Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)

Financial Statements
December 31, 2023 and 2022
Together with the

Independent Auditor's Report

Fideicomiso Irrevocable
Costa Rica por Siempre

(Costa Rican entity)

Financial Statements
December 31, 2023 and
2022

Content

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Oficentro Ejecutivo La Sabana
Edificio 6, 5° Piso
San José, Costa Rica
Apdo. Postal 13930-1000

Independent auditor's report

To the Shareholders and Board of Directors of
Fideicomiso Irrevocable Costa Rica por Siempre

Opinion

We have audited the financial statements of Fideicomiso Irrevocable Costa Rica por Siempre ("the Trust"), which comprise the statement of financial position as at 31 December 2023, 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 Trust as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Trust in accordance with article 9 of the Law of Regulation of the Public Accountant´s Profession and Creation of the Public Accountants Association (Law 1038); with the Code the Professional Ethics of the Public Accountant´s Association of Costa Rica and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Trust'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 Trust'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 Trust'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 Trust 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.

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We communicate with those charged with governance 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.

EMILIA MARIA VARGAS RODRIGUEZ (FIRMA)
PERSONA FISICA, CPF-04-0119-0543.
Fecha declarada: 18/03/2024 07:31:39 PM
Razón: Firma

Licda. Emilia Vargas Rodríguez
CPA No. 1185
March 18, 2024
San José, Costa Rica

Fidelity policy No. 0116FID000828512
Expiration date: September 30, 2024

Nombre del CPA: EMILIA MARIA VARGAS RODRIGUEZ
Carné: 1185
Cédula: 401190543
Nombre del Cliente: FIDEICOMISO IRREVOCABLE COSTA RICA POR SIEMPRE
Identificación del cliente: 3002597387
Dirigido a: A la Dirección Ejecutiva del Fideicomiso Irrevocable Costa Rica por Siempre
Fecha: 18-03-2024 06:17:01 PM
Tipo de trabajo: Informe de Auditoría

Timbre de ¢1000 de la Ley 6663 adherido y cancelado en el original.

Código de Timbre: CPA-1000-10526

Fideicomiso Irrevocable Costa Rica por Siempre
(Costa Rican entity)
Statements of Financial Position
As of December 31, 2023, and 2022

Amounts in US Dollars

		December 31, de 2023			December 31, 2022		
		Amortization Fund	Endowment Fund	Total	Amortization Fund	Endowment Fund	Total
	Notes						
ASSETS							
Current assets:							
Investments in financial assets	5	**$ 3,654,468**	**$ 27,048,387**	**$ 30,702,855**	$ 3,450,613	$ 23,560,656	$ 27,011,269
Prepaid expenses	7	**-**	**-**	**-**	-	646,152	646,152
Total assets		**$ 3,654,468**	**$ 27,048,387**	**$ 30,702,855**	$ 3,450,613	$ 24,206,808	$ 27,657,421
NET LIABILITIES AND ASSETS							
Current liabilities:							
Accounts payable		**$ -**	**$ 100,000**	**$ 100,000**	$ -	$ 100,000	$ 100,000
Total liabilities		**-**	**100,000**	**100,000**	-	100,000	100,000
Net assets:							
Accumulated surpluses		**$ 3,654,468**	**$ 26,948,387**	**$ 30,602,855**	$ 3,450,613	$ 24,106,808	$ 27,557,421
Total net assets		**3,654,468**	**26,948,387**	**30,602,855**	3,450,613	24,106,808	27,557,421
Total liabilities and net assets		**$ 3,654,468**	**$ 27,048,387**	**$ 30,702,855**	$ 3,450,613	$ 24,206,808	$ 27,657,421

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, 2023 and 2022

Amounts in US Dollars

		December 31, 2023			December 31, 2022		
	Notas	Amortization Fund	Endowment Fund	Total	Amortization Found	Endowment Found	Total
INCOME							
Gains (Losses) on fair value measurement of financial assets	6	$ 203,832	$ 3,490,381	$ 3,694,213	$ (148,236)	$ (4,144,674)	$ (4,292,910)
Interest on investments in financial assets		31	63,763	63.794	8	44,658	44,666
Total Income (Loss)		203,863	3,554,144	3,758,007	(148,228)	(4,100,016)	(4,248,244)
EXPENSES							
Management services	7	-	646,152	646,152	-	633,483	633,843
Fees for brokerage services	8	8	66,413	66,421	3	91,315	91,318
Implementation of the Program Asociación Costa Rica por Siempre	9	-	-	-	-	-	-
Total expenses		8	712,565	712,573	3	724,798	724,801
Net surplus (deficit) for the year		$ 203,855	$ 2,841,579	$ 3,045,434	$ (148,231)	$ (4,824,814)	$ (4,973,045)

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, 2023 and 2022

Amounts in US Dollars

	Amortization Fund	Endowment Fund	Total net assets
Net assets as of December 31, 2021	$ 3,598,844	$ 28,931,622	$ 32,530,466
Total comprehensive income for 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
Total comprehensive income for the year	**203,855**	**2,841,579**	**3,045,434**
Net assets as of December 31, 2023	**$ 3,654,468**	**$ 26,948,387**	**$ 30,602,855**

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, 2023 and 2022

Amounts in US Dollars

			2023		2022
Cash flows from operating activities:					
Net surplus (deficit) for the year		**$**	**3,045,434**	$	(4,973,045)
Adjustments to reconcile the net surplus for the year to net cash flows:					
Interest income			**(63,794)**		(44,666)
			2,981,640		(5,017,711)
Changes in working capital:					
Prepaid expenses	6		**646,152**		633,483
Accounts payable			**-**		(60)
Interest received			**63,794**		(44,666)
Cash flows provided (used in) by operating activities			**3,691,586**		(4,339,622)
Cash flows from investment activities:					
Net increase in financial instruments			**(3,691,586)**		4,339,622
Cash flows (used in) provide by investing activities			**(3,691,586)**		4,339,622
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, 2023 were approved by the Executive Management on March 18, 2024.

2. Basis for the preparation of financial statements

2.1 Statement of Compliance

The financial statements of the Trust as of December 31, 2023 and 2022 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, 2023 and 2022 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 Association to prepare its financial statements as of December 31, 2023, are consistent with those that were used for the preparation of the financial statements as of December 31, 2022.

Other amendments and interpretations were applied for the first time in 2023 but did not significantly impact the Association's financial statements. These amendments and new interpretations have required certain additional disclosures, and in some cases, the revision of certain accounting policies. The Association has not early adopted any issued standard, interpretation, or amendment that is not yet effective.

New standards, interpretations and amendments effective from 1 January, 2023.
The following new standards, effective for the financial statements for the period ended December 31, 2023, have not had a significant effect on the Association :

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
  International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

New standards, interpretations and amendments not yet effective.
There are a number of standards, amendments to standards and interpretations that have been issued by the IASB that are effective in future accounting periods, which the Association has decided not to adopt early.

The following modifications are effective for the period beginning January 1, 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1
- Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial
- Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Association is currently assessing the impact of these new accounting standards and amendments. The Association does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

The Association does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Association’s financial statements.

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.

5. Investments in financial assets

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

	December 31, 2023		
	Amortization Fund	**Endowment Fund**	**Total**
Financial assets at fair value with changes in profit or loss:			
Investments in overseas financial institutions - US Dollars	**$ 3,654,468**	**$ 27,048,387**	**$ 30,702,855**

	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

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 2023 averaged 14% (average gain of -14% in 2022). 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.

		2023	
	Hierarchy	**Carrying amount**	**Fair Value**
At fair value through profit or loss	Level 2	**$ 30,702,855**	**$ 30,702,855**

		2022	
	Hierarchy	Carrying amount	Fair Value
At fair value through profit or loss	Level 2	$ 27,011,269	$ 27,011,269

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, 2023 and 2022 were US$3,694,213 and US$(4,292,910), 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, 2023 was US$646,152 (2022: US$633,483). As of December 31, 2023 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.

8. Fees for brokerage services

The Trust incurred fee expenses with JP Morgan for fund management services of US$66,421 and US$91,318 in 2023 and 2022, respectively.

9. Implementation of the Program Asociación Costa Rica por Siempre

As of December 31, 2021, the Irrevocable Trust transferred to the Association the amount of $662,000 to secure the funds that would finance the approved projects that entered into execution during 2022 and 2023, so during these years (2022 and 2023) no more transfers of funds were made from the Irrevocable Trust to the Costa Rica Forever Association (ACRXS) to finance conservation projects.

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.

Amounts in US Dollars

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 2023 would be US$76,757 increasing or decreasing the financial yields (2021: +/- 25 basis points and US$67,528).

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, 2023 and 2022 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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