

Latin America and Caribbean Network Information Centre (LACNIC)

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025
WITH INDEPENDENT AUDITOR'S REPORT

(Free translation from the original in Spanish)

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\$ - Uruguayan Pesos
US\$ - United States Dollars

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Latin America and Caribbean Network Information Centre (LACNIC)

Opinion

We have audited the financial statements of Latin America and Caribbean Network Information Centre (LACNIC) (“the Organization”), which comprise the statement of financial position as at December 31, 2025, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, as well as the notes to the financial statements, that include a summary of the significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are described later in the “Auditor's Responsibilities in Relation to the Audit of Financial Statements” section of our report. We are independent of the Organization in accordance with the “International Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants” (including the international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management of the Organization for to the financial statements

Management is responsible for the preparation and fair presentation of the accompanying financial statements in United States dollars and Uruguayan pesos, in accordance with generally accepted accounting principles in Uruguay, and for such internal control as management of the Organization determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities in relation to the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of the 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, we concluded whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management of the Organization regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young UY S.A.S.

[Signature]
LEONARDO COSTA
CONTADOR PUBLICO

Montevideo, April 10, 2026



Statement of financial position as of December 31, 2025

(in US dollars)

	<u>Note</u>	<u>12.31.2025</u>	<u>US\$</u> <u>12.31.2024</u>
Assets			
Current assets			
Cash and cash equivalents	6	1,222,653	1,160,113
Investments	7	2,697,480	3,429,213
Membership receivables	8	1,135,272	1,452,290
Other receivables	9	587,074	460,605
Total current assets		<u>5,642,479</u>	<u>6,502,221</u>
Non-current assets			
Investments	7	8,980,431	8,054,254
Properties, plant and equipments	10	4,281,189	4,419,776
Intangible assets	10	189,645	151,114
Total non-current assets		<u>13,451,265</u>	<u>12,625,144</u>
Total assets		<u>19,093,744</u>	<u>19,127,365</u>
Liabilities and Equity			
Current liabilities			
Trade payables	11	272,404	337,442
Other payables	12	1,448,285	1,220,943
Total current liabilities		<u>1,720,689</u>	<u>1,558,385</u>
Total liabilities		<u>1,720,689</u>	<u>1,558,385</u>
Equity			
Prior years' results		17,568,980	17,752,531
Profit or loss for the year		(195,925)	(183,551)
Total equity		<u>17,373,055</u>	<u>17,568,980</u>
Total liabilities and equity		<u>19,093,744</u>	<u>19,127,365</u>

The notes 1 to 17 are an integral part of these financial statements.

Statement of profit or loss for the year ended December, 31 2025

(in US dollars)

	<u>Note</u>	<u>12.31.2025</u>	<u>US\$</u> <u>12.31.2024</u>
Net operating revenues	13	11,079,646	10,798,951
Operating expenses			
Salaries and Personnel Expenses		(5,551,070)	(5,526,873)
Professional Fees and Hired Services		(898,380)	(945,911)
Travel Expenses (Staff, Board and Commissions)		(1,119,441)	(1,003,990)
Outreach Costs		(1,314,526)	(1,145,160)
Cooperation, Contribution and Memberships		(425,248)	(450,593)
Depreciations and Amortizations	10	(437,874)	(442,870)
IT Maintenance Services		(450,274)	(402,525)
Communication Expenses		(308,065)	(311,323)
Building Maintenance and Utilities		(324,947)	(340,818)
Travel Expenses (Fellows and Exhibitors)		(315,918)	(291,286)
Training Expenses		(216,935)	(225,102)
Other Operating Expenses		(190,362)	(187,449)
		<u>(11,553,040)</u>	<u>(11,273,900)</u>
Other profit or loss			
Other Income		-	43,879
Other Expenses		(131)	-
		<u>(131)</u>	<u>43,879</u>
Financial results			
Bank Expenses		(62,641)	(59,590)
Collecting Fees		(147,782)	(139,858)
Result of Investments		508,867	418,821
Loss for investments impairment		(946)	(7,592)
Other Financial Results		28,449	5,844
Foreign Currency		(48,347)	29,894
		<u>277,600</u>	<u>247,519</u>
Profit or loss for the year		<u>(195,925)</u>	<u>(183,551)</u>

The notes 1 to 17 are an integral part of these financial statements.

Statement of comprehensive income for the year ended December 31, 2025

(in US dollars)

	<u>12.31.2025</u>	<u>12.31.2024</u>
	<u>US\$</u>	
Profit or loss for the year	<u>(195,925)</u>	<u>(183,551)</u>
Other comprehensive income	-	-
Comprehensive loss for the year	<u>(195,925)</u>	<u>(183,551)</u>

The notes 1 to 17 are an integral part of these financial statements.

Statement of cash flows for the year ended December 31, 2025

(in US dollars)

		<u>US\$</u>	
	<u>Note</u>	<u>12.31.2025</u>	<u>12.31.2024</u>
Cash flows from operating activities			
Profit or loss for the year		(195,925)	(183,551)
Adjustments:			
Depreciation of properties, plant and equipments	10	338,439	358,578
Amortization of intangible assets	10	99,435	84,292
Result from sale of properties, plant and equipments		131	(23,880)
Result of investments		(508,867)	(411,229)
Operating result before changes in operating activities		(266,787)	(175,790)
Changes in:			
Membership receivables		317,018	153,082
Other receivables		(126,469)	36,874
Trade payables		(65,038)	26,233
Other payables		227,342	(158,343)
Net cash flow provided by (applied on) operating activities		86,066	(117,944)
Cash flows from investment activities			
Purchase of bonds		(3,711,656)	(3,997,091)
Amortizations / sales of bonds		3,497,053	3,588,042
Collection of coupons		529,027	398,936
Purchase of properties, plant and equipments	10	(199,984)	(252,662)
Proceeds from sales of properties, plant and equipments		-	49,797
Acquisition of intangible assets	10	(137,966)	(62,216)
Net cash flow used in investing activities		(23,526)	(275,194)
Variation in net cash flow		62,540	(393,138)
Cash and banks at the beginning of the year		1,160,113	1,553,251
Cash and banks as of year-end	6	1,222,653	1,160,113

The notes 1 to 17 are an integral part of these financial statements.

Statement of changes in equity for the year ended December 31, 2025

(in US dollars)

	Prior years results	Total equity
Balances as of December 31, 2023	17,752,531	17,752,531
Profit or loss for the year	(183,551)	(183,551)
Balances as of December 31, 2024	17,568,980	17,568,980
Profit or loss for the year	(195,925)	(195,925)
Balances as of December 31, 2025	17,373,055	17,373,055

The notes 1 to 17 are an integral part of these financial statements.

Notes to the Financial Statements as of December 31, 2025

Note 1 - Basic information about the Organization

1.1 Legal nature and main activity

LACNIC is located at Rambla República de México 6125, contributes to the development of the Internet in the region through an active cooperation policy, It promotes and defends the interests of the regional community and collaborates in generating the conditions for the Internet to be an effective instrument for social inclusion and economic development in Latin America and the Caribbean,

Its activity or purpose includes:

- Manage Internet number resources in Latin America and the Caribbean, maintaining standards of excellence and transparency and promoting the participatory policy development model,
- Lead the permanent construction of the regional community, strengthening technological capabilities and applied research for the development of a stable and open Internet.

LACNIC has the benefits established by Decree 334/970 dated July 14, 1970, which exempts this kind of Organizations from employer's contributions to social security, Besides, Law No, 13,179 gives all employees of international non-profit organisations the option of choosing the Uruguayan social security system.

1.2 Financial statements approval date

LACNIC's Board of Directors has authorized the issuance of the financial statements in US dollars (functional currency) dated on February 23, 2026. These will be approved by the Ordinary Assembly of Associates with the scope within the current legal terms.

Note 2 - Basis of preparation and main accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for SMEs (hereinafter "IFRS for SMEs"), following the provisions and exceptions set forth in Decrees 291/014, 372/015 and 408/016, which together constitute the appropriate accounting standards in Uruguay.

Decrees 291/14 and 372/15 establish that financial statements for periods beginning on or after January 1, 2015 must be prepared according to the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by IASB – the International Accounting Standards Board, to the date of issuance of the decree and published on the website of Auditoría Interna de la Nación, However, these decrees state the following exceptions to the application of IFRS for SMEs:

- the revaluation method provided for in International Accounting Standard 16, Property, Plant and Equipment and International Accounting Standard 38, Intangible Assets, may be used as an alternative;
- the presentation of the statement of changes in net equity will be mandatory.
- the capitalization of borrowings as provided for in International Accounting Standard 23, Borrowing Costs, could be adopted;
- IAS 12 must be applied on income tax instead of Section 29 of IFRS for SMEs.

- Investments in subsidiaries in the separate financial statements must be valued at the equity method, same criteria should be applied for separate and consolidated financial statements.
- Investments in joint ventures and associates can be valued as detailed in section 9 of IFRS for SMEs or at the equity method.

Also, Decree 291/14 grants the option to submit the financial statements under International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), The entity has adopted IFRS for SMEs with the exceptions mentioned above.

On December 26, 2016 the Executive Branch introduced Decree 408/016 which requires changes in the presentation of financial statements.

The main dispositions included in the decree can be summarized in the following points:

- a) Current assets must be presented in decreasing order regarding liquidity
- b) The presentation of the comprehensive income must be realized in two statements, the statement of profit or loss and the statement of comprehensive income.
- c) In the statement of profit or loss, expenses must be presented using a classification based on their function.
- d) Figures in other comprehensive income must be presented in the statement of comprehensive income, net of income tax.
- e) Cash flows from operating activities must be presented in the statement of cash flows using the indirect method.

2.2 Functional and presentation currency

The financial statements have been prepared on the basis of the concept of functional currency defined in Section 30 "Translation of foreign currencies" of the IFRS for SMEs, The Management of the Organization has decided to adopt the US dollar as the functional currency of the Financial Statements and not the local currency of Uruguay, considering that the first reflects the economic substance of the events and circumstances relevant to it, taking as reference the items listed in Section 30 of the IFRS for SMEs which are the following:

- The income stream is denominated in US dollars, given that, substantially, the prices are fixed in that currency irrespective of the exchange rate of the local economy.
- The collection of accounts receivable is substantially made in US dollars.
- Financing is substantially denominated in US dollars.
- Most operation expenses are made in US dollars.

2.3 Basis of measurement

The financial statements have been prepared following, in general, the accounting principle of historical cost, Consequently, assets, liabilities, income and expenses are valued at the amounts in money actually agreed in the transactions that have given them origin.

2.4 Foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in a currency other than the functional currency are translated into United States dollars at the rate in force at the end of the fiscal year (1 US\$ = \$ 39.041 on December 31, 2025 and 1 US\$ = \$ 44.066 on December 31, 2024).

Exchange rate differences that may arise are submitted in the statement of profit or loss for the year, Transactions in currencies other than the functional currency are recorded at the exchange rate or arbitration corresponding to the day of the transaction.

2.5 Concept of capital

For the determination of the fiscal year's results, the concept of financial capital was adopted, It has been considered a result of the fiscal year, the difference that arises from comparing the net equity at the end of the fiscal year and at the beginning of it, after excluding the decreases and increases corresponding to capital contributions and withdrawal of profit, For the purposes of the determination of the fiscal year's result, all the amounts involved in the variation of the net equity are expressed in the functional currency of the Organization.

There was no special provision to consider the likely coverage that could have been considered necessary for the purpose of maintaining the operational capacity of the assets.

2.6 Use of accounting estimates

The preparation of the financial statements to a certain date requires Management to make estimates and assessments that affect the amount of assets and liabilities and contingent assets and liabilities disclosed to the date of issuance of these financial statements, as well as the income and expenditure registered in the year.

The relevant estimates and assumptions are regularly revised, The revisions of accounting estimates are recognized prospectively.

The Management of the Organization makes estimates to be able to calculate at a given time, for example, those estimates related to the forecast of bad debts, depreciation of properties, plant and equipments and amortization of intangible assets.

By their nature, these estimates are subject to a measurement uncertainty, therefore, future actual results may differ from those determined at the date of preparation of these financial statements.

2.7 Permanence of accounting criteria

The criteria applied in the valuation of assets and liabilities, as well as in the determination of the result for the year ended December 31, 2025, are similar to those applied in the prior year.

Note 3 - Main accounting policies and practices applicable

The valuation criteria applied to the main items of the financial statements are detailed below:

3.1 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments include cash and cash equivalents, investments, membership receivables, other receivables, trade payables and other payables.

Membership receivables, other receivables, cash and cash equivalents and investments

These financial assets are recognized initially at fair value plus, in the case of instruments not at fair value through profit or loss, costs directly attributable to the transaction, Subsequent to initial recognition, non derivative financial instruments are measured at amortized cost using the effective interest method.

At the end of each reporting date, the balance of membership receivables and other receivables are assessed to determine if there exist any objective evidence that they will not be recoverable, If so, an impairment loss is immediately recognized in profit or loss.

Cash and cash equivalents, include the balances of cash, banks and temporary investments with maturity date less than three months.

Trade and other payables

Financial liabilities are recognized initially at fair value plus, in the case of instruments not at fair value through profit or loss, costs directly attributable to the transaction, Subsequent to initial recognition, non derivative financial instruments are measured at amortized cost using the effective interest method.

Trade and other payables are obligations based on normal credit conditions and have no interests.

3.2 Cash and cash equivalents

Cash and cash equivalents are presented at their nominal value, The nominal value it is not different from its fair value.

3.3 Investments

According to LACNIC's current investment policy, the use of derivatives or hedging instruments is not allowed.

Non derivatives financial instruments are valued at amortized cost using the effective interest method.

3.4 Membership's receivables and other receivables

Membership's receivables and other receivables are valued at amortized cost using the actual interest method less any forecast by uncollectability.

3.5 Properties, plant and equipments

Properties, plant and equipments are presented at their historical cost of acquisition in US dollars less any accumulated depreciation and any accumulated impairment loss, Depreciations are calculated using the straight-line method from the time of incorporation of the goods, applying annual percentages determined based on the goods' estimated useful lives.

Properties, plant and equipments are depreciated according to the following estimated useful lives for each category:

- Properties – Improvements 50 years
- Furniture 10 years
- Vehicles 10 years
- Computer devices 3 years
- Communication devices 5 years
- Other equipment 3 years

Expenditure incurred subsequent to the acquisition of an item of properties, plant and equipment is included in the carrying amount of the asset when it is probable that they will result in future economic benefits, additional to the originally assessed, The cost of repairs and maintenance are charged to profit or loss.

The properties, plant and equipment are removed at the time of their disposal (sale or removal) or when no future economic benefits are expected as a result of their use or disposition; any utility or loss arising will be recognized in the statement of profit or loss.

The accumulated depreciation is calculated using the straight-line method based on the estimated useful life of the respective assets, The depreciation of the fiscal year is imputed to "Operating expenses" of the statement of profit or loss for the year, depending on the use that is given to the asset.

3.6 Intangible assets

Intangible assets (software) are valued at their historic cost of acquisition minus the corresponding accumulated amortization.

Amortization is calculated by the straight-line method using fixed percentages on the original values, estimated according to the useful life of each category, starting from the month following their incorporation, The estimated useful life for intangible assets is 3 years.

3.7 Impairment loss of properties, plant and equipments and intangible assets

At each balance sheet date, the Organization reviews the carrying amount of its assets to determine if there is any indication that those assets have suffered impairment loss, If any such indication exists, the recoverable amount of these assets is estimated to determine the amount of the impairment loss (if any), When it is not possible to estimate the recoverable amount of an individual asset, the Organization estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the highest of its fair value, costs deducted as intended to sale and the value in use, To calculate the value in use, estimated future cash flows are discounted to their present value using a discount rate before tax that reflects the market value of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount, An impairment loss is recognized as a result, unless the asset in question has been revalued, in which case the impairment loss is treated as a reduction of the revaluation, At the year ended there are not indications of impairment.

3.8 Income tax

The Organization is exempt from all national taxes owing to its nature as non-governmental and non-profit organization, recognized by the Ministry of Foreign Affairs, according to the provisions of Decree 334/970, thus being entitled to tax exemptions provided in article 69 of the Oriental Republic of Uruguay's Constitution.

3.9 Provisions

Provisions are recognized when the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that the Organization will be required to settle that obligation and a reliable estimate can be made of the amount.

The amount recognized as a provision is the best estimate of the amount required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, When an obligation is expected to be settled in the long term, the amount is determined by a cash flow discounted by a rate that reflects the current value of the obligation.

3.10 Classification as liabilities or net equity

Instruments of liabilities or net equity are classified as financial liabilities or net equity according to the substance of the contractual agreement.

3.11 Determination of profit or loss

The Organization applied the principle of the accrued for the recognition of income and the allocation of costs and expenses.

3.12 Revenue recognition

Revenues comprise the fair value of the consideration received or to be received for the sale of goods in the ordinary course of the Organization's activities, Fair value considers the amount of prompt payment discount in the memberships granted by the Organization.

Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

3.13 Statement of cash flows

For the preparation of the statement of cash flows, funds were defined as cash and cash equivalents.

Cash and cash equivalents comprise cash and demand deposits, and other highly liquid short-term investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Note 4 - Risk management policy

The Organization has a Risk Management Methodology, It includes the identification, assessment, treatment and monitoring of the risks that affect the Organization, as well as the potential impact on the financial statements.

The Financial Statements do not include adjustments derived from the country's economic and financial situation; consequently, they do not include contingencies in this regard, nor do they include the potential volatility of investments.

No provisions have been made for eventual restrictions related to Cash and Cash Equivalents availability that could be issued.

The main risks affecting the Organization's activities are:

4.1 Market Risk

LACNIC is exposed to the following market risk factors:

a. Exchange Rate

The Organization is exposed to the variation in the exchange rate of the Uruguayan Peso (other than the functional currency), The foreign currency risk arises from commercial transactions and from assets and liabilities kept in foreign currencies, As mentioned in Note 3,3, LACNIC does not use any coverage instruments to neutralize said risk.

In order to minimize this risk, the Organization aims to neutralize the asset and liability positions maintained in currencies other than the functional currency, In Note 14 there is a summary of assets and liabilities balances in foreign currencies.

For the year ended December 31, 2025, if the US dollar had strengthened 10% against the Uruguayan peso (main foreign currency), holding other variables constant, it would have had a non-material effect on the financial statements of the Organization.

b. Interest Rate

LACNIC does not have assets or liabilities exposed to variations in interest rates, except for the financial assets disclosed in Notes 6 and 7.

4.2 Credit Risk

The main financial assets are made up of Membership's receivables, Membership's receivables are separated into several debtors.

The Organization has established control processes and mechanisms that ensure a proper risk management.

4.3 Liquidity Risk

The Liquidity Risk implies not being able to cover short-term liabilities with the liquid assets.

The Organization has enough liquid assets in first-rate banks, in liquid temporary investments, and in accounts receivable to face all committed current liabilities, As of December 31, 2025, LACNIC has balances in liquid assets amounting to US\$ 1,222,653 (US\$ 1,160,113 as of December 31, 2024).

LACNIC permanently monitors this risk through its Cash Management policy.

Note 5 - Financial instruments

Financial assets and liabilities and its measurement method in the financial statements are the following:

<i>December 31, 2025</i>	Amortized Cost	Amortized Cost less impairment	Fair Value	Total
Financial Assets				
Cash and cash equivalents	1,222,653	-	-	1,222,653
Investments	-	11,677,911	-	11,677,911
Membership receivables	-	1,135,272	-	1,135,272
Other receivables	-	279,910	-	279,910
	1,222,653	13,093,093	-	14,315,746
		Amortized cost	Fair Value	Total
Financial Liabilities				
Trade payables		272,404	-	272,404
Other payables		252,738	-	252,738
		525,142	-	525,142
<i>December 31, 2024</i>	Amortized Cost	Amortized Cost less impairment	Fair Value	Total
Financial Assets				
Cash and cash equivalents	1,160,113	-	-	1,160,113
Investments	-	11,483,467	-	11,483,467
Membership receivables	-	1,452,290	-	1,452,290
Other receivables	-	217,417	-	217,417
	1,160,113	13,153,174	-	14,313,287
		Amortized cost	Fair Value	Total
Financial Liabilities				
Trade payables		337,442	-	337,442
Other payables		247,310	-	247,310
		584,752	-	584,752

Note 6 - Cash and cash equivalent

The following is the detail of cash and cash equivalents:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Cash	523	706
Banks	622,130	959,407
Fixed-term deposits (*)	600,000	200,000
	<u>1,222,653</u>	<u>1,160,113</u>

(*) It corresponds to a fixed-term deposit held at HSBC Bank for an amount of US\$600,000, maturing in January 2026.

Note 7 - Investments

The following is the detail of investments as of December 31, 2025 and December 31, 2024:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Current		
Governmental bonds	922,245	1,452,603
Corporate bonds	1,775,235	1,976,610
	<u>2,697,480</u>	<u>3,429,213</u>
Non-current		
Governmental bonds	3,204,607	2,769,587
Corporate bonds	5,775,824	5,284,667
	<u>8,980,431</u>	<u>8,054,254</u>

The Board of LACNIC has adopted a conservative investment philosophy prioritizing the preservation of capital and liquidity.

As of December 31, 2025, all securities have an investment grade credit rating.

Detail of LACNIC's portfolio:

December 31, 2025			
Securities	Currency	Nominal Value	Amortized
US TREASURY	US\$	1,655,000	1,633,862
CHILE	US\$	560,000	531,306
SAUDI ARABIA	US\$	350,000	356,957
HONG KONG	US\$	350,000	360,955
POLONIA	US\$	300,000	301,469
ASIAN DEVELOPMENT BANK	US\$	300,000	282,935
QUEBEC	US\$	300,000	272,346
URUGUAY	US\$	170,000	178,036
INTERNATIONAL DEVELOPMENT ASSOCIATION	US\$	100,000	103,560
PROV ONTARIO	US\$	100,000	105,426
Governmental bonds			4,126,852
CHARLES SCHW	US\$	600,000	630,425
MORGAN STANLEY	US\$	500,000	504,321
ABBOT LAB	US\$	450,000	442,679
BKAMERICA	US\$	400,000	400,632
CITIGROUP	US\$	400,000	399,785
TORONTO DOM BANK	US\$	400,000	409,970
NOVASCOTIA	US\$	400,000	419,070
BANCO SANTANDER	US\$	375,000	400,873
CISCO SYSTEM	US\$	350,000	360,676
PACIFICORP	US\$	350,000	356,750
COMCAST	US\$	332,000	375,965
JP MORGAN	US\$	300,000	304,330
NUCOR CORP	US\$	265,000	287,681
BERKSHIRE HATHAWY	US\$	260,000	287,486
NESTLE	US\$	250,000	248,273
PROGRESSIVE CORP	US\$	230,000	256,907
3 M COMPANY	US\$	200,000	202,481
INTEL	US\$	200,000	202,864
CIGNA AUG	US\$	200,000	188,009
CITIBANK	US\$	192,000	199,439
KELLANOVA	US\$	145,000	168,086
IBM	US\$	130,000	133,699
BANK OF NEW YORK	US\$	100,000	99,890
JHON DEERE	US\$	100,000	105,978
APPLE	US\$	100,000	104,262
JP MORGAN CHASE	US\$	60,000	60,527
Corporate bonds			7,551,059
Total Bonds			11,677,911

Note 8 - Membership's receivables

The following is the detail of membership's receivables:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Renewal of membership's receivables	1,776,108	2,156,926
Credit cards	189,586	158,220
Initial membership's receivables	200,542	148,749
Invoiced revenues not accrued (*)	<u>(1,030,964)</u>	<u>(1,011,605)</u>
	<u>1,135,272</u>	<u>1,452,290</u>

(*) The amount is due to invoices issued by the Organization to its members, for which annual memberships have not yet been accrued, This balance regularizes the balance of renewal of membership's receivables.

Note 9 - Other receivables

The following is the detail of other receivables:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Advances to suppliers	307,164	254,433
Other receivables	279,910	217,417
Invoiced revenues not accrued	-	<u>(11,245)</u>
	<u>587,074</u>	<u>460,605</u>

Note 10 - Properties, plant and equipment and intangible assets

The evolution is as follows:

Items	Original Values			Depreciation and Amortization			Net Value		
	Balance as of December 31, 2024	Additions	Dispositions	Balance as of December 31, 2024	Annual depreciation and amortization	Accumulated depreciation and amortization of dispositions	Balance as of December 31, 2025	Carrying amount as of December 31, 2025	Carrying amount as of December 31, 2024
Properties – improvements	3,642,870	-	-	761,134	72,858	-	833,992	2,808,878	2,881,736
Furniture	446,772	5,172	-	282,526	37,474	-	320,000	119,444	164,246
Vehicles	35,943	-	-	3,665	3,594	-	7,259	28,684	32,278
Computing devices	1,588,684	173,092	43,179	1,414,660	117,751	43,046	1,489,364	229,234	174,024
Communication devices	1,058,117	19,159	-	836,538	61,330	-	897,868	179,408	221,579
Other equipment	528,441	2,560	-	454,981	45,432	-	500,413	30,589	73,460
Property-Land	872,453	-	-	-	-	-	-	872,453	872,453
Total properties, plant and equipments	8,173,280	199,984	43,179	3,753,504	338,439	43,046	4,048,896	4,281,189	4,419,776
Software	685,993	137,966	-	534,879	99,435	-	634,314	189,645	151,114
Software in development	-	94,620	94,620	-	-	-	-	-	-
Total intangible assets	685,993	232,586	94,620	534,879	99,435	-	634,314	189,645	151,114
Total properties, plant and equipments and intangible assets	8,859,273	432,570	137,799	4,288,383	437,874	43,046	4,683,210	4,470,834	4,570,890

The depreciation of property, plant and equipment and the amortization of intangible assets for the year ended December 31, 2025 are US\$ 437,874 (US\$ 442,870 as of December 31, 2024) were considered as operating expenses.

Note 11 - Trade payables

The following is a detail of trade payables:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Trade payables	250,280	324,774
Credit cards payables	<u>22,124</u>	<u>12,668</u>
	<u>272,404</u>	<u>337,442</u>

Note 12 - Other payable

The following is a detail of other payables:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Memberships' advances	523,361	464,519
Provisions for employee benefits	672,186	509,114
Other payables	198,161	205,575
Retirement insurance payable	<u>54,578</u>	<u>41,735</u>
	<u>1,448,285</u>	<u>1,220,943</u>

Note 13 - Net operating revenues

Revenue by type of customer is as follow:

	US\$	
	<u>12.31.2025</u>	<u>12.31.2024</u>
Revenues from memberships	7,110,817	6,687,562
Revenues from agreements with BR and MX	3,890,429	3,948,993
Revenues from sponsorships	247,952	302,566
Revenues from agreements	64,900	64,900
Other Incomes	5,900	7,000
Discounts Granted in Memberships	<u>(240,352)</u>	<u>(212,070)</u>
	<u>11,079,646</u>	<u>10,798,951</u>

Note 14 - Position in foreign currencies

Balances denominated in foreign currencies (currencies other than the Entity's functional currency), are as follows:

	December 31, 2025		
	Uruguayan pesos	Euros	Equivalent in US\$
Cash and cash equivalents	67,594	-	1,731
Other receivables	7,915,021	-	202,736
Total assets	7,982,615	-	204,467
Trade Payables	2,667,159	1,127	69,641
Other payables	22,656,496	-	580,326
Total liabilities	25,323,655	1,127	649,967
Net position	(17,341,040)	(1,127)	(445,500)

	December 31, 2024		
	Uruguayan pesos	Euros	Equivalent in US\$
Cash and cash equivalents	3,211,423	-	72,878
Other receivables	3,677,720	-	83,459
Total assets	6,889,143	-	156,337
Trade Payables	3,379,430	1,273	78,014
Other payables	19,033,651	-	431,935
Total liabilities	22,413,081	1,273	509,949
Net position	(15,523,938)	(1,273)	(353,612)

Note 15 - Joint fund for the stability of Regional Internet Registries (RIRs)

In 2015, LACNIC's Board of Directors agreed to participate with US\$ 100,000 in a Joint Fund of the Regional Internet Registries (RIRs) to guarantee the continuity of its registry operations and related support activities, in the face of potential contingent situations, This reserve fund is composed of voluntary commitments of funds from each of the parties.

Note 16 - Key management personnel

Key personnel comprise those people with authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly.

Based on this definition, it is understood that LACNIC's key personnel is made up of Board members, the Deputy/Chief Executive Officer and Managers of the Organization.

LACNIC's Board of Directors do not receive remuneration.

The total fixed compensation expense of key personnel as of December 31, 2025 amounts to US\$ 1,045,421, and it is included under section “Salaries and Personnel Expenses” in the statement of profit or loss for the year (US\$ 1,179,509 as of December 31, 2024).

Note 17 - Subsequent events

As of the date of issuance of the present financial statements, there have been no subsequent events which may significantly affect the Organization.