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Cabrera Barraza y Asociados] Logo

(TRANSLATION)

FUNDACION EDUCA MEXICO, A.C.

AUDITED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024

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Independent auditor's opinion

To the Assembly of Members of Fundacion EDUCA Mexico, A.C.

I have examined the financial statements of Fundacion EDUCA Mexico, A.C., which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of activities and cash flows for the years ended on those dates, as well as a summary of significant accounting policies and other explanatory information.

Figures of the fiscal year 2023

The figures in the financial statements as of December 31, 2023, are presented for comparative purposes only and were audited by another independent public accounting firm.

Responsibility of the Association's Management for the financial statements.

The Association's management is responsible for the preparation of the attached financial statements in a manner that they present a true and fair view in accordance with Mexican Accounting Principles (NIF), as well as for such internal control as the Association's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility.

My responsibility is to express an opinion on the attached financial statements based on my audit.

I conducted my audit in accordance with the International Standards on Auditing.

[Signature]



Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit requires performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the attached financial statements show fairly, in all material respects, the financial position of Fundacion EDUCA Mexico, A.C., as of December 31, 2024, as well as the activities and cash flows corresponding to the year ended on that date, in accordance with the Mexican Accounting Principles for non-profit entities.

[Signature]

Manuel Cabrera-Barraza, CPA

Mexico City, March 23, 2026



FUNDACION EDUCA MEXICO, A.C.
Statements of Financial Position
For the fiscal years ending December 31, 2024 and 2023
(In U.S. Dollars)

ASSETS

Current Assets		2024 U.S. Dollars (Note 6)	2024 MXN	2023 MXN
Cash and Cash Equivalents	Note 2b	1,338,493	27,128,984	23,810,955
Accounts Receivable	Note 2c	27,391	555,169	565,064
Taxes to be Recovered	Note 2d	7,992	161,979	161,979
Inventories	Note 2e	92,034	1,865,364	360,834
Total Current Assets		<u>1,465,910</u>	<u>29,711,496</u>	<u>24,898,832</u>
Non-current Assets				
Furniture, Equipment and Rights (Net)	Note 3	74,554	1,511,082	1,762,408
Total Non-Current Assets		<u>74,554</u>	<u>1,511,082</u>	<u>1,762,408</u>
Total Assets		<u>1,540,464</u>	<u>31,222,578</u>	<u>26,661,240</u>

LIABILITIES


Taxes Payable	Note 4	52,115	1,056,284	882,035
Suppliers	Note 2f	1,496	30,313	6,269
Corporate Card Creditors	Note 2f	3,518	71,298	53,909
Short and Long Term Leases	Note 2f	56,730	1,149,824	1,149,824
Employee Benefits	Note 2h	70,184	1,422,516	1,422,516
Total Liabilities		<u>184,043</u>	<u>3,730,235</u>	<u>3,514,552</u>

Equity

Unrestricted Equity	Note 5	1,669	33,837	33,837
Accumulated surplus from prior fiscal years	Note 5	1,445,680	29,301,475	29,301,475
Accumulated deficit from prior fiscal years	Note 5	-305,335	-6,188,625	-4,981,753
Surplus (deficit) for the fiscal year	Note 5	214,407	4,345,656	-1,206,872
Total Unrestricted Equity		<u>1,356,421</u>	<u>27,492,343</u>	<u>23,146,687</u>
Total Liabilities and Equity		<u>1,540,464</u>	<u>31,222,578</u>	<u>26,661,240</u>

The attached notes are an integral part of this statement


LEGAL REPRESENTATIVE
Monica Georgina Cinco-Basurto


**DIRECTOR OF FINANCE AND
ADMINISTRATION**
Claudia Margarita Diaz-Macias



FUNDACION EDUCA MEXICO, A.C.
Statements of Activities
From January 01 to December 31, 2024 and 2023
(In U.S. Dollars)

		2024 U.S. Dollars (Note 6)	2024 MXN	2023 MXN
Revenues from Cash Donations	Note 2j	3,125,825	63,355,166	51,677,504
Revenues from In-Kind Donations	Note 2j	327,562	6,639,122	4,204,518
Other Revenues		31,778	644,079	331,218
Total Revenue		<u>3,485,165</u>	<u>70,638,367</u>	<u>56,213,239</u>
Operating Expenses				
Support services expenses	Note 2k	3,317,044	67,230,833	57,861,307
Operating surplus		<u>168,121</u>	<u>3,407,534</u>	<u>-1,648,068</u>
Administrative Expenses	Note 2k	40,808	827,116	991,150
Operating surplus		<u>127,313</u>	<u>2,580,418</u>	<u>2,639,218</u>
Comprehensive Financing Result	Note 2l	-90,454	-1,833,342	-1,575,266
Surplus (deficit) before federal income tax		<u>217,767</u>	<u>4,413,760</u>	<u>-1,063,952</u>
Federal Income tax	Note 4	3,360	68,104	142,920
Net Change in Equity after Income Tax		<u>214,407</u>	<u>4,345,656</u>	<u>-1,206,872</u>
Accumulated surplus from prior fiscal years		1,386,135	28,094,603	29,301,475
Accumulated deficit from prior fiscal years		-245,790	-4,981,753	-4,981,753
Equity at the End of the Year		<u>1,354,752</u>	<u>27,458,506</u>	<u>23,112,850</u>

The attached notes are an integral part of this statement


LEGAL REPRESENTATIVE
 Monica Georgina Cinco-Basurto


**DIRECTOR OF FINANCE AND
 ADMINISTRATION**
 Claudia Margarita Diaz-Macias



FUNDACION EDUCA MEXICO, A.C.
Statement of Cash Flows
For the fiscal years ending December 31, 2024 and 2023
(In U.S. Dollars)

	2024 U.S. Dollars (Note 6)	2024 MXN	2023 MXN
Cash Flows Generated by the Activity			
Surplus (deficit) for the fiscal year	214,407	4,345,656	-1,206,872
Entries that did not require the use of resources:			
Depreciation and Amortization	12,400	251,326	503,715
	<u>226,806</u>	<u>4,596,982</u>	<u>-703,157</u>
Changes in operating assets and liabilities:			
Accounts Receivable and Other Current Assets	-73,742	-1,494,636	138,400
Accounts payable	10,641	215,683	89,240
Cash Flows Generated by Operating Activities	<u>-63,011</u>	<u>-1,278,953</u>	<u>227,640</u>
Investing activities:			
Acquisition of Computer Equipment	0	0	278,749
Lease Payments	0	0	-312,000
	<u>0</u>	<u>0</u>	<u>-33,251</u>
Net Change in Cash	163,705	3,318,028	-508,768
Balance at the beginning of the year	1,174,788	23,810,955	24,319,723
Balance at the end of the year	<u>1,338,493</u>	<u>27,128,984</u>	<u>23,810,955</u>

The attached notes are an integral part of this statement


LEGAL REPRESENTATIVE
Monica Georgina Cinco-Basurto


**DIRECTOR OF FINANCE AND
ADMINISTRATION**
Claudia Margarita Diaz-Macias



FUNDACION EDUCA MEXICO, A.C.

Notes to the financial statements

1. Activities

FUNDACION EDUCA MEXICO, A.C. was incorporated on March 28, 1996, in accordance with Mexican legal provisions, pursuant to Articles of Incorporation number 21,681, dated March 28, 1996, executed before the notary public number 184 Mario Garciadiego-Gonzalez-Cos, Esq.

The main objective of the Association is to promote that every human being has access to a comprehensive education, as well as to provide support to entities authorized to receive donations and to carry out all kinds of activities to contribute to the development of communities in the Mexican Republic with economic needs in the field of education.

2. Summary of the main accounting policies

a. **Recognition of inflation effects** – The financial statements were prepared in accordance with the historical cost principle. The Association does not recognize the effects of inflation; therefore, it does not update its financial statements as required by Accounting Principles (NIF) B-10 and B-16. The recognition of inflation effects primarily results in inflation gains or losses on non-monetary and monetary entries, which are presented in the financial statements under the following two headings:

Monetary Position Result – This represents the erosion of the purchasing power of monetary entries caused by inflation. It is calculated by applying factors derived from the National Consumer Price Index (INPC) to the monthly net monetary position. The gain (loss) arises from maintaining a net liability (asset) monetary position, respectively.

Equity – Equity is updated using the INPC from the respective dates on which the equity was contributed or on which the excesses or deficiencies were generated to the date of the most recent financial statement presented.



For fiscal year 2024, as established in Accounting Principle B-10, the economic environment is considered non-inflationary when the cumulative inflation of the three fiscal years prior to the date of application of the Principle to the financial statements presented is less than 26% (twenty-six percent). Therefore, the attached financial statements do not recognize the inflation effects on the financial information for fiscal year 2024, in accordance with NIF B-10 "INFLATION EFFECTS" of the Mexican Board of Accounting Principles, A.C. (CINIF).

The inflation percentages are detailed below:

Non-Inflationary Economic Environment (INPC)					
2021	2022	2023	Accumulated	Cumulative 2021, 2022, 2023 and 2024	2024
7.3551%	7.8170%	4.6608%	19.8329%	24.0452%	4.2123%

- b. Cash equivalents** - These consist mainly of bank deposits in checking accounts and daily investments of readily available cash surpluses. They are valued at their nominal value and the returns generated are recognized in the results as they are collected.

The investments are made with three different financial institutions, which are divided into investments at defined monthly rates and the purchase of securities where the capital gain or loss depends on the difference between the purchase or sale price. The prices of these securities are valued at the close of each monthly period, so there is no applicable interest rate.

As of December 31, of fiscal years 2024 and 2023, cash equivalents are comprised as follows:



Concept	2024 U.S. Dollars	2024 MXN	2023 MXN
Cash	\$148	\$3,000	\$3,000
Banks	\$239,927	\$4,862,913	\$4,596,292
Investments in Securities	\$1,098,418	\$22,263,071	\$19,211,663
TOTAL	\$1,338,493	\$27,128,984	\$23,810,955

The Association does not carry out operations with derivative financial instruments.

c. Accounts Receivable

Accounts receivable are recognized when the right generated by a transaction arises, that is, when the transaction is accrued.

As of December 31, 2024 and 2023, they are integrated as follows:

Concept	2024 U.S. Dollars	2024 MXN	2023 MXN
Miscellaneous Debtors	\$21,261	\$430,931	\$440,182
Expenses to be verified	\$3,401	\$68,923	\$71,966
Supplier Advance	\$118	\$2,399	\$0
Security Deposits	\$2,611	\$52,916	\$52,916
TOTAL	\$27,391	\$555,169	\$565,064

d. Taxes to be Recovered

As of December 31, 2024 and 2023, they are integrated as follows:

Concept	2024 U.S. Dollars	2024 MXN	2023 MXN
Federal Income Tax	\$7,864	\$159,379	\$159,379
Value Added Tax	\$128	\$2,600	\$2,600
TOTAL	\$7,992	\$161,979	\$161,979



e. Inventories

Inventories refer to in-kind donations and mainly to the balance of the Donor BRANDARRAYS MEXICO from which lots of shoes were received on December 30, 2024, according to the receipt folio 219, which, as of the date of this report, have already been distributed.

f. Suppliers and Creditors.

SUPPLIERS. - Liabilities are recognized when there is a present obligation resulting from a past event, which can be reasonably estimated and where there is a probability of an outflow of economic resources.

Liabilities are valued at their nominal value at the time of taking possession of the assets or receiving the services.

CREDITORS. - The credit balance of this account represents the use of the Association's credit card and is used for controlling necessary expenses.

SHORT AND LONG-TERM LEASES. - This refers to the recognition of the Right of use assets for the current office facilities, in compliance with the provisions of NIF D-5

g. Income Taxes.

Federal Income Tax (ISR) is recorded in the results of the year in which it is accrued.

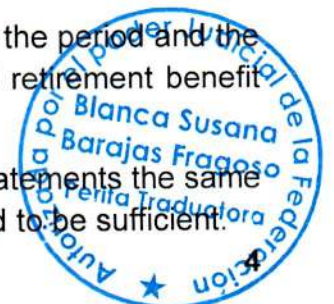
In the attached financial statements as of December 31, 2024, Federal Income Tax corresponds to the amount paid during the year, totaling \$68,104.00, derived from activities subject to such tax.

h. Labor obligations.

NIF D-3 "Employee Benefits," issued by the CINIF, establishes the recognition of employee obligations arising from formal plans regarding compensation paid to workers or their beneficiaries from pension plans, seniority bonuses, and any other compensation established in relation to the employment relationship or based on such terms.

Recognition of these obligations involves quantifying the net cost for the period and the accrued liability to date for all eligible employees in all established retirement benefit plans.

For the 2024 fiscal year, the Association presents in the Financial Statements the same amount of labor liabilities as of December 31, 2023, which is deemed to be sufficient.



i. Employee profit sharing (PTU)

The PTU is determined and accrued based on each worker's last regular monthly salary. The PTU is recognized in the results of the year in which it is incurred and is presented under the general expenses in the Statement of Income and Loss.

The Association is exempt from the calculation and subsequent accounting recognition in accordance with Article 126 section IV of the Federal Labor Law (LFT).

j. Revenues.

Revenues are recognized at a specific point in time or over time. The Association primarily receives recurring donation income from individual and corporate donors.

k. Classification of costs, expenses, and operating profit.

Costs and expenses are recognized in the results when the service is used or as they are incurred.

l. Comprehensive Financing Result.

The Comprehensive Financing Result (CFR) includes expenses and financial products generated by exchange rate fluctuations, mainly interest earned on investments and bank fees.

These effects are recorded on an accrual basis, except for unrealized gains and losses, which are measured at fair value at the end of each period, even if they have not been effectively realized.



3. Property, Plant, Equipment, and Rights of use assets (Non-Current Assets).

These are recorded at their acquisition cost, and depreciation is calculated using the straight-line method, based on the estimated useful life of the corresponding assets. The depreciation rates applied are the same as those established in the Federal Income Tax Law (LISR):

ANNUAL RATES

Furniture and Equipment	10%
Computer Equipment	30%
Intangible Assets	15%
Installation Expenses	10%

The cost of improvements, adaptations, expansions, remodeling, and replacements that represent additions or improvements to fixed assets are capitalized and amortized. Costs for conservation, maintenance, and repair are charged to the results as incurred.

CINIF issued NIF C-6, establishing the changes arising from the segregation of property, plant, and equipment into their parts or components that have clearly distinct useful lives.

The amount of depreciation charged to results was \$251,326.00 and \$503,715.00 for fiscal years 2024 and 2023, respectively.

As of December 31, 2024 and 2023, property, plant, and equipment are comprised as follows:



Concept	2024 U.S. Dollars	2024 MXN	2023 MXN
Furniture and Office Equipment	\$21,567	\$437,130	\$437,130
Computer Equipment	\$39,687	\$804,384	\$804,384
Intangible Assets	\$26,696	\$541,080	\$541,080
Total	\$87,950	\$1,782,594	\$1,782,594
Accumulated Depreciation	\$66,730	\$1,352,501	\$1,101,176
Property, Plant and Equipment (NET)	\$21,220	\$430,093	\$681,419
Right-of-Use Assets (Net)	\$53,334	\$1,080,989	\$1,080,989
TOTAL NON-CURRENT ASSETS	\$74,554	\$1,511,082	\$1,762,408

4. Taxes Payable

As of December 31, 2024 and 2023, the taxes payable by the Association are comprised as follows:

Concept	2024 U.S. Dollars	2024 MXN	2023 MXN
Federal Income Tax Withheld	\$31,255	\$633,490	\$505,192
Taxes and Labor Contributions	\$18,691	\$378,828	\$322,306
Value Added Tax Withheld	\$2,169	\$43,966	\$54,537
TOTAL	\$52,115	\$1,056,284	\$882,035

However, the Association made non-deductible expenditures under the Federal Income Tax Law (LISR) in Fiscal Year 2023, resulting in a taxable surplus of \$194,582.97, which generated Federal Income Tax of \$68,104.00 paid on February 19, 2024.



4.1. Tax Situation

Federal Income Tax - The Association is not a taxpayer of Federal Income Tax (ISR) according to Title III Article 79 section X of the LISR.

Authorization to issue tax-deductible receipts – As of the date of this report, the Association holds active authorization to issue receipts deductible from Federal Income Tax for donations received, as evidenced by the Official Communication No. 600-04-05-2012-58224 dated August 16, 2012, and the publication in the Federal Official Gazette (DOF), dated January 09, 2026.

Update for the case of Tax Residency – An amendment to the corporate bylaws regarding tax residency was made pursuant to the Extraordinary General Assembly of Associates dated July 02, 2021, notarized before Erik Namur-Campesino, Esq., notary public of Mexico City No. 94.

Compliance Opinion form 32 - D of the Federal Tax Code.

A POSITIVE opinion was issued by the Tax Administration System (SAT) on March 18, 2026.

Beneficial Owner.

To comply with the provisions of Articles 32-B Ter, 32-B Quater and 32-B Quinquies of the Federal Tax Code, effective as of January 2022, the Association has prepared and maintains the required identification files.



5. Unrestricted Equity

The unrestricted equity is comprised as follows:

Unrestricted Equity	2024 U.S. Dollars	Amount in MXN
Contributions from Associates	\$1,669	\$33,837
Prior Years' Surplus	\$1,445,680	\$29,301,475
Prior Years' Deficit	-\$305,335	-\$6,188,625
Total	\$1,142,014	\$23,146,687

6. Accounting Principles

As of June 1, 2004, and in accordance with the global trend, the Mexican Board for Research and Development of Accounting Principles (CINIF) assumed the role and responsibility of issuing accounting principles in Mexico, a function previously performed by the Mexican Institute of Public Accountants, A.C.

CINIF is a financially and operationally independent body, established in 2002 by leading entities from the public and private sectors in order to develop Accounting Principles (NIF) with a high degree of transparency, objectivity, and reliability, which are useful for both issuers and users of financial information.

6.1. Reason for translation into English - The accompanying financial statements have been translated from Spanish into English for use outside of Mexico. These Financial Statements are presented in accordance with Mexican Financial Reporting Standards (NIF). Certain accounting practices applied by the Foundation that comply with NIF may not comply with generally accepted accounting principles in the country where these Financial Statements will be used.

6.2. Reason for conversion to US dollars - The conversion of amounts from Mexican pesos to US dollars is provided solely for the convenience of users. This conversion was performed using an exchange rate of \$20.2683 Mexican pesos per US dollar, which is the approximate exchange rate as of December 31, 2024.

These conversions should not be interpreted as representations that transactions or balances in Mexican pesos have been or could be converted into US dollars or any other exchange rate. This conversion is based on the criteria established by NIF B-15 called "Foreign Currency Conversion" in relation to Chapter 20.2, Section "c" of this NIF.



7. Approval of the financial statements.

The financial statements were approved on March 23, 2026, by Dr. Monica Georgina Cinco-Basurto and are subject to approval by the Assembly of Associates of **Fundacion EDUCA Mexico, A.C.**

I, Blanca Susana Barajas Fragoso, Expert Translator duly authorized by the Federal Judicial Power, as evidenced in the official list published on December 11th, 2024, with appointment No. P. 0134-2020, (www.dof.gob.mx/2024/CJF/listado_peritos_PJF_2025.pdf), and with professional license No. 4763009 issued by the Ministry of Education, hereby CERTIFY, to the best of my knowledge, that the foregoing is a true and accurate translation of the document in Spanish language produced to me.

Mexico City, April 14, 2026

Blanca Susana Barajas Fragoso

