Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Financial Statements
December 31, 2025
(With Summarized Comparative Consolidated Information For the Year Ended December 31, 2024)
With Independent Auditor's Report

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ADVISORY TAX AUDIT

Rainforest Alliance Holding, Inc. and Affiliates
Table of Contents
December 31, 2025 and 2024

Independent Auditor's Report

To the Board of Directors of
Rainforest Alliance Holding, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Rainforest Alliance Holding, Inc. and Affiliates (the "Organization"), which comprise the consolidated statement of financial position of the Organization as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Rainforest Alliance Holding, Inc. and Affiliates as of December 31, 2025, and the changes in their net assets and their 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 Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Rainforest Alliance Holding, Inc. and Affiliates 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date the consolidated financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

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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 consolidated 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 consolidated 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 consolidated 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.

Report on Summarized Comparative Consolidated Information

We have previously audited the Organization's December 31, 2024, consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 8, 2025. In our opinion, the summarized comparative consolidated information presented herein as of and for the year ended December 31, 2024, in consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position as of December 31, 2025, and consolidating statement of activities and changes in net assets for the year ended December 31, 2025, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

WithumSmith+Brown, PC

July 17, 2026

Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Statement of Financial Position
December 31, 2025
(With Summarized Comparative Information for December 31, 2024)
(In thousands)

	2025	2024
Assets		
Cash and cash equivalents	$ 31,621	$ 17,711
Grants and contributions receivable	7,057	11,527
Royalty and other contract receivables, net of allowance for doubtful accounts of $950 and $1,551 at December 31, 2025 and 2024, respectively	8,661	16,720
Advances and prepaid expenses	2,488	2,333
Investments	40,017	33,564
Intangible assets, net	12,242	5,793
Property and equipment, net	680	871
Operating right-of-use assets, net	2,095	2,418
Security deposits	278	326
Investments - Endowment	1,296	1,138
Total assets	$ 106,435	$ 92,401
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 8,835	$ 13,569
Deferred revenue	3,708	1,890
Refundable advances	9,635	7,676
Derivative liability	-	1,113
Operating lease liabilities	2,095	2,405
Foreign severance payable	5,615	5,065
Total liabilities	29,888	31,718
Net assets		
Without donor restrictions	72,278	57,159
With donor restrictions	4,269	3,524
Total net assets	76,547	60,683
Total liabilities and net assets	$ 106,435	$ 92,401

The Notes to Consolidated Financial Statements are an integral part of this statement.

Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025
(With Summarized Comparative Information for December 31, 2024)
(In thousands)

	Undesignated Operating - Without Donor Restrictions	Designated for Capital and Investments - Without Donor Restrictions	Total Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Supports and revenues						
Contributions						
Major donors and individuals	$ 3,240	$ -	$ 3,240	$ 120	$ 3,360	$ 3,131
Foundations and corporate grants	-	-	-	7,811	7,811	6,470
Government grants and contracts	-	-	-	13,049	13,049	21,965
Contributions of nonfinancial assets	822	-	822	-	822	897
Revenue from contracts with customers						
Royalty revenue	65,971	-	65,971	-	65,971	63,995
Other contract revenue	12,585	-	12,585	-	12,585	10,099
Net investment return	781	4,514	5,295	191	5,486	3,983
Other income (loss)	(555)	1,425	870	-	870	694
Transfers	(10,460)	10,460	-	-	-	-
Net assets released from restrictions	20,426	-	20,426	(20,426)	-	-
Total support and revenues	92,810	16,399	109,209	745	109,954	111,234
Expenses						
Program services						
Landscapes and communities	25,051	243	25,294	-	25,294	44,732
Markets and transformation	36,511	3,221	39,732	-	39,732	36,545
Total program services	61,562	3,464	65,026	-	65,026	81,277
Supporting services						
Management and general	24,739	195	24,934	-	24,934	22,243
Fundraising	4,565	1	4,566	-	4,566	4,061
Total supporting services	29,304	196	29,500	-	29,500	26,304
Total expenses	90,866	3,660	94,526	-	94,526	107,581
Changes in net assets from continuing operations	1,944	12,739	14,683	745	15,428	3,653

The Notes to Consolidated Financial Statements are an integral part of this statement.

Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025
(With Summarized Comparative Information for December 31, 2024)
(In thousands)

	Undesignated Operating - Without Donor Restrictions	Designated for Capital and Investments - Without Donor Restrictions	Total Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Nonoperating activity						
Unrealized gain (loss) on derivative transactions	$ 1,113	$ -	$ 1,113	$ -	$ 1,113	$ (1,113)
Foreign currency translation loss	(677)	-	(677)	-	(677)	(635)
Total nonoperating activity	436	-	436	-	436	(1,748)
Changes in net assets	2,380	12,739	15,119	745	15,864	1,905
Net assets						
Beginning of the year	16,960	40,199	57,159	3,524	60,683	58,778
End of year	$ 19,340	$ 52,938	$ 72,278	$ 4,269	$ 76,547	$ 60,683

The Notes to Consolidated Financial Statements are an integral part of this statement.

Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025
(With Summarized Comparative Information for December 31, 2024)
(In thousands)

	Landscapes and Communities 2025	Markets Transformation 2025	Total Program Services 2025	Management and General 2025	Fund-Raising 2025	Total Supporting Services 2025	Total 2025	Total 2024
Salaries and benefits	$ 11,191	$ 22,636	$ 33,827	$ 13,936	$ 3,700	$ 17,636	$ 51,463	$ 51,320
Sub-grants	5,502	2,938	8,440	31	-	31	8,471	14,657
Consultants and professional fees	3,775	2,963	6,738	3,919	111	4,030	10,768	11,006
IT services and licenses	95	3,749	3,844	3,646	10	3,656	7,500	9,657
Marketing and subscription fees	232	1,465	1,697	225	272	497	2,194	1,725
Bank and other fees	65	150	215	350	46	396	611	915
Insurance expenses	11	10	21	425	1	426	447	563
Equipment and materials	781	249	1,030	63	26	89	1,119	773
Office costs	889	625	1,514	985	229	1,214	2,728	3,012
Travel	1,644	1,408	3,052	337	144	481	3,533	4,519
Training and workshops	1,335	825	2,160	36	17	53	2,213	3,541
Bad debt expense (recovery)	(469)	(507)	(976)	(28)	1	(27)	(1,003)	286
	25,051	36,511	61,562	23,925	4,557	28,482	90,044	101,974
Professional services - in-kind	-	-	-	814	8	822	822	897
	25,051	36,511	61,562	24,739	4,565	29,304	90,866	102,871
Depreciation and amortization	243	3,221	3,464	195	1	196	3,660	4,710
Total expenses	$ 25,294	$ 39,732	$ 65,026	$ 24,934	$ 4,566	$ 29,500	$ 94,526	$ 107,581

The Notes to Consolidated Financial Statements are an integral part of this statement.

Rainforest Alliance Holding, Inc. and Affiliates
Consolidated Statement of Cash Flows
Year Ended December 31, 2025
(With Summarized Comparative Information for December 31, 2024)
(In thousands)

	2025	2024
Operating activities		
Changes in net assets	$ 15,864	$ 1,905
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	3,660	4,710
Change in allowance	(601)	1,219
Net present value adjustment	8	(46)
Realized and unrealized gains on investments	(3,860)	(2,699)
Amortization of operating right-of-use assets	697	691
Change in value of derivative transactions	(1,113)	1,113
Changes in assets and liabilities		
Grants and contributions receivable	4,462	(751)
Royalty and other contract receivables	8,661	(929)
Advances and prepaid expenses	(155)	423
Security deposits	48	(95)
Accounts payable and accrued expenses	(4,734)	(4,417)
Foreign severance payable	550	274
Deferred revenue	1,817	176
Refundable advances	1,959	(404)
Operating lease liabilities	(683)	(749)
Net cash provided by operating activities	26,580	421
Investing activities		
Acquisition of intangible assets	(9,155)	(3,791)
Acquisition of property and equipment	(191)	(505)
Proceeds from sale of investments	16,128	12,376
Purchase of investments and reinvested income	(18,878)	(7,474)
Net cash (used in) provided by investing activities	(12,096)	606
Effect of exchange rates on cash and cash equivalents	(574)	(655)
Net change in cash, cash equivalents, and restricted cash	13,910	372
Cash and cash equivalents		
Beginning of year	17,711	17,339
End of year	$ 31,621	$ 17,711
Supplemental disclosure of cash flow information		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 302	$ 2,249

The Notes to Consolidated Financial Statements are an integral part of this statement.

1. Organization and Nature of Activities

Rainforest Alliance Holding, Inc. ("RA Holding") is an international non-profit organization, organized on January 1, 2018, in the State of Delaware to serve as the common parent nonprofit corporation providing centralized governance and oversight over Rainforest Alliance, Inc. ("RA") and Stichting Rainforest Alliance ("Stichting RA"). RA Holding is the sole member of RA. RA Holding appoints the board of Stichting RA.

RA is an international non-profit organization, organized in 1987 in the State of New York with branches and affiliates in various countries. Its mission is to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior. All the activities of its branches and affiliates are included in these consolidated financial statements. RA conducts its activities throughout North America, Central America, South America, Africa, Europe and Asia.

Stichting RA consists of two legal entities: Stichting Rainforest Alliance (a non-profit organization, formerly known as Stichting UTZ), founded on July 3, 2001, and Rainforest Alliance B.V. (the "B.V.") (a for-profit organization, formerly known as UTZ Certified B.V.), founded on December 3, 2012. Both companies are registered in Amsterdam, Netherlands. Stichting Rainforest Alliance owns 100% of Rainforest Alliance B.V.

Sources of revenues are received from contributions and royalties and other contract revenues.

2. Summary of Significant Accounting Policies

a. Basis of Consolidation

The consolidated financial statements include all of the assets, liabilities, net assets, revenues and expenses of RA Holding, RA and Stichting RA and their subsidiaries, branches and affiliates (collectively the "Organization"). The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All significant intercompany accounts and transactions have been eliminated in consolidation.

b. Basis of Presentation

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions.

The net assets of the Organization are reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Organization. Within net assets without donor restrictions, the Organization separates activity related to property and equipment, investments, and software in designated for capital and investments and all other activity in undesignated operating.

Net Assets With Donor Restrictions: Net assets with donor restrictions include gifts of cash and other assets received with donor stipulations that limit the use of the donated assets or that cannot be satisfied by either the actions of the Organization or through the passage of time. These net assets include donor restricted endowments, and contributions with time or programmatic restrictions.

c. Change in Presentation

During 2025 the Organization modified its presentation of the consolidated statement of financial position from a classified presentation to an unclassified presentation. The Organization believes this providers a clearer representation of its assets, liabilities and net assets based on the nature of the items.

d. Operating Measure

The Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. This measure of operations provides a presentation that depicts the manner in which the Organization manages its financial activities. Activities presented outside the operating measure include foreign currency translation gains (losses) and items that are infrequent or nonrecurring.

e. Prior Year Summarized Comparative Consolidated Information

Consolidated information as of and for the year ended December 31, 2024, is presented for comparative purposes only. The consolidated statement of activities and changes in net assets and consolidated statement of functional expenses are summarized for 2024. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements as of and for the year ended December 31, 2024, from which the summarized comparative consolidated information was derived.

f. Estimates

The presentation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in these consolidated financial statements consist of the foreign severance payable (see Note 12) and the allowance for doubtful accounts (see Note 2). There is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

g. Income Taxes

RA Holding is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (“IRC”) and exempt from state taxes under state charities registration law.

RA is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and no provision for such income tax has been reflected in the accompanying consolidated financial statements. RA has evaluated uncertain tax positions with respect to its U.S. operations and concluded there are no such positions at December 31, 2025 and 2024. RA has operations in other countries and is subject to the laws and regulations of those countries. RA did not recognize any tax related interest or penalties during the periods presented in these consolidated financial statements.

Stichting RA is established as a foundation under the laws of the Netherlands. Rainforest Alliance B.V. was established as a daughter limited company. Stichting RA is the full owner of the B.V. and all profits earned by the B.V. (program fees minus expenses) flow entirely back to Stichting RA. Stichting RA as a whole remains a non-profit and retains its charity status in the Netherlands as an “Algemeen Nut Beogende Instelling” or “ANBI” status. The ANBI status has certain tax advantages and is a pre-requisite for some potential donors considering subsidies or sponsorship. Stichting RA is required to meet certain criteria to maintain this structure. For the years ended December 31, 2025 and 2024, Stichting RA met these criteria and therefore, no income tax was assessed.

The Organization has evaluated uncertain tax positions and concluded there are no such positions at December 31, 2025 and 2024. The Organization has operations in other countries and is subject to the laws and regulations of those countries. The Organization did not recognize any tax related interest or penalties during the periods in question.

h. Contribution Revenue

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received or pledged. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met. Revenue from government and private grant and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures are incurred and conditions under the agreements are met. Payments received in advance of conditions being met are recorded as refundable advances payable on the consolidated statement of financial position. Included in refundable advances payable at December 31, 2025 and 2024 is $9,635 and $7,676, respectively, of grant and contract receipts in advance of expenditures. Future funding from government and private grant and contract agreements is dependent on fiscal funding clauses and available appropriations from granting agencies and organizations.

Contributions, net assets and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

The Organization recognizes donated goods and services provided which have an ascertainable value and were an integral part of the Organization’s program services at the fair market value of the services or goods received. The Organization received donated services in the form of legal, advertising and professional fees. These donated goods and services are included in contributions of nonfinancial assets on the consolidated statement of activities and changes in net assets and as professional services - in-kind on the consolidated statement of functional expenses.

i. Revenue from Contracts with Customers

Royalty Revenues
The Organization has determined that royalty revenues shall be accounted for as revenue from contracts with customers in accordance with Accounting Standards Codification (“ASC”) 606. The Organization enters into contracts with customers whereby the Organization licenses its Rainforest Alliance Certified Seal (the “Seal”) to customers by granting them the non-exclusive non-transferable right to reproduce the Seal on their own product packaging and off-product promotional materials for products which Rainforest Alliance has issued a transaction certificate. Certified products carry the Organization’s green frog logo. The green frog certification seal indicates that a farm has been audited to meet standards that require environmental, social, and economic sustainability.

In order to become certified, farms must meet criteria of the Rainforest Alliance Sustainable Agriculture Standard (the “Standard”). The Standard encompasses all three pillars of sustainability-social, economic, and environmental. Rainforest Alliance Certified farms are audited regularly to verify that farmers are complying with the Standard’s comprehensive requirements, which require continual improvement on the journey to sustainable agriculture.

The Standard is built on these important principles of sustainable farming:
- Biodiversity conservation
- Improved livelihoods and human well-being
- Natural resource conservation
- Effective planning and farm management systems

(In thousands)

The Organization enables purchasers of certified farm product to be eligible to become an authorized licensee of the Seal with respect to the certified farm product. Royalties are assessed based on the volume (weight) of the certified farm product purchased for which the Organization has issued a Transaction Certificate at the applicable rate for the product as set forth in the contract, which varies based on the products that the Organization certifies which fall into the following main buckets: coffee, tea, cocoa, bananas, juice, nuts, other perishables, and herbs and spices. Generally, invoices are issued quarterly, and payments are due within 45 days.

The Organization accounts for royalty revenue as a sales and/or usage based royalty arrangement. Revenue is recognized at the later of the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated or satisfied at the point in time when the subsequent sale or usage occurs. The Organization recognizes revenue when the purchase of certified product occurs, which is the time at which the royalty accrues per the contract and also represents the fulfillment of the performance obligations which involve the Organization certifying farms and tracking the certified farm product through the supply chain utilizing the Organization's Multitrace System.

Other Contract Revenue
The Organization performs various engagements for clients whereby they perform specialized technical projects, such as sustainable supply chain consulting, process auditing, training, research and other advisory related services and has classified revenues into advisory contracts and risk assessment engagements. These services are performed for companies all over the world and each contract is evaluated individually for revenue recognition in accordance with ASC 606. Revenue from risk assessment engagements is recognized at a point in time. Revenue from advisory engagements is recognized over time as the contracts are either cost-reimbursable grant contracts that RA is paid based on allowable expenditures incurred and the benefit derived by the customer is through the time spent by RA employees and the materials they purchase to carry out the project or based upon work that is consumed over time by the customer. Contract liabilities include billings in excess of revenue recognized.

j. Receivables and Credit Policies

Receivables represent unsecured, non-interest bearing obligations due from customers. In the normal course of business, the Organization grants credit directly to certain customers after a credit analysis based on financial and other criteria and generally requires no collateral.

Customers typically are provided with payment terms of 15 days. The Organization has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (current, 1-30 days past due, 31-60 days past due, 61-90 days past due, and more than 90 days past due). Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Organization separates accounts receivable into risk pools based on their aging. In determining the amount of the allowance as of the consolidated statement of financial position date, the Organization develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions and future collections and subsequent cash receipts. The following represents a roll forward of the allowance for doubtful accounts for the years ended December 31, 2025 and 2024:

	2025	**2024**
Balance, beginning of the year	$ 1,551	$ 332
Provision for credit losses (reversal)	(601)	1,219
Balance, end of the year	$ 950	$ 1,551

In accordance with Accounting Standards Update ("ASU") 2025-05, the Organization elected the practical expedient for estimating expected credit losses on current accounts receivable and contract assets arising from revenue transactions under Topic 606. This expedient allows for the assumption that conditions at December 31, 2025 will remain consistent throughout the assets' lives.

The Organization also elected the accounting policy to consider cash collection activity after December 31, 2025 when estimating expected credit losses. Subsequent cash collections were evaluated through the date the consolidated financial statements were available to be issued resulting in no allowance for credit losses on the collected portion of receivables as of December 31, 2025. Remaining receivables were assessed using historical loss rates and known customer information.

k. Grants and Contributions Receivable

Grants and contributions receivable consist of government grant receivables and unconditional contribution receivables. Grants and contributions receivable with expected collection past 1 year are discounted at net present value based on current risk-free rates. The discount rate used at December 31, 2024, was 3.88%. The Organization monitors the collectability of these receivables and has determined that no allowance for uncollectible accounts was necessary at December 31, 2025 and 2024.

l. Subgrants

The Organization recognizes grants made, classified as subgrants on the consolidated statement of functional expenses, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met.

m. Cash Equivalents

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

n. Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value. Gains and losses, both realized and unrealized, resulting from changes in the fair value of investments are reflected in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without restrictions unless the use is restricted by explicit donor stipulations or by law.

o. Fair Value Measurements

The Organization has reviewed investments within the framework for measuring fair value which establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 - Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (the unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data).

p. Derivatives and Financial Instruments

RA enters into derivative financial instruments, such as foreign exchange contracts, to manage exposure to foreign currency risk arising from its international operations. In accordance with ASC 815, *Derivatives and Hedging*, all derivative instruments are recognized as either assets or liabilities on the consolidated statement of financial position and measured at fair value, as determined under ASC 820, *Fair Value Measurement*. The Organization does not elect hedge accounting for its derivative instruments. Accordingly, changes in the fair value of derivatives are recognized in the consolidated statement of activities and changes in net assets within nonoperating activity.

The fair value of derivative instruments is estimated using market-based inputs, such as spot exchange rates, interest rates, and implied volatilities, and may incorporate unobservable inputs for complex features, such as barrier levels or leverage components. Valuation techniques, including option pricing models (e.g., Black-Scholes or binomial models), are used to determine fair value. The Organization assesses counterparty credit risk and may apply a credit valuation adjustment ("CVA") when significant.

Cash flows from derivative settlements are classified in the consolidated statement of cash flows based on the purpose of the derivative, typically as operating activities for contracts related to operational cash flows. The Organization discloses the objectives, strategies, and risks associated with its derivative instruments, including market and credit risks, notional amounts, and fair value measurements, in the notes to the consolidated financial statements.

q. Property and Equipment

Property and equipment is recorded at cost, except for donated items which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

Depreciation is provided using the straight-line method over the estimated useful lives of the property and equipment as follows:

	Estimated Life (Years)
Furniture and equipment	5-10
Leasehold improvements	Shorter of term of lease or life of asset

r. Intangible Assets

The Organization capitalized certain costs incurred in connection with the development of its software platforms after the preliminary project stage and until such time that the software is ready for its intended use. Amounts related to upgrades and enhancements are capitalized to the extent they will result in added functionality. Capitalized costs are amortized over a three-to-four-year period commencing on the date that the specific module or platform is placed in service. Costs incurred during the preliminary stages of development and ongoing maintenance costs are expensed as incurred.

s. Valuation of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Organization has determined that no impairment was required for the periods presented in these consolidated financial statements.

t. Security Deposits

Security deposits represent funds paid to landlords which are held until a lease expires or is terminated. The Organization does not classify these assets as restricted cash.

u. Leases

The Organization categorizes leases with contractual terms longer than 12 months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the consolidated statement of financial position. The Organization had no finance leases during 2025 and 2024.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, the Organization accounts for these other services as a component of the lease. For all other leases, the services are accounted for separately and the Organization allocates payments to the lease and other service components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on the risk-free rate. Right-of-use assets are recognized based on the initial present value of the fixed lease payments plus any direct costs from executing the lease. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

v. Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets and in detail on the consolidated statement of functional expenses. Expenses, other than indirect expenses, are directly charged to the program that derives the direct benefit. Indirect expenses are allocated to the various program and supporting services based on the ratio of direct expense for any one function to total direct expenses of all functional areas or programs. Such allocations are determined by management on an equitable basis.

(In thousands)

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Office costs	Time and effort, headcount, direct expenses
Consultants	Direct expenses
Travel	Time and effort, direct expenses
Insurance	Direct expenses
IT services and licenses	Direct expenses
Depreciation	Direct expenses

w. Advertising and Marketing Costs

The Organization expenses advertising and marketing costs as incurred. Advertising and marketing costs were $1,463 and $1,090 for the years ended December 31, 2025 and 2024, respectively and are included in marketing and subscription fees in the accompany consolidated statement of functional expenses.

x. Programs

The following is a summary of the Organization's primary programs:

Landscapes and Communities - advances long-term, landscape-level initiatives to support sustainable, community-based development in communities vulnerable to ecological and social destruction including farming certification projects encouraging farmers to use best practices in environmental protection, social equality, and economic viability and forest communities to harvest and manufacture forest products in a sustainable way. This also includes evaluating and communicating program impacts and developing and implementing effective, scientifically-based strategies, programs and projects through monitoring, evaluation, and results-based management that follows industry best practice.

Markets Transformation - helps organizations across the forestry, agriculture and tourism value chains to successfully integrate sustainability into their business practices from sustainable production to sustainable consumption. This also includes outreach and education of the public on certification standards, sustainable practices and producing and publishing studies focused on forestry, agriculture and certification.

y. Translation of Foreign Currencies

The foreign operations of the Organization occur in functional currencies other than the U.S. dollar. The revenues and expenses occurring in foreign currencies are translated into U.S. dollars using an average monthly rate of exchange. Assets and liabilities are translated using the rate of exchange at the consolidated statement of financial position date. The related translation adjustments of approximately $(677) and $(635) for the years ended December 31, 2025 and 2024, respectively are included in nonoperating activity in the consolidated statement of activities and changes in net assets.

(In thousands)

z. Recently Issued Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The new standard, effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted, provides a simplified approach for measuring expected credit losses on current accounts receivable and current contract assets accounted for under Topic 606.

The Organization early adopted ASU 2025-05 prospectively as of January 1, 2025.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other Internal-Use Software.* The new standard, effective for annual reporting periods beginning after December 15, 2027, with early adoption permitted, updates the accounting for internal-use software by removing the prior “project stage” model and requiring capitalization to begin only when management authorizes the project and it is probable the software will be completed and used as intended. The ASU also requires entities to assess whether significant development uncertainty exists before capitalizing costs and incorporates website development guidance into ASC Subtopic 350-40. The Organization is currently evaluating the accounting, transition, and disclosure requirements of the ASU, as well as the consolidated financial statement impact of adoption.

3. Revenue from Contracts with Customers

Royalty Revenues
The Organization’s contracts and royalties are based on the purchase of certified farm product and are affected by the demand for the products being purchased. Revenue from royalties was related to the following crops for the years ended December 31, 2025 and 2024, as follows:

	2025	2024
Coffee	$ 34,751	$ 33,342
Cocoa	22,817	18,570
Tea	2,955	3,676
Bananas	1,682	2,165
Herbs and spices	978	597
Juice	734	1,177
Nuts	667	573
Palm oil	415	3,265
Other	972	630
	$ 65,971	$ 63,995

Other Contract Revenues
The Organization’s other contract revenues represent contracts whereby the customer receives direct commensurate value and comprise risk assessment engagements and advisory engagements. The following represents revenue for these categories for the years ended December 31, 2025 and 2024:

	2025	2024
Advisory and fee for service engagements	$ 12,585	$ 10,099

(In thousands)

Contract Balances
Royalty and other contract receivables and contract balances from contracts with customers (deferred revenue) at December 31, 2025 and 2024, were as follows:

	December 31, 2025	
	Royalty and Other Contract Receivables	Deferred Revenue
Beginning of year	$ 16,720	$ 1,890
End of year	$ 8,661	$ 3,708

	December 31, 2024	
	Royalty and Other Contract Receivables	Deferred Revenue
Beginning of year	$ 17,011	$ 1,714
End of year	$ 16,720	$ 1,890

4. Liquidity and Availability of Resources

As of December 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

	2025	2024
Financial assets at year end		
Cash and cash equivalents	$ 31,621	$ 17,711
Grants and contributions receivable, net	7,057	11,527
Royalty and other contract receivables, net	8,661	16,720
Investments	41,313	34,702
Total financial assets	88,652	80,660
Less: Amounts not available for general expenditure within on year		
Net assets with donor restrictions	(4,269)	(3,524)
Liquidity resources		
Available line of credit	10,000	10,000
Total financial assets and liquidity resources	$ 94,383	$ 87,136

The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due. The Organization's cash flows have fluctuations during the year attributable to the timing of operations and repayment from funding sources, which varies on a funding source basis. Additionally, included within net assets with donor restrictions are funds that are tied to specific projects that can be expended in the subsequent year when the donor purpose is met (see Note 17).

(In thousands)

5. Grants and Contributions Receivable

The Organization had outstanding grants and contributions receivable due to be collected as follows at December 31, 2025 and 2024:

	2025	2024
Grants and contributions expected to be collected		
In one year or less	$ 7,057	$ 11,535
Less: Discount to present value	-	8
Grants and contributions receivable, net	$ 7,057	$ 11,527

6. Investments

Investments consist of the following at December 31, 2025 and 2024:

	2025	2024
Domestic equity	$ 17,625	$ 14,363
Domestic fixed income	12,257	11,902
International equity	8,405	6,777
International fixed income	2,499	1,251
Certificates of deposit	280	244
Other	247	165
Total investments	41,313	34,702
Less: investments restricted for endowment	(1,296)	(1,138)
Operating investments	$ 40,017	$ 33,564

Investment income related to these investments and interest earned on cash accounts is comprised of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Realized and unrealized gains	$ 3,860	$ 2,791
Interest and dividend income	1,769	1,343
Investment expenses	(143)	(151)
	$ 5,486	$ 3,983

(In thousands)

7. Fair Value Measurements

The following tables summarize the carrying and fair value information for assets and liabilities at fair value:

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Investments				
Domestic equity	$ 17,625	$ -	$ -	$ 17,625
Domestic fixed income	12,257	-	-	12,257
International equity	8,405	-	-	8,405
International fixed income	2,499	-	-	2,499
Other	-	122	-	122
Total investments are fair value	40,786	122	-	40,908
Certificates of deposit	-	-	-	280
Investments at net asset value	-	-	-	125
Total investments	$ 40,786	$ 122	$ -	$ 41,313

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Investments				
Domestic equity	$ 14,363	$ -	$ -	$ 14,363
Domestic fixed income	11,902	-	-	11,902
International equity	6,777	-	-	6,777
International fixed income	1,251	-	-	1,251
Other	-	127	-	127
Total investments are fair value	34,293	127	-	34,420
Certificates of deposit	-	-	-	244
Investments at net asset value	-	-	-	38
Total investments	$ 34,293	$ 127	$ -	$ 34,702
Liabilities				
Derivative liability	$ -	$ -	$ 1,113	$ 1,113

(In thousands)

Derivative Liability
As of December 31, 2024, the fair value of the Leveraged Forward Extra ("LFE") contract was $(1,113), reported as a derivative liability in the consolidated statement of financial position. The fair value is classified as a current liability, as all expiries occur within one year. The fair value was determined using a binomial option pricing model, incorporating the following key inputs:

- Spot EUR/USD exchange rate.
- Strike rate of 1.0800.
- Barrier level of 1.0550.
- Time to each expiry.
- Implied volatility of EUR/USD.
- Risk-free interest rates for USD and EUR.

Due to the bespoke barrier and leverage features, certain inputs, such as adjustments for the barrier feature, are unobservable, resulting in a Level 3 classification under ASC 820's fair value hierarchy.

8. Derivatives

Overview and Objectives
RA uses derivative financial instruments to manage foreign currency exchange rate risk associated with its international program activities conducted in euros ("EUR"). As of December 31, 2024, the Organization holds a LFE contract, a foreign exchange derivative combining elements of a forward contract and an option with a barrier feature. The LFE is not designated as a hedging instrument under ASC 815, *Derivatives and Hedging*. The Organization's objective in entering the LFE is to mitigate the risk of adverse EUR/USD exchange rate fluctuations impacting its operational cash flows. The contract was closed during 2025.

During the year ended December 31, 2024, the Organization entered into an EUR/USD LFE contract amounting to €30,000,000 Notional amounts and €32,400,000 Leveraged amounts with a financial institution as the counterparty. The contract which expires in 12 months have a 1.08 strike rate, 1.055 Euro barrier level and no upfront costs. If the spot EUR/USD rate at expiry is ≤ 1.0550, the Organization is obligated to buy €32,400,000 at 1.0800, if the spot EUR/USD rate is between 1.0550 and 1.0800, the contract is worthless, and the Organization may transact at the prevailing spot rate and if the spot EUR/USD rate is ≥ 1.0800, the Organization has the right to buy €30,000,000 at 1.0800.

The LFE is accounted for as a derivative under ASC 815 and is measured at fair value through changes in net assets in the consolidated statement of activities and changes in net assets.

Changes in Fair Value
For the year ended December 31, 2024, the Organization recognized an unrealized loss of $1,113 related to changes in the fair value of the LFE contract, included in nonoperating activtiy in the consolidated statement of activities and changes in net assets. For the year ended December 31, 2025, the Organization recognized a realized gain of $310 and unrealized gain of $1,113 upon the closeout of the contract.

9. Property and Equipment

Property and equipment consist of the following as of December 31, 2025 and 2024:

	2025	2024
Furniture and equipment	$ 2,793	$ 2,791
Leasehold improvements	814	887
	3,607	3,678
Less: Accumulated depreciation	(2,927)	(2,807)
	$ 680	$ 871

(In thousands)

Depreciation expense amounted to $405 and $240 for the years ended December 31, 2025 and 2024, respectively, and is included in depreciation and amortization expense in the consolidated statement of functional expenses.

10. Intangible Assets

Intangible assets consisted of the following at December 31, 2025 and 2024:

	2025	2024
Software	$ 34,515	$ 22,636
Less: Accumulated amortization	(22,273)	(16,843)
	$ 12,242	$ 5,793

Amortization expense amounted to $3,255 and $4,470 for the years ended December 31, 2025 and 2024, respectively and is included in depreciation and amortization expense in the consolidated statement of functional expenses.

11. Contributed Nonfinancial Assets

Contributed nonfinancial assets included the following for the years ended December 31, 2025 and 2024:

	2025	2024
Legal services	$ 814	$ 824
Advertising	8	73
	$ 822	$ 897

The Organization recognizes contributed nonfinancial assets within revenue, which includes donated services. Contributed nonfinancial assets do not have donor-imposed restrictions. Donated services recognized comprise professional services from attorneys advising the Organization on various administrative and programmatic legal matters and advertising services related to search engine optimization and marketing. Donated services are valued and are reported at the estimated fair value in the consolidated financial statements based on standard industry pricing for similar services for professional fees and third-party estimates using billing rates in like circumstances for advertising services.

12. Retirement Plans and Foreign Severance Payable

The Organization has various retirement and other post retirement plans. The following is a summary of those plans:

Rainforest Alliance, Inc. Retirement Plan
RA has a qualified tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code for eligible employees in the United States. RA offers all eligible employees working more than 20 hours per week a matching contributory retirement plan. Employees can begin making contributions immediately upon hire and are eligible for a discretionary employer matching contribution of up to 5% of salary after one year of employment.

(In thousands)

Stichting Rainforest Alliance Plans
The Dutch plans are financed through contributions to pension providers, i.e., insurance companies and industry pension funds. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. Based on the administration agreement it is assessed whether and, if so, which obligations exist in addition to the payment of the annual contribution due to the pension provider as of the consolidated statement of financial position date. These additional obligations, including any obligations from recovery plans of the pension provider, lead to expenses for the group and are included in a provision on the consolidated statement of financial position. With final salary pension plans an obligation (provision) for (upcoming) past service is included if future salary increases have already been defined as of the consolidated statement of financial position date.

The valuation of the obligation is the best estimate of the amounts required to settle this as of the consolidated statement of financial position date. If the effect of the time value of money is material, the obligation is valued at the present value. Discounting is based on interest rates of high-quality corporate bonds. Additions to and release of the obligations are recognized in the profit and loss account. A pension receivable is included in the consolidated statement of financial position when the group has the right of disposal over the pension receivable and it is probable that the future economic benefits which the pension receivable holds will accrue to the group, and the pension receivable can be reliably established.

The B.V. has a defined contribution pension plan for all employees, working in the Netherlands, who are subject to Dutch law. Also, the cover factor is not relevant in these schemes, because the guaranteed pension capitals do not constitute a right to a predetermined pension pay. On the pension date, the available capital will be used to provide a pension income, based on the prices for pensions at that time. The premium is calculated over the pension income. This is calculated as the employee's gross annual income including vacation pay, lowered by the "AOW-franchise." This franchise is used to correct for the AOW they will receive from the Dutch government when they retire. Part of the premiums from this premium table are used to ensure continuation of the pension plan in case of disability. Partner pension and orphan pension are insured and included in the pension plan. The premiums for these insurances are paid on top of the premium table. The employer pays 2/3 and the employee pays 1/3 of the premium.

The following represents the employer related contributions to these retirement plans at December 31:

	2025	2024
Rainforest Alliance, Inc. 403(b) retirement plan	$ 587	$ 610
Stichting Rainforest Alliance retirement plan	859	822
	$ 1,446	$ 1,432

Foreign Severance
The Organization has recorded an obligation for foreign severance payable in accordance with the laws in the locations for employees working in certain foreign jurisdictions of $5,615 and $5,065 at December 31, 2025 and 2024, respectively, which is included in foreign severance payable in the consolidated statement of financial position. The foreign severance reserve is an estimate that is based on the laws of each foreign jurisdiction but generally is computed based on the years of employment for each employee as well as other factors. The obligation is required to be funded when an employee's employment with the Organization terminates.

(In thousands)

13. Concentration of Credit Risk and Foreign Currency Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash and cash equivalents, investments in foreign banks, investments, receivables and foreign currency risk. The Organization has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows.

Cash is concentrated as follows at December 31, 2025 and 2024:

	2025	2024
US bank accounts	$ 1,982	$ 2,633
US cash equivalents	16,843	11,202
Foreign bank accounts	4,448	3,876
Foreign cash equivalents	8,348	-
	$ 31,621	$ 17,711

The Organization has a long standing history of collecting its receivables which are from corporations, foundations and governmental agencies throughout the world. This limits the Organization's exposure to credit risk.

As the Organization operates internationally, a significant amount of revenues are from foreign sources for the years ended December 31, 2025 and 2024. The Organization received grants from foreign governments and organizations of approximately $8,902 and $8,370 which are included in government grants and contracts for the year's ended December 31, 2025 and 2024, respectively.

Foreign currency risk is the risk to the Organization that arises from fluctuations in foreign currency exchange rates, and the degree of volatility of these rates. Consequently, some assets, liabilities and expenses are exposed to foreign exchange fluctuations. The Organization may hold derivative financial instruments to manage the fluctuation of exchange rate risk (see Note 8). The assets and liabilities held in other foreign currencies include cash, receivables, advances and prepaid expenses, property and equipment, intangible assets, accounts payable, refundable advances payable, severance and payroll liabilities.

14. Line of Credit

The Organization entered into a line of credit with a financial institution in August 2023. The line of credit has a maximum available amount of $10,000 with an interest rate at 115 basis points over the published Secured Overnight Financing Rate (4.94% and 6.53% at December 31, 2025 and 2024, respectively), no stated maturity, and is collateralized by certain investments held by the Organization. There were no drawdowns during 2025 and 2024 and there was no outstanding balance at December 31, 2025 and 2024.

15. Leases

The Organization leases office space in New York and in various other locations in the United States and in several foreign localities under leases that expire through 2029. These leases provide for minimum annual rentals, real estate taxes, parking and other costs. Annual rent expenses paid under the leases include the basic rent plus charges for common area management costs and real estate tax escalation charges.

The renewal options have not been included in the lease liability calculation, since it is not reasonably certain that they will be exercised, based on general uncertainties that come with the passage of time.

(In thousands)

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2025:

2026	$	665
2027		608
2028		569
2029		376
		2,218
Less: Imputed interest		(123)
Lease liability at December 31, 2025	$	2,095

Lease expense is included in office costs on the consolidated statement of functional expenses and comprises the following for the year ended December 31, 2025 and 2024:

		2025		**2024**
Operating lease expense	$	842	$	889
Short-term lease expense		241		218
	$	1,083	$	1,107

Other information related to leases was as follows at December 31, 2025 and 2024:

	2025	**2024**
Weighted average discount rate (%)	2.88%	2.35%
Weighted average remaining term (years)	2.55	3.38
Operating cash flows included in measurement of lease liability	$865	$624

16. Commitments and Contingencies

a. Government Grants and Contracts

The Organization receives funding from various federal and foreign agencies under grants and contracts, many of which have commitments spanning multiple years. The Organization has available funding under federal agency contracts through 2028 of approximately $6,347 as of December 31, 2025. The Organization’s costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the consolidated financial position or changes in net assets of the Organization.

b. General Litigation

The Organization is subject to legal proceedings and claims which arise in the ordinary course of business. Management does not believe that the outcome of any of these matters will have a material adverse effect on the consolidated financial position, operating results or cash flows.

(In thousands)

17. Net Assets

Net assets with donor restrictions were comprised of the following at December 31, 2025 and 2024:

	2025	2024
Programmatic restrictions		
Landscapes and communities	$ 2,895	$ 2,361
Charitable trusts	78	25
Time restricted for expenditures	296	138
Donor endowed principal	1,000	1,000
	$ 4,269	$ 3,524

The following represents the net assets that were released from donor restrictions for the years ended December 31, 2025 and 2024:

	2025	2024
Programmatic restrictions:		
Landscapes and communities	$ 20,315	$ 28,209
Markets transformation	125	2,115
	$ 20,440	$ 30,324

18. Endowment Funds

The Organization's endowment is comprised of one donor-restricted endowment. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law
Under the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), a charitable organization can only spend amounts of an endowment funds' above "historic dollar value" that it deems to be prudent. With respect to its existing endowment fund, RA has followed the donor instrument in classifying it as with donor restrictions net assets at the original value of the gift donated to the permanent endowment. Investment earnings on the donor-restricted endowment fund are classified as with donor restrictions net assets until those amounts are appropriated for expenditure by RA pursuant to its obligations under the agreement with the donor and applicable law.

The Organization conducts an annual analysis of the endowment fund with respect to:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization
- Funds with deficiencies

The Organization has developed an investment policy that will determine return objectives and risk parameters, and strategies employed for achieving objectives. Endowment assets are invested in a manner that is intended to earn a compound annual rate of return in excess of the spending rate, adjusted for inflation, while maintaining a moderate risk level considered prudent based upon all the facts and circumstances known at that time.

(In thousands)

The following table provides information regarding the change in endowment net assets for the years ended December 31, 2025 and 2024:

	2025	2024
Endowment assets at beginning of year	$ 1,138	$ 1,034
Appropriation for expenditure	(33)	(21)
Investment return		
Investment income	47	40
Unrealized gain	144	85
	191	125
Endowment assets at end of year	$ 1,296	$ 1,138

Endowment net assets at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Donor restricted endowment		
Historical gift value	$ 1,000	$ 1,000
Appreciation	296	138
Endowment assets at end of year	$ 1,296	$ 1,138

RA invests the endowment fund in a separate investment account. The investment account associated with the endowment is included in investments in the consolidated statement of financial position. Donor-restricted funds released from restrictions in the current year are transferred from the investment account in subsequent years in accordance with RA's spending policy that such funds are used for programmatic purposes.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or state law requires RA to retain as a fund of perpetual duration. Deficiencies of this nature may exist for accumulated donor-restricted endowment funds. There were no underwater endowment funds as of December 31, 2025 and 2024.

19. Subsequent Events

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of July 17, 2026, which is the date the consolidated financial statements were available for issuance. Based upon this evaluation, the Organization has determined that no events have occurred that require recognition or disclosure in these consolidated financial statements.

Supplementary Information

Rainforest Alliance Holding, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2025
(In thousands)

	Rainforest Alliance, Inc.	Stichting Rainforest Alliance	Eliminations	Total
Assets				
Cash and cash equivalents	$ 21,653	$ 9,968	$ -	$ 31,621
Grants and contributions receivable, current portion, net	7,057	-	-	7,057
Royalty and contract receivables, net	8,346	315	-	8,661
Due from affiliate	-	8,297	(8,297)	-
Advances and prepaid expenses	1,601	887	-	2,488
Investments	39,736	281	-	40,017
Intangible assets, net	1,967	10,275	-	12,242
Property and equipment, net	211	469	-	680
Right-of-use assets, net	1,056	1,039	-	2,095
Security deposits	88	190	-	278
Investments - Endowment	1,296	-	-	1,296
Total assets	$ 83,011	$ 31,721	$ (8,297)	$ 106,435
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 5,293	$ 3,542	$ -	$ 8,835
Due to affiliate	8,297	-	(8,297)	-
Deferred revenue	3,708	-	-	3,708
Refundable advances	7,229	2,406	-	9,635
Lease liabilities	1,057	1,038	-	2,095
Foreign severance payable	3,359	2,256	-	5,615
Total liabilities	28,943	9,242	(8,297)	29,888
Net assets				
Without donor restrictions	49,799	22,479	-	72,278
With donor restrictions	4,269	-	-	4,269
Total net assets	54,068	22,479	-	76,547
Total liabilities and net assets	$ 83,011	$ 31,721	$ (8,297)	$ 106,435

See Independent Auditor's Report.

Rainforest Alliance Holding, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025
(In thousands)

	Rainforest Alliance, Inc.					Stichting Rainforest Alliance						
	Without Donor Restrictions					Without Donor Restrictions						
	Undesignated Operating	Designated for Capital and Investments	Total	With Donor Restrictions	Total	Undesignated Operating	Designated for Capital and Investments	Total	With Donor Restrictions	Total	Eliminations	Total
Support and revenues												
Contributions												
Major donors and individuals	$ 3,200	$ -	$ 3,200	$ 120	$ 3,320	$ 40	$ -	$ 40	$ -	$ 40	$ -	$ 3,360
Foundations and corporate grants	-	-	-	5,844	5,844	-	-	-	1,967	1,967	-	7,811
Government grants and contracts	-	-	-	12,112	12,112	-	-	-	937	937	-	13,049
Contributions of nonfinancial assets	822	-	822	-	822	-	-	-	-	-	-	822
Revenue from contracts with customers												
Royalty revenue	65,556	-	65,556	-	65,556	415	-	415	-	415	-	65,971
Other contract revenue	12,585	-	12,585	-	12,585	-	-	-	-	-	-	12,585
Net investment (loss) return	732	4,513	5,245	191	5,436	50	-	50	-	50	-	5,486
Other gains (losses)	(576)	2,501	1,925	-	1,925	20	(1,075)	(1,055)	-	(1,055)	-	870
Transfers	(1,574)	1,574	-	-	-	(8,886)	8,886	-	-	-	-	-
Net assets released from restrictions	17,522	-	17,522	(17,522)	-	2,904	-	2,904	(2,904)	-	-	-
Total support and revenues	98,267	8,588	106,855	745	107,600	(5,457)	7,811	2,354	-	2,354	-	109,954
Expenses												
Program services												
Landscapes and communities	20,012	182	20,194	-	20,194	5,039	61	5,100	-	5,100	-	25,294
Markets transformation	18,017	120	18,137	-	18,137	18,494	3,101	21,595	-	21,595	-	39,732
Total program services	38,029	302	38,331	-	38,331	23,533	3,162	26,695	-	26,695	-	65,026
Supporting services												
Management and general	14,844	38	14,882	-	14,882	9,896	156	10,052	-	10,052	-	24,934
Fundraising	4,366	1	4,367	-	4,367	199	-	199	-	199	-	4,566
Total supporting services	19,210	39	19,249	-	19,249	10,095	156	10,251	-	10,251	-	29,500
Total expenses	57,239	341	57,580	-	57,580	33,628	3,318	36,946	-	36,946	-	94,526
Changes in net assets prior to nonoperating activity and contributions to affiliate	41,028	8,247	49,275	745	50,020	(39,085)	4,493	(34,592)	-	(34,592)	-	15,428
Nonoperating activity												
Unrealized loss on derivative transactions	1,113	-	1,113	-	1,113	-	-	-	-	-	-	1,113
Contribution from (to) affiliate	(52,724)	-	(52,724)	-	(52,724)	52,724	-	52,724	-	52,724	-	-
Foreign currency translation loss	-	-	-	-	-	(677)	-	(677)	-	(677)	-	(677)
Total nonoperating revenue (expense)	(51,611)	-	(51,611)	-	(51,611)	52,047	-	52,047	-	52,047	-	436
Changes in net assets	(10,583)	8,247	(2,336)	745	(1,591)	12,962	4,493	17,455	-	17,455	-	15,864
Net assets												
Beginning of year	18,468	33,667	52,135	3,524	55,659	(1,508)	6,532	5,024	-	5,024	-	60,683
End of year	$ 7,885	$ 41,914	$ 49,799	$ 4,269	$ 54,068	$ 11,454	$ 11,025	$ 22,479	$ -	$ 22,479	$ -	$ 76,547

See Independent Auditor's Report.