (Founding Trustors), an entity organized and existing under the laws of the United States of America; Asociación Conservación de la Naturaleza (TNC) (Trustor), an entity organized and existing under the laws of the Republic of Costa Rica and Asociación Costa Rica por Siempre (Trustee or the Association) in order to contribute to the financing of the terrestrial and marine protected areas system of Costa Rica. As defined in the execution and monitoring plan, the intention of the Trust is for Costa Rica to achieve the goals of the United Nations Convention on Biological Diversity's Program of Work on Protected Areas by consolidating a system of terrestrial, marine and freshwater protected areas that is ecologically representative, resilient to global climate change, effectively managed and financially stable in the long term.

The funds of the Trust are constituted by the contributions made by the Founding Trustors, the contributions made by the successive trustors and the interest or yield generated by the funds indicated. The trust funds are held in the custody and administered by the Trustee, Asociación Costa Rica por Siempre, and may not be used for any purpose other than that stipulated in the Trust.

The Trustee must identify the funds of the Trust separately and independently in an Endowment Fund that corresponds to the funds destined to cover the recurring expenses of the protected areas, and in an Amortization Fund that corresponds to the funds destined to cover the expenses of initiation of a project and from which only the yields generated by it can be used.

The Trust's financial statements as of December 31, 2022 were approved by the Executive Management on March 22, 2023.

2. Basis for the preparation of financial statements

2.1 Statement of Compliance

The financial statements of the Trust as of December 31, 2022 and 2021 were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

These financial statements are a translation of the report originally issued in Spanish. In the case of any discrepancy between the Spanish version and the English version, the Spanish version prevails.

2.2 Basis of valuation and presentation currency

The financial statements of the Trust as of December 31, 2022 and 2021 were prepared on the historical cost basis except for certain items that have been measured under the valuation methods detailed in note 4. The functional and presentation currency of the financial statements is the US dollar ($ or US$).

3. Changes in accounting policies and disclosures

The accounting policies adopted by the Trust for the preparation of its financial statements as of December 31, 2022 are consistent with those that were used for the preparation of its financial statements as of December 31, 2021.

Certain amendments and interpretations were applied for the first time in 2022, but did not have a material impact on the Trust's financial statements. These amendments and new interpretations have required certain additional disclosures, and in some cases, the revision of certain accounting policies. The Trust has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

References to the conceptual framework - Amendments to IFRS 3
The amendments replace a reference to a previous version of the Conceptual Framework with a reference to the current version issued in March 2018, without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS3 Business Combinations to avoid the problem of potential "day 2" gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Liens, if incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, rather than the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, an entity applies the amendments prospectively, i.e. to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

Property, Plant, and Equipment: Revenue before the Intended Use - Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the revenue from the sale of those items and the production costs of those items in profit or loss for the period.

In accordance with the transitional provisions, an entity applies the amendments retrospectively only to items of property, plant and equipment available for use from the beginning of the earliest period presented when an entity first applies the amendment (the date of initial application).

Onerous Contracts – Costs of Performing a Contract – Amendments to IAS 37
An onerous contract is a contract under which the unavoidable costs of performing the obligations of the contract (i.e., costs that an entity cannot avoid because it has the contract) exceed the economic benefits expected to be received under the contract.

The amendments specify that in assessing whether a contract is onerous or loss-making, an entity should include costs that relate directly to a contract to provide goods or services, including incremental costs (for example, direct labor and material costs) and an allocation of costs directly related to contract activities (for example, depreciation of equipment used to perform the contract and contract management and supervision costs). General and administrative costs are not directly related to a contract and are excluded unless they are explicitly attributable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

IFRS 1 First-time Adoption of International Financial Reporting Standards -Subsidiary as first time adopter

The amendment allows a subsidiary that elects to apply paragraph D16 (a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the date of transition of the parent to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination through which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on January 1, 2022, with earlier adoption permitted.

IFRS 9 Financial instruments: Commissions for the 10-percent test to derecognize financial liabilities accounts

The amendment clarifies the commissions that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These commissions include only those paid or received by the borrower and the lender, including commissions paid or received by either the borrower or lender on the other's behalf. No similar amendment has been proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with the transitional provisions, an entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which an entity first applies the amendment (the date of initial application).

IAS 41 Agriculture – Taxation in fair value measurements

The amendment eliminates the requirement in paragraph 22 of IAS 41, which states that the entities should exclude tax cash flows when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period that begins on January 1, 2022, with early adoption permitted.

4. Summary of significant accounting policies

4.1 Currency and Foreign Currency Transactions

4.1.1 Functional currency and presentation currency of the financial statements

The legal currency in Costa Rica is the Costa Rican colón (¢). However, the Trust adopted the U.S. dollar ($ or US$) as the functional and presentation currency of its financial statements, because such currency better reflects the events and transactions carried out by the Trust.

The adoption of the US dollar as its functional currency was based on the fact that a significant portion of the investments in financial assets is denominated in US dollars and the cash flows from its regular operating activities are usually maintained in US dollars, for subsequent use in that currency.

Given that the Trust's accounting records are in Colones per the Costa Rican regulations and that it adopted the US Dollar as functional currency, the conversion of Colones into US Dollars was conducted as follows: a) monetary assets and liabilities were converted using the exchange rate in effect as of the date of the statement of financial position; b) non-monetary assets and liabilities and equity, measured at historical cost, were converted using the exchange rate in effect as of the date of the original transaction; and c) items of the statement of comprehensive income were converted into Dollars using the exchange rate that represent the amounts existing as of the dates of the transactions, except for items related to non-monetary items converted using the exchange rate in effect as of the date of the original transaction. The remaining monetary effect after the application of these conversion procedures is recognized as a conversion adjustment in the results of operations for the period.

4.1.2 Foreign Currency Transactions

Transactions in foreign currency, any currency other than the functional currency, are recorded at the exchange rate ruling on the transaction date.

In determining its financial position and operating income, the Trust and adjusts its assets and liabilities denominated in foreign currency at the exchange rate ruling on the date of this valuation and determination. Exchange differences that may result from the application of these procedures are recognized in the results of the year in which they occur.

4.2 Current and Non-Current Classification

the Trust presents assets and liabilities in the statement of financial position based on the current/non-current classification.

An asset is classified as current when the Trust expects to realize the asset or has the intention to sell or consume it in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within twelve months after the reporting period; and it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Trust classifies all other assets as non-current assets.

A liability is classified as current when the Trust expects to settle the liability in its normal operating cycle; it holds the liability primarily for trading purposes; the liability must be settled within twelve months after the end of the reporting period; or the Trust does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

The Trust classifies all other liabilities as non-current liabilities.

4.3 Financial instruments

A financial instrument is any contract that recognizes a financial asset at one entity, and a financial liability, an equity instrument, or debt at another entity.

The measurement of the Trust's financial instruments is determined using the fair value or amortized cost as defined below:

Fair value – The fair value of a financial instrument negotiated in an organized financial market is determined using as reference the prices quoted in that financial market for negotiations performed as of the date of the statement of financial position. For financial instruments for which there is no active financial market, the fair value is determined using valuation techniques. These techniques include recent market transactions between interested, fully informed parties who act independently; references to the fair value of another substantially similar financial instrument; and discounted cash flows or other valuation models.

All assets and liabilities measured at fair value or over which the Trust conducts fair value disclosures are classified within the following fair value hierarchy. This classification is based on the least amount of information used to determine this value, and which is significant to determine the fair value taken as a whole.

The fair value hierarchy is comprised of the following three levels:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.

- Level 2: Measurement techniques where the lowest level of information used to measure fair value is directly or indirectly observable.

- Level 3: Measurement techniques in which the lowest level of information used for the fair value measurement is not observable.

The nature of the fair value estimates is subjective and involves uncertain aspects and Management's judgment; therefore, these amounts are not determined with absolute precision. Consequently, should there be changes in the assumptions on which estimates are based, these could differ from final results.

Amortized cost
Amortized cost is calculated using the effective interest rate method less any allowance for impairment. The calculation takes into consideration any award or discount in the acquisition and includes the transaction costs and fees which are an integral part of the effective interest rate.

4.4 Financial assets

4.4.1 Initial recognition and measurement
The Trust initially classifies its financial assets based on the method through which they will be subsequently measured, at amortized cost, at fair value with changes in other comprehensive income or at fair value with changes in results.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows and the Trust's business model for their management. Except for accounts receivable with no significant financing component or for which the Trust has applied the practical resource, the Trust initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not measured at fair value with changes in results. Accounts receivable with no significant financing components or for which the Trust has applied the practical expedient are measured at the transaction price as determined under IFRS 15.

For a financial asset to be classified and measured at amortized cost or fair value in other comprehensive income, it must generate cash flows that are principal and interest payments only (the SPPI criterion) on the principal owed. This is the SPPI assessment performed at the instrument level. Financial assets generating cash flows other than SPPI are classified and measured at fair value through profit or loss, regardless of the business model.

The Trust's business model to manage financial assets refers to the method to manage its financial assets and generate cash flows. The business model determines whether the cash flows will be obtained from the collection of contractual cash flows, from the sale of the financial assets or both.

Purchases or sales of financial assets that require the delivery of assets within a term established by regulations or by a covenant in the market (regular business transactions) are recognized on the negotiation date, i.e., the date on which the Trust agrees to buy or sell the private sector asset.

Financial assets recorded at amortized cost
Financial assets are measured at amortized cost at the beginning when the following conditions are met: (a) financial assets are maintained within a business model whose objective is to obtain contractual cash flows and (b) the contractual terms of financial assets establish specific deadlines for cash flows derived only from payments to principal and interests of effective balance.

Financial assets at fair value with changes in other comprehensive income
Financial assets are designated at fair value with changes in other comprehensive income when the following conditions are met: (a) financial asset are held within a business model whose objective is to obtain contractual cash flows from the sale of the financial asset; and (b) the contractual terms of financial assets establish specific deadlines for cash flows derived only from payments to principal and interests of effective balance.

Financial assets at fair value through changes in profit or loss
The remaining financial assets that do not classify into any of the categories previously mentioned are designated through fair value with changes in results. In addition, on initial recognition of a financial asset, the Trust, in specific circumstances, can irrevocably designate a financial asset that meets the measurement requirements of the previous categories to be measured at fair value with changes profit or loss if doing so removes or significantly reduces an accounting mismatch that would otherwise rise.

4.4.2 Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets recorded at amortized cost
After initial recognition, these financial assets are recorded at amortized cost using the effective interest method less a credit loss allowance. Any profit or loss is recognized in results when financial assets are derecognized or impaired, as well as through the amortization process. The Trust’s financial assets that are measured at amortized cost include trade receivables, accounts receivable from related parties and other short-term and long-term accounts receivable.

Financial assets at fair value with changes in other comprehensive income
The gains and losses of a debt instrument measured at fair value with changes in other comprehensive income, such as earned interest, exchange differences and impairment, are recognized in the results of the year. When a financial asset at fair value with changes in other comprehensive income is derecognized, accumulated gains or losses previously recognized in other comprehensive income are reclassified as a reclassification adjustment from equity to results of the year.

Financial assets at fair value through changes in profit or loss
A financial asset gain or loss that is measured at fair value with changes in results from its initial classification is recognized in the results of the period. Trust’s financial assets at fair value through changes in profit or loss are represented by investments in foreign and local financial institutions, consisting of bonds, shares and alternative instruments, as well as investment funds in the Costa Rican market, on which the management model defined by the Trust's Management holds the instruments to negotiate.

4.4.3 Impairment of financial assets
The Trust recognizes an allowance for expected credit losses for the financial assets recorded at amortized cost. The expected credit losses are based on the difference between the contractual cash flows owed in the contract and all the cash flows that the Trust expects to receive, discounted at an approximation to the effective interest rate. Expected cash flows will include flows from the sale of guarantees held or other credit condition improvements which are part of the contractual conditions.

For the debt instruments, the allowance for expected credit losses is based on the asset term. The analysis of such losses is carried out by the Trust at the end of each reporting period, considering whether the risk of deterioration has increased significantly since the initial recognition. The Trust uses a simplified method for the calculation of expected credit losses on accounts receivable. Therefore, the Trust does not follow up on the changes in credit risk but instead recognizes an adjustment based on the experience of expected credit losses as of the date of its financial statements.

4.4.4 Derecognition of financial assets
Financial assets are derecognized by the Trust when the rights to receive cash flows from the asset have expired, or when the financial asset is transferred along with its inherent risks and benefits and contractual rights to receive cash flows from the asset are surrendered, or when the Trust retains the contractual rights to receive cash flows and assumes the obligation to pay them to one or more parties.

4.4.5 Financial income
Revenue arising from financial instruments is recognized in relation to the time elapsed, calculated over the average monthly balances for the invested principal, applying the effective interest method. Interest income is included in financial income of the comprehensive income statement.

4.5 Financial liabilities

4.5.1 Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss. The Trust determines the classification of their financial liabilities as of the date of their initial recognition.

All financial liabilities initially recognized at fair value on the date of acceptance or contracting of the liability, plus, in the case of notes and loans payable, directly attributable transaction costs. The Trust's financial liabilities include accounts payable.

4.5.2 Subsequent measurement of financial liabilities

The subsequent measurement of financial liabilities depends on their classification as described below:

Accounts payable

After initial recognition, accounts payable are measured at amortized cost using the effective interest method. The Trust recognizes the gains or losses in the corresponding period when the financial liability is derecognized as well as through the amortization process.

4.5.3 Derecognition of financial liabilities

Financial liabilities are derecognized by the Trust when the obligation has been paid, canceled or expires. When a financial liability is replaced by another, the Trust derecognizes the original and recognizes a new financial liability. Differences that may result from these financial liability replacements are recognized in the income of the year when they are incurred.

4.5.4 Offsetting of financial instruments

The financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to liquidate them for the net amount or to realize the assets and settle the liabilities simultaneously.

4.6 Cost and expense recognition

Costs and expenses are recognized in the statement of comprehensive income as incurred.

4.7 Income tax

In accordance with the non-profit nature of the Trust, it is not subject to the income tax payment in accordance with the Costa Rican tax legislation.

4.8 Significant accounting judgments, estimates and assumptions

The preparation of the Trust's financial statements requires that judgments, estimates and assumptions be made that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. However, the uncertainty of such judgments, estimates and assumptions could result in situations that require adjustments to material amounts of recorded values of assets and liabilities in future periods.

4.9 Future changes in accounting policies

The International Financial Reporting Standards or their interpretations and amendments issued but not yet effective as of the date of issuance of the Trust's combined financial statements are described below. The standards or interpretations and amendments described are only those that, per Management's opinion, may have a significant effect on the Trust's disclosures, position, or financial performance when they are applied on a future date. The Trust intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Definition of Accounting Estimates – Amendments to IAS 8
In February 2021, IABS made amendments to IAS 8 to introduce a definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and error correction. They also clarify how entities use measuring techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur in or after the start of that period. Early adoption is permitted as long this fact is disclosed.

Accounting Policy Disclosures - Amendments to IAS 1 and Practice Document N˚2 In February 2021, the IASB issued amendments to IAS 1 as well as Practice Document N˚ 2 Judgments on Materiality or Relative Importance, in which it provides guidance and examples to assist entities in applying materiality judgments about accounting policy disclosures. Amendments are intended to help entities disclose accounting policies that would be more useful when replacing the requirements that the entities disclose their "significant" accounting policies for a requirement to reveal their "material" accounting policies and add guidance on how the entities apply the concept of materiality in the decision-making on accounting policies disclosures.

Amendments to IAS 1 are applicable for annual periods beginning on January 1, 2023; early adoption is allowed. Since amendments to Practice Document N˚ 2 provide non-mandatory orientation on the application of the definition of materiality in accounting policies information, an effective date for these amendments is not necessary.

Deferred Taxes related to Assets and Liabilities arising from a Single Transaction – Amendments to IFRS 12
In May 2021, the International Accounting Standards Board issued amendments to IAS 12 which reduce the scope of the exception to initial recognition under IAS 12. This implies that such exception is not applicable to transactions that give rise to taxable and deductible temporary differences of equal amounts.

The amendments should be applied to transactions occurring on or after the beginning of the earliest comparative period presented. Additionally, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are applicable for annual periods beginning on or after January 1, 2023.

Amounts in US Dollars

IFRS 17 Insurance contracts

In May 2017, IASB issued IFRS 17, an integrated accounting standard for insurance contracts that comprises its recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4), issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 general objective is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Compared to IFRS 4 requirements, which are heavily based on the expansion of previous local accounting policies, IFRS 17 offers a comprehensive model for insurance contracts that covers all relevant accounting matters.

The core of IFRS 17 is the general model, supplemented by:

- An specific adaptation of contracts with characteristics of direct participation (variable rate approach).
- A simplified approach (premium assignation approach) mainly for short-term contracts.

IFRS 17 is effective for financial statement reporting periods beginning on or after January 1, 2023, and comparative figures are required. Early adoption is permitted, as long as the entity may apply IFRS 9 and IFRS 15 on or before the date of the first application of IFRS 17.

5. Investments in financial assets

5.1. Classifications of investments in financial assets according to their nature

	As of December 31, 2022		
	Amortization Fund	**Endowment Fund**	**Total**
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	**$ 3,450,613**	**$ 23,560,656**	**$ 27,011,269**

	December 31, 2021		
	Amortization Fund	Endowment Fund	Total
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	$ 3,598,844	$ 27,752,047	$ 31,350,891

5.2. Characteristics of the Trust's financial assets

All of the Trust's investments are invested through the international entity JP Morgan. These investments consist of bonds, stocks and alternative instruments, and are denominated in U.S. dollars. The loss generated by these investments in 2022 averaged -14% (average gain of 10% in 2021). Such returns are derived from fluctuations in the fair values of the investment portfolio.

5.3. Fair value hierarchy

All assets measured at fair value or which the Trust discloses at fair value are classified within the fair value hierarchy described in note 4.3. The nature of the fair value estimates is subjective and involves uncertain aspects and Management's judgment; therefore, these amounts are not determined with absolute precision. Consequently, should there be changes in the assumptions on which estimates are based, these could differ from final results.

Consequently, if there were changes in the assumptions on which the estimates are based, these could differ from the final results.

		December 31, 2022	
	Hierarchy	**Carrying amount**	**Fair value**
At fair value through profit or loss	Level 1	**$ 27,011,269**	**$ 27,011,269**

		December 31, 2021	
	Hierarchy	Carrying amount	Fair value
At fair value through profit or loss	Level 1	$ 31,350,891	$ 31,350,891

6. Losses/ gains on fair value measurement of financial assets

The (loss)/gains from fair value measurement of financial assets during the year ended December 31, 2022 and 2021 were US$(4,292,910) and US$2,932,434, respectively.

7. Expenses for management services

The Trust makes payments to Asociación Costa Rica por Siempre for "budgetary support". The amount payable is determined in accordance with the "Contrato de Fideicomiso Irrevocable de Fideicomiso de Administración de Fondos" between Linden Trust for Conservation and Asociación Costa Rica por Siempre, according to the twentieth clause "fiduciary fees".

The expense for such concept incurred by the Trust as of December 31, 2022 was US$633,483 (2021: US$627,153). As of December 31, 2022 the Trust has not made any additional payments corresponding to the support service to the Association. As of December 31, 2021 the Trust had prepaid to the Association the amount of US$1,279,635 corresponding to the support service for the year 2022 and 2023. As of December 31, 2022, the amount of US$646,152 for the year 2023 remains as prepaid.

Amounts in US Dollars

8. Fees for brokerage services

The Trust incurred fee expenses with JP Morgan for fund management services of US$91,318 and US$92,251 in 2022 and 2021, respectively.

9. Implementation of the Program Asociación Costa Rica por Siempre

As of December 31, 2022, the costs for the Implementation of the Asociación Costa Rica por Siempre Program were US$0 (2021: US$662,000). These expenses correspond to transfers of resources from the Trust to the Association for the execution of the Costa Rica por Siempre Program.

10. Financial risk management objectives and policies

The Trust's financial instruments consist of investments in securities and accounts payable. The fundamental purpose of these financial instruments is to provide funds for the Trust's operations. The Trust has other financial assets and liabilities of a miscellaneous nature, which arise directly from its operations.

The main risks that could have a relatively significant effect on the financial instruments are market risk, liquidity risk and credit risk.

The Trust reviews and agrees policies for the management of these risks, which are summarized below:

10.1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of variations in market prices. Market risk comprises three types of risks: interest rate risk, foreign exchange risk and other price risks.

The main market risk that may have an effect on the Trust's financial instruments is interest rate risk considering the fluctuations in rates and prices of investment securities. The Trust does not consider that there is an exchange rate risk since substantially all of its assets and liabilities are denominated in US dollars. Other price risks are also not considered to exist.

10.2. Interest rate risk

The Trust's income and operating cash flows are substantially dependent on changes in interest rates and yields on its investment securities. Significant decreases in interest rates could limit the Trust's ability to conduct its business.
The Investment Committee periodically reviews market trends to identify opportunities for investment or risks of drops in rates that would imply adjustments to the Trust's budget.

Sensitivity Analysis:
The Trust has performed a sensitivity analysis on possible variations in interest rates. The effect of a reasonable variation in interest rates of +/- 25 basis points in 2022 would be US$67,528 increasing or decreasing the financial yields (2021: +/- 25 basis points and US$78,377).

Amounts in US Dollars

10.3. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by cash or another financial asset. The Trust's approach to managing liquidity is to ensure, to the greatest extent possible, that it will always have sufficient liquidity to meet its obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Trust's reputation.

The Trust utilizes various financial projections that allow it to manage its operating cash flow in a manner that ensures it has sufficient cash to meet its operating needs. Currently, the Trust has no financial obligations, so its liquidity risk is low.

All liabilities held by the Trust as of December 31, 2022 and 2021 have maturities that do not exceed twelve months from the date of the statement of financial position.

10.4. Credit risk

Credit risk is the risk that one of the counterparts does not comply with its obligations derived from a financial instrument or purchase contract, and this translates into a financial loss. The Trust considers its credit risk to be low as its investments in securities are held in first class foreign entities.

The maximum credit risk exposure is represented by the balance of each financial asset as shown on the statement of financial position.

11. Equity Management

The main objective of the Trust's equity management is to conserve and increase the resources destined to conservation programs, as well as to generate sufficient resources to comply with the Trust's established purposes.

The Trust manages its capital structure and assesses any necessary adjustments considering the economic conditions.

12. Events occurring after the reporting date of the financial position

Trust's Management has no knowledge of any other subsequent event, occurring between the reporting date and the date of issue of the financial statements that requires modification of the figures presented in the authorized financial statements or disclosure in the notes thereof.

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