



NAMATI, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year Ended December 31, 2025
(With Summarized Financial Information
for the Year Ended December 31, 2024)



NAMATI, INC. AND AFFILIATE

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Independent Auditors' Report

The Board of Directors of
Namati, Inc. and Affiliate

Opinion

We have audited the consolidated financial statements of Namati, Inc. and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of 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 required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 2025 schedule of revenue and expenses by funder on pages 20-22 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2025 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter

Report on Summarized Comparative Information

We have previously audited Namati, Inc. and Affiliate's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
March 30, 2026

NAMATI, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2025

(With Summarized Financial Information as of December 31, 2024)

	2025	2024
Assets		
Cash and cash equivalents	\$ 7,760,722	\$ 9,763,038
Grants and contributions receivable	1,402,023	1,472,573
Prepaid expenses and other assets	136,451	120,756
Interest receivable	213,432	--
Investments	81,366,327	32,694,164
Website costs, net	--	39,317
Operating right of use asset	371,100	456,772
Deposits	13,732	13,723
Total Assets	\$ 91,263,787	\$ 44,560,343
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 505,611	\$ 841,478
Operating lease liability	320,484	434,224
Total Liabilities	826,096	1,275,702
Net Assets		
Without donor restrictions		
Undesignated	63,763,881	14,519,332
Board-designated	22,500,000	22,500,000
Total Without Donor Restrictions	86,263,881	37,019,332
With donor restrictions	4,173,810	6,265,309
Total Net Assets	90,437,691	43,284,641
Total Liabilities and Net Assets	\$ 91,263,787	\$ 44,560,343

The accompanying notes are an integral part of these consolidated financial statements.

NAMATI, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

(With Summarized Financial Information for the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Revenue and Support				
Grants and contributions	\$ 53,919,694	\$ 5,094,776	\$ 59,014,470	\$ 10,821,832
Investment income	2,537,874	44,557	2,582,431	1,924,938
In-kind contribution	17,057	--	17,057	3,295
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>7,230,832</u>	<u>(7,230,832)</u>	<u>--</u>	<u>--</u>
Total Revenue and Support	<u>63,705,457</u>	<u>(2,091,499)</u>	<u>61,613,958</u>	<u>12,750,065</u>
Expenses				
Program Services:				
Land, environment and climate	4,647,316	--	4,647,316	4,923,555
Grassroots justice network	3,320,996	--	3,320,996	3,217,832
Citizenship	1,145,257	--	1,145,257	1,323,382
Global programs	1,009,243	--	1,009,243	983,726
Health accountability	<u>369,957</u>	<u>--</u>	<u>369,957</u>	<u>690,367</u>
Total Program Services	<u>10,492,769</u>	<u>--</u>	<u>10,492,769</u>	<u>11,138,862</u>
Supporting Services:				
Program support	3,441,770	--	3,441,770	3,070,880
Fundraising	<u>526,369</u>	<u>--</u>	<u>526,369</u>	<u>488,644</u>
Total Supporting Services	<u>3,968,139</u>	<u>--</u>	<u>3,968,139</u>	<u>3,559,524</u>
Total Expenses	<u>14,460,908</u>	<u>--</u>	<u>14,460,908</u>	<u>14,698,386</u>
Change in Net Assets	49,244,549	(2,091,499)	47,153,050	(1,948,321)
Net Assets, Beginning of Year	<u>37,019,332</u>	<u>6,265,309</u>	<u>43,284,641</u>	<u>45,232,962</u>
Net Assets, End of Year	<u>\$ 86,263,881</u>	<u>\$ 4,173,810</u>	<u>\$ 90,437,691</u>	<u>\$ 43,284,641</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAMATI, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025
(With Summarized Financial Information for the Year Ended December 31, 2024)

	Program Services					Supporting Services					
	Land Environment and Climate	Grassroots Justice Network	Citizenship	Global Programs	Health Accountability	Total Program Services	Program Support	Fundraising	Total Supporting Services	2025 Total	2024 Total
Salaries	\$ 1,097,892	\$ 1,058,704	\$ 336,598	\$ 627,643	\$ 166,352	\$ 3,287,189	\$ 2,316,367	\$ 347,598	\$ 2,663,965	\$ 5,951,154	\$ 5,766,822
Subgrants and subcontracts	2,430,818	1,561,545	459,346	--	140,689	4,592,398	--	--	--	4,592,398	4,791,458
Fringe benefits	269,583	265,201	76,443	169,088	45,414	825,729	621,535	94,894	716,429	1,542,158	1,420,562
Consultants and professional fees	392,681	149,144	23,077	94,063	400	659,365	187,155	12,346	199,501	858,866	1,017,055
Travel	388,613	149,440	196,818	21,045	16,499	772,415	33,396	37,460	70,856	843,271	1,098,243
Other direct costs	53,822	132,832	46,652	75,500	507	309,313	232,876	27,026	259,902	569,215	532,877
Rent	13,907	4,130	6,323	21,904	96	46,360	50,441	7,045	57,486	103,846	71,369
Total Expenses	<u>\$ 4,647,316</u>	<u>\$ 3,320,996</u>	<u>\$ 1,145,257</u>	<u>\$ 1,009,243</u>	<u>\$ 369,957</u>	<u>\$ 10,492,769</u>	<u>\$ 3,441,770</u>	<u>\$ 526,369</u>	<u>\$ 3,968,139</u>	<u>\$ 14,460,908</u>	<u>\$ 14,698,386</u>

The accompanying notes are an integral part of these consolidated financial statements.

NAMATI, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2025

(With Summarized Financial Information for the Year Ended December 31, 2024)

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	\$ 47,153,050	\$ (1,948,321)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization of website costs	39,317	48,483
Amortization of operating right-of-use asset	85,672	46,938
Unrealized gain on investments	(123,253)	(154,076)
Changes in assets and liabilities:		
Grants and contributions receivable	70,550	(525,095)
Interest receivable	(213,432)	--
Prepaid expenses and other assets	(15,695)	(1,030)
Deposits	(9)	(577)
Operating lease liability	(113,740)	(79,997)
Accounts payable and accrued expenses	(335,866)	198,255
Net Cash Provided by (Used in) Operating Activities	46,546,594	(2,415,420)
Cash Flows From Investing Activities		
Purchase of investments	(80,882,326)	(5,991,969)
Sale of investments	32,333,416	4,834,657
Net Cash Used in Investing Activities	(48,548,910)	(1,157,312)
Net Decrease in Cash and Cash Equivalents	(2,002,316)	(3,572,732)
Cash and Cash Equivalents, Beginning of Year	9,763,038	13,335,770
Cash and Cash Equivalents, End of Year	\$ 7,760,722	\$ 9,763,038

The accompanying notes are an integral part of these consolidated financial statements.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Namati, Inc. (Namati) is a nonprofit organization incorporated under the laws of the State of Delaware on July 12, 2011. Namati was established to implement legal empowerment interventions in partnership with governments and civil society organizations in several countries. Namati cultivates a global community of paralegal practitioners to foster dialogue and tool-sharing. Namati advocates with, and provides technical assistance to, policy-makers and civil society organizations for greater and smarter investments in legal empowerment. In partnership with civil society groups and governments, Namati implements and evaluates innovative interventions along several themes, including environmental justice, community land protection and the accountability of essential public services. Namati also hosts a growing Grassroots Justice Network of practitioners and supporters. Members of the Grassroots Justice Network share resources and experiences, including research, training materials, monitoring and evaluation tools, case management systems, and advocacy strategies. Network members are active throughout the world, whereas Namati's programs and research focus on exploring the potential for legal empowerment in specific countries, which include Sierra Leone, India, Mozambique, Myanmar, Kenya, the United States and Bangladesh. Namati's activities are funded primarily through grants and contributions revenue.

Namati has an office in Kenya. The office in Kenya follows the host country's regulations and, as a result, was incorporated as Namati Kenya on January 18, 2018. However, as Namati's local office, Namati Kenya is dependent on Namati for funding, participates in Namati's activities and decision-making, and carries out the general mission and activities of Namati in Kenya.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of Namati and Namati Kenya (collectively referred to as the "Organization") have been prepared on the accrual basis of accounting and include the accounts of Namati and Namati Kenya. Namati and Namati Kenya have been consolidated due to the presence of control and economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in the consolidation.

CASH EQUIVALENTS

The Organization considers all money market funds and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

GRANTS AND CONTRIBUTIONS RECEIVABLE

The Organization records grants and contributions receivable at their estimated net realizable value. The allowance for doubtful accounts is based on various factors, including management's analysis of the collectability of the accounts and current economic conditions. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Investments consist of money market funds, exchange traded funds and obligations of U.S. government agencies and government sponsored entities. These investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The change in unrealized appreciation or depreciation of investments is included in investment income in the accompanying consolidated statement of activities. Realized gains and losses on sales of investments are computed on an average cost method and are recorded on the trade date of the transaction and included in investment income in the accompanying consolidated statement of activities.

FAIR VALUE MEASUREMENT

In accordance with generally accepted accounting principles (GAAP), the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

- Level 1 Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access. This classification is applied to any investment of the Organization that has a readily available quoted market price from an active market where there is significant transparency in the executed/quoted market price.
- Level 2 Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. This classification is applied to investments of the Organization for which there is no established trading market.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

As of December 31, 2025, the Organization's assets and liabilities which were measured at fair value on a recurring basis and subject to the disclosure requirements of the fair value measurements and disclosures topic of the FASB Accounting Standards Codification (ASC) include only its investments, as described in Note 4 of these consolidated financial statements.

WEBSITE COSTS AND RELATED AMORTIZATION

All assets with a useful life of more than two years and an acquisition cost of \$5,000 or greater are capitalized at cost. Capitalized website costs are recorded at cost less accumulated amortization and impairment losses, if any. Website costs are amortized using the straight-line method over an estimated useful life of three years. Expenditures for major repairs and improvements that extend the useful life of an asset are capitalized, whereas expenditures for minor repairs and maintenance costs are expensed when incurred. Costs incurred in the development of the website are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the website development stage are capitalized. In the event that it is no longer probable that expected future economic benefits will be recovered, website costs are written down to estimated recoverable amounts.

CLASSIFICATION OF NET ASSETS

The Organization's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for support of Namati's operations. From time to time, Namati's Board of Directors (the Board) designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Board has designated \$7,500,000 of net assets without donor restrictions to serve as a working capital reserve to secure Namati's long-term financial viability. The Board has also designated \$15,000,000 for the purpose of investing and generating ongoing operation funds.
- Net assets with donor restrictions represent amounts that are specifically restricted by donors or grantors for various programs or for specific periods. These donor restrictions can be temporary in nature in that they will be met by actions of Namati or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2025, Namati had no net assets with donor restrictions that are required to be maintained in perpetuity.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

Unconditional grants and contributions are reported as revenue and support in the year in which payments are received and/or unconditional promises are made. Unconditional grants are considered without donor restrictions unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor for specific purposes are reported as revenue and support with donor restrictions. When a grantor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets are reclassified from net assets with donor restriction to net assets without donor restriction and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Unconditional grants that have been committed to the Organization but have not been received as of year-end are reflected as grants and contributions receivable in the accompanying consolidated statement of financial position.

Conditional grants and promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Once such conditions are satisfied, the amounts are recognized as revenue without donor restrictions.

GRANT EXPENSE RECOGNITION

Unconditional grants are expensed in the year in which the grant commitment is made to the grantee. Grant amounts not transferred immediately to the partner organizations in the year in which the grant commitments are made are recorded as grants payable in the accompanying consolidated statement of financial position. As of December 31, 2025, the Organization had no grants payable. Conditional grants are not included as expenses until such time as the conditions are substantially met.

OPERATING RIGHT-OF-USE ASSET AND LEASE LIABILITY

Namati determines if an arrangement is or contains a lease at inception. Leases, excluding those with terms of one year or less, are included in operating right-of-use (ROU) asset and operating lease liability in the accompanying statement of financial position. The ROU asset and operating lease liability are recognized at the commencement date of the lease agreements based on the present value of lease payments over the lease term using the risk-free rate and is adjusted for lease incentives. The ROU asset is amortized on a straight-line basis over the lease term and is reflected as rent expense in the accompanying statement of functional expenses. Operating lease liabilities are reduced as cash payments are made under the terms of the leases. Interest is charged to lease expense for the difference. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position. Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to specific functional areas of the Organization are reported as expenses of those functional areas. Salaries are allocated to programs and supporting services based on employees' timesheets. Fringe benefits and shared costs (primarily rent) that benefit multiple functional areas have been allocated among the various functional areas based on the actual time and effort expended on those functional areas.

The following is an explanation of certain expense categories presented in the consolidated statements of activities and functional expenses as supporting services:

Program support – This supporting service category includes the functions necessary to secure proper administration of the Organization's programs and the Board, maintain an adequate working environment, and manage financial and budgetary responsibilities of the Organization.

Institutional support – This supporting service category includes the functions necessary to induce potential donors to contribute funds and other resources to the Organization. It also includes costs necessary for the administration of the Organization's operations that do not otherwise qualify to be recorded under program support.

ESTIMATES

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

NOTE 2 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable of \$1,402,023 represent net promises to give from various organizations. Of this total, \$1,219,023 is due within one year of December 31, 2025, and \$183,000 is due beyond one year. All amounts are deemed fully collectible. Accordingly, no allowance for uncollectible grants and contributions receivable has been provided.

During the year ended December 31, 2025 and prior years, the Organization was awarded several multiyear conditional grants of which \$10,739,977 has not been recognized as of December 31, 2025, as the Organization's achievement of certain goals and deliverables (barriers) mutually agreed to between the Organization and the donors had not been met. Payments will be made to the Organization at various times through September 30, 2030, upon satisfaction of the conditions.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 3 – CONDITIONAL GRANTS AWARDED

During the year ended December 31, 2025, the Organization awarded several conditional grants of which \$2,172,442 has not been recognized as grant expense as of December 31, 2025 as these grants were contingent upon achievement of certain goals and milestones (barriers) mutually agreed to between the Organization and the grantees.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments at fair value consisted of the following as of December 31, 2025:

Money market funds	\$ 57,422,978
Obligations of U.S. government agencies and government-sponsored entities	16,424,178
Equity exchange traded funds	<u>7,519,171</u>
Total Investments	<u>\$ 81,366,327</u>

The following table summarizes the Organization’s investments at fair value as of December 31, 2025:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Obligation of U.S. government agencies and government-sponsored entities	\$ 16,424,178	\$ --	\$ 16,424,178	\$ --
Money market funds	57,422,978	57,422,978	--	--
Equity exchange traded funds	<u>7,519,171</u>	<u>7,519,171</u>	<u>--</u>	<u>--</u>
Total Investments	<u>\$ 81,366,327</u>	<u>\$ 64,942,149</u>	<u>\$ 16,424,178</u>	<u>\$ --</u>

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

Under the provisions of the accounting standards on fair value measurement, the applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Money market funds and Equity exchange traded funds – Value of these funds are based on quoted market prices in active markets and are classified within Level 1 of the valuation hierarchy.

U.S. obligations – If quoted market prices are not available, then fair values are estimated using pricing models, such as matrix pricing, quoted prices of securities with similar characteristics or discounted cash flows. These instruments, which would generally be classified within Level 2 of the valuation hierarchy, include U.S. and corporate obligations.

NOTE 5 – NET ASSETS

NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's net assets without donor restrictions are composed of undesignated amounts and board-designated amounts. As of December 31, 2025, the Organization's net assets without donor restrictions were as follows:

Undesignated	\$ 63,763,881
Board-designated for investing to support ongoing operations	15,000,000
Board-designated for working capital reserve	<u>7,500,000</u>
Total Net Assets Without Donor Restrictions	<u>\$ 86,263,881</u>

NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2025, net assets with donor restrictions were restricted for the following purposes:

Subject to Expenditure for Specified Purpose:	
Land, Environment and Climate	\$ 3,161,264
Grassroots Justice Network	115,386
Citizenship	104,675
Global Programs	<u>92,485</u>
Total Subject to Expenditure for Specified Purpose	3,473,810
Subject to Passage of Time	<u>700,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 4,173,810</u>

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 6 – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents with a certain commercial financial institution, which aggregate balance may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. The Organization maintains an overnight sweep account on its main checking account so as of December 31, 2025, Namati exceeded the maximum limit insured by FDIC by approximately \$6,276,300. From time to time, in order to maintain a level that fulfills Namati's monthly cash requirements, Namati's cash and cash equivalents may exceed the maximum limit insured by FDIC. The Organization monitors the credit worthiness of the institution and has not experienced any credit losses on its cash and cash equivalents.

In addition, the Organization has operations in Kenya, and holds cash accounts in Kenya which are uninsured. As of December 31, 2025, cash balances in Kenya totaled approximately \$93,600, representing less than 1% of the Organization's total assets.

NOTE 7 – OPERATING LEASES

On September 14, 2017, Namati Inc. entered into a noncancelable operating lease for office space for its headquarters in Washington, D.C. The lease term is for the period November 1, 2017, through January 31, 2023. The lease provides for three months of rent abatement, and contains a fixed escalation clause for increases in the annual minimum rent. On December 15, 2022, Namati Inc. entered into a lease amendment to extend the lease term to September 30, 2028. The base monthly rent is \$9,603 and escalates by 2.5% on an annual basis. The amended lease includes an incentive to abate the rent for the first two months every year throughout the lease period.

Per terms of the lease agreement, there is a tenant improvement allowance of \$58,720. Under the terms of the agreement, any unused allowance as of February 1, 2024 may be applied to the base rent due starting on February 1, 2024, 25% starting on February 1, 2024 and the remaining 75% starting February 1, 2026. The Organization has decided to apply the full remaining value of the unused tenant improvement allowance towards the base rent and therefore has included the allowance in its calculations to determine the right of use asset and the related liability.

On December 14, 2022, Namati Kenya entered into a noncancelable operating lease for office space in Kenya. The lease term is for the period October 1, 2022, through December 31, 2027. The lease contains a fixed escalation clause for increases in the annual minimum rent. The base monthly rent is \$1,620 and escalates by 10% on an annual basis.

The ROU asset and lease liability were calculated based on the present value of future lease payments over the lease term. The Organization used the risk-free rate as permitted under ASC 842 for non-public entities, to discount future lease payments. As of December 31, 2025, the Organization's operating right-of-use assets were \$371,100 and operating lease liability was \$320,484.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 7 – OPERATING LEASES (CONTINUED)

As of December 31, 2025, future minimum lease payments required under these operating leases were as follows:

For the Years Ending December 31,	Amount
2026	\$ 82,639
2027	150,594
2028	97,521
Total Lease Payments	330,754
 Less: Interest	 (10,270)
 Present Value of Lease Liability	 <u><u>\$ 320,484</u></u>

Total rent expense on statement of functional expense includes the Organization’s portion of the rent for the operating office lease amounting to \$103,846 for the year ended December 31, 2025. Cash paid for operating leases for the year ended December 31, 2025 totaled \$123,121.

NOTE 8 – AVAILABILITY AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Organization’s financial assets available within one year of the consolidated statement of financial position date for general expenditures at December 31, 2025, were as follows:

Cash and cash equivalents	\$ 7,760,722
Investments	81,366,327
Interest receivable	213,432
Grants and contributions receivable	1,402,023
Total Financial Assets	90,742,504
 Less:	
Amounts not available to be used within one year:	
Restricted by donor for time and/or purpose	(4,173,810)
Board-designated for investing to support ongoing operations	(15,000,000)
Board-designated for working capital and program reserve	(7,500,000)
 Financial Assets Available to Meet General Expenditures Within One Year	 <u><u>\$ 64,068,694</u></u>

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 8 – AVAILABILITY AND LIQUIDITY (CONTINUED)

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. Additionally, the Organization has board-designated net assets that could be available for current operations with Board approval, if necessary.

NOTE 9 – MAJOR GRANTORS

For the year ended December 31, 2025, the Organization recognized revenue of approximately \$54,202,200 from four donors, which is 92% of the Organization's total revenue and support. The Organization recognized grant receivables of \$833,000 from two donors which is 59% of the Organization's total Grants and contributions receivable as of December 31, 2025.

NOTE 10 – PENSION PLAN

The Organization sponsors a 401(k) defined contribution plan (the Plan) for retirement benefits for its employees. Employees who are at least 21 years of age are eligible to participate in the Plan immediately upon employment and become eligible for the employer contribution after three months of service. The Organization matches employee contributions up to 5% of an employee's annual compensation. Employees are 100% vested in the employer portion of their accounts after one year of service. When an eligible employee leaves the Organization, unvested funds are reallocated to the other participants as part of the Organization's contribution to the Plan for the year. Total pension expense was \$430,431 for the year ended December 31, 2025.

In addition, the Organization sponsors a retirement plan for the employees working in Namati's Kenya office. The Organization contributes 9% of an eligible employee's monthly salary and the employees are immediately vested in the employer contribution. The Organization contributed \$74,722 to this plan for the year ended December 31, 2025.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 11 – RELATED PARTY TRANSACTIONS

A member of the Board, who is also Namati’s President, serves as a member of the Board of Directors for Namati Sierra Leone. Namati made grants totaling \$1,091,159 to Namati Sierra Leone during the year ended December 31, 2025. It is Namati’s policy for a Board member to recuse himself or herself from voting on any proposed grant to an organization of which he or she is also a board member or officer.

On October 12, 2021, Namati established Namati Action, Inc., a 501(c)(4) organization, to advance social and environmental and social justice through legislative and policy advocacy. During the year ended December 31, 2025, Namati Action, Inc. was dissolved.

NOTE 12 – INCOME TAXES

Namati is exempt from the payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the year ended December 31, 2025, as Namati had no net unrelated business income. Namati Kenya is an office of Namati Inc. that is fully registered and operates under the laws of Kenya. Namati Kenya did not have any taxable activities for the year ended December 31, 2025.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity’s financial statements and prescribe a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in a tax return.

The Organization evaluated its uncertainty in income taxes for the year ended December 31, 2025, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status, and there are currently no audits for any open tax periods pending or in progress. It is the Organization’s policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2025, the Organization had no accruals for interest and/or penalties.

NOTE 13 – SUMMARIZED FINANCIAL INFORMATION

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional area. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Namati’s consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NAMATI, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

NOTE 14 – SUBSEQUENT EVENTS

In the preparation of the consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2026, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

NAMATI, INC. AND AFFILIATE

SCHEDULE OF REVENUE AND EXPENSES BY FUNDER

For the Year Ended December 31, 2025

	Alternative Law Groups	Department of Foreign Affairs, Trade and Development, Canada	Foundation Hans Wilsdorf	Hampshire Foundation	International Development Research Centre	International Institute for Environment & Development	JPB Foundation
Revenue and Support							
Grants and contributions	\$ 45,755	\$ 217,626	\$ 450,000	\$ 200,000	\$ 74,936	\$ 698,212	\$ --
Investment Income, net	--	1,808	--	--	11,731	--	16,664
In-kind contribution	--	--	--	--	--	--	--
Total Revenue and Support	<u>45,755</u>	<u>219,434</u>	<u>450,000</u>	<u>200,000</u>	<u>86,667</u>	<u>698,212</u>	<u>16,664</u>
Expenses							
Salaries	2,614	76,869	--	76,572	270,199	96,317	242,910
Subgrants and subcontracts	--	3,200	--	--	340,972	416,903	825,711
Fringe benefits	667	18,549	--	19,209	69,598	24,953	66,314
Travel	38,733	30,450	--	4,524	63,870	47,112	3,518
Consultants and professional fees	--	49,574	--	11,809	27,057	20,456	30,758
Other costs	3,742	9,923	--	3,873	4,603	6,830	5,124
Program support	--	20,752	--	23,198	90,647	85,760	223,124
Total Expenses	<u>45,755</u>	<u>209,317</u>	<u>--</u>	<u>139,185</u>	<u>866,946</u>	<u>698,331</u>	<u>1,397,459</u>
Change in Net Assets	<u>\$ --</u>	<u>\$ 10,117</u>	<u>\$ 450,000</u>	<u>\$ 60,815</u>	<u>\$ (780,279)</u>	<u>\$ (119)</u>	<u>\$ (1,380,795)</u>

See independent auditors' report.

NAMATI, INC. AND AFFILIATE

SCHEDULE OF REVENUE AND EXPENSES BY FUNDER (CONTINUED)

For the Year Ended December 31, 2025

	Luminate Foundation	Marshmere Foundation	Mott Foundation	Nathan Cummings Foundation	Packard Foundation	Paul M. Angell Family Foundation	Robert Bosch Stiftung GmbH
Revenue and Support							
Grants and contributions	\$ --	\$ 25,000	\$ --	\$ --	\$ --	\$ 100,000	\$ 181,647
Investment Income, net	--	--	--	--	--	--	--
In-kind contribution	--	--	--	--	--	--	--
Total Revenue and Support	<u>--</u>	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>100,000</u>	<u>181,647</u>
Expenses							
Salaries	42,896	--	55,503	11,291	41,834	2,677	27,388
Subgrants and subcontracts	30,243	25,000	--	66,000	--	--	109,600
Fringe benefits	8,310	--	13,332	2,880	9,329	719	6,685
Travel	34,767	--	10,240	--	--	--	3,659
Consultants and professional fees	6,773	--	1,622	--	3,435	--	4,024
Other costs	8,208	--	1,144	85	35	--	17
Program support	26,240	--	16,368	16,051	10,927	679	30,274
Total Expenses	<u>157,437</u>	<u>25,000</u>	<u>98,209</u>	<u>96,307</u>	<u>65,560</u>	<u>4,075</u>	<u>181,647</u>
Change in Net Assets	<u>\$ (157,437)</u>	<u>\$ --</u>	<u>\$ (98,209)</u>	<u>\$ (96,307)</u>	<u>\$ (65,560)</u>	<u>\$ 95,925</u>	<u>\$ --</u>

See independent auditors' report.

NAMATI, INC. AND AFFILIATE

SCHEDULE OF REVENUE AND EXPENSES BY FUNDER (CONTINUED)

For the Year Ended December 31, 2025

	Stichting Institute on Statelessness and Inclusion	Target Foundation	Tides Foundation	Wellspring Philanthropic Fund	W.K. Kellogg Foundation	Other Revenue	Total
Revenue and Support							
Grants and contributions	\$ 5,654	\$ --	\$ --	\$ 50,000	\$ 2,504,000	\$ 54,461,638	\$ 59,014,470
Investment Income, net	--	14,354	--	--	--	2,537,875	2,582,431
In-kind contribution	--	--	--	--	--	17,057	17,057
Total Revenue and Support	<u>5,654</u>	<u>14,354</u>	<u>--</u>	<u>50,000</u>	<u>2,504,000</u>	<u>57,016,570</u>	<u>61,613,958</u>
Expenses							
Salaries	--	139,556	104,089	28,588	859,764	3,872,086	5,951,154
Subgrants and subcontracts	--	80,631	--	115,992	846,572	1,731,574	4,592,398
Fringe benefits	--	34,944	26,543	6,339	213,726	1,020,059	1,542,158
Travel	4,308	11,673	--	56,193	145,058	389,168	843,271
Consultants and professional fees	146	89,888	--	1,253	138,774	473,295	858,866
Other costs	1,201	490	--	5,705	2,862	619,221	673,061
Program support	--	71,437	--	42,779	375,149	(1,033,383)	--
Total Expenses	<u>5,654</u>	<u>428,619</u>	<u>130,632</u>	<u>256,849</u>	<u>2,581,905</u>	<u>7,072,020</u>	<u>14,460,908</u>
Change in Net Assets	<u>\$ --</u>	<u>\$ (414,265)</u>	<u>\$ (130,632)</u>	<u>\$ (206,849)</u>	<u>\$ (77,905)</u>	<u>\$ 49,944,550</u>	<u>\$ 47,153,050</u>

See independent auditors' report.