Public Interest Oversight Board

FOUNDATION

FINANCIAL STATEMENTS

For the year ended at December 31st, 2025

together with independent auditor's report

PIOB

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PUBLIC INTEREST OVERSIGHT BOARD FOUNDATION

Independent Auditor´s Report on the Financial Statements

Financial Statements for the year ended at December 31st, 2025

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Independent Auditor's Report on the Financial Statements

To the Board of Trustees of
PUBLIC INTEREST OVERSIGHT BOARD FOUNDATION

Opinion

We have audited the financial statements of **PUBLIC INTEREST OVERSIGHT BOARD FOUNDATION (the PIOB)**, which comprise the statement of financial position as at December 31st, 2025, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the PIOB as at December 31st, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the PIOB in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to the going concern principle

Attention is drawn to notes 2 and 3 to the accompanying financial statements, which indicates the structural funding challenges continue and are the subject of ongoing interactions with key stakeholders under the leadership of the Monitoring Group (MG). These situation points to the existence of a material uncertainty that could cast significant doubts on the capacity of the PIOB to continue as going concern. Our opinion has not been modified in relation to this matter.

Other Matter

This independent auditor's report and the accompanying financial statements prepared and presented in accordance with IFRS should not be understood as a statutory auditor's report and statutory financial statements as defined by Spanish Accounts' Auditing Law.

Responsibilities of Secretary General and Audit Committee for the Financial Statements

Secretary General is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as issued by the International Accounting Standards Board (IASB), and for such internal control as Secretary General 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, Secretary General is responsible for assessing the PIOB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Secretary General either intends to liquidate the PIOB or to cease operations, or has no realistic alternative but to do so.

Audit Committee is, according to the Terms of reference of the PIOB Audit Committee, responsible for overseeing the PIOB's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the internal control of PIOB.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by the Secretary General.

- Conclude on the appropriateness of the Secretary General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of PIOB 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 PIOB to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary General and the Audit Committee of PIOB 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.

From the significant risks communicated with the Secretary General of PIOB, we determine those risks that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

We describe these risks in our auditor's report unless laws or regulation preclude public disclosure about the matter.

Madrid, 16th April 2026

Forvis Mazars Auditores, S.L.P.
ROAC N. º S1189

Juan Antonio Giménez Miró
ROAC N. º 15.588

AUDITORES
INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

FORVIS MAZARS
AUDITORES, S.L.P.

2026 Núm. 01/26/01669
SELLO CORPORATIVO: 96.00 EUR

Informe de auditoría de cuentas sujeto a la normativa de auditoría de cuentas española o internacional

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025 and 31 December 2024 (in Euros)

	2025	2024
INCOME		
International Federation of Accountants Funding (note 3)	500,000	650,000
Audit profession Funding	-	500,000
European Commission Funding (note 3)	350,000	350,000
International Organization of Securities Commissions Funding	200,000	175,000
International Forum of Independent Audit Regulators Funding	59,529	59,027
Bank for International Settlements Funding (*)	-	5,000
Financial Reporting Council Funding	25,000	-
Swiss Federal Audit Oversight Authority Funding	10,000	10,000
Financial Supervisory Commission Funding	10,000	10,000
US Securities Exchange Commission Funding	172,022	178,306
International Foundation for Ethics and Audit Funding	500,000	-
External Reporting Board from New Zealand Funding	49,825	54,984
Financial Services and Markets Authority Funding	50,000	50,000
Collége de Supervision Des Réviseurs D'Enterprises Funding	50,000	50,000
CFA Institute Funding	48,479	45,001
Dutch Authority for the Financial Markets Funding	-	15,000
Haute Autorité de l'audit Funding	20,000	20,000
Commissione Nazionale per le Società e la Borsa Funding	-	15,000
Financial Services Agency Funding	59,808	59,453
A contribution arising from a national audit inspection scheme Funding	19,324	27,592
Accounting and Corporate Regulatory Authority Funding	-	10,000
	2,123,987	2,284,363
In-kind contribution from Spanish authorities (note 3)	119,969	199,928
Total income	2,243,956	2,484,291
EXPENSES		
Employee costs (note 8)	1,068,383	888,797
Travel and meeting costs of Technical and SSB Nominations Committees	141,095	371,745
Technical and SSB Nominations Committees stipends (note 9)	368,356	484,375
Occupancy (note 6)	27,447	49,706
Telephone	6,099	6,275
Legal and other professional fees (note 10)	81,055	137,446
Auditor´s fees (note 16)	8,470	8,470
Depreciation and amortization (notes 3, 12 and 13)	131,584	213,769
IT support	126,353	113,951
Other expenses	58,161	44,621
Total expenses	2,017,003	2,319,155
Surplus for the year	226,953	165,136
Taxation (note 3)	-	-
Surplus for the year after tax	226,953	165,136
Total comprehensive surplus for the year net of tax	226,953	165,136

(*) In 2025 and 2024 provided through FSB, BCBS and IAIS.

The accompanying notes are an integral part of the financial statements

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STATEMENT OF FINANCIAL POSITION
at 31 December 2025 and 31 December 2024 (in Euros)

	At 31 December 2025	At 31 December 2024
ASSETS		
Current assets		
Cash and bank balances (note 11)	1,183,239	977,166
Accounts receivable	385,000	857,960
Prepaid expenses	29,827	75,741
Total current assets	1,598,066	1,910,867
Non - current assets		
Tangible assets (note 12)	11,900	11,410
Intangible assets (note 13)	218,372	561,872
Total non - current assets	230,272	573,282
Total assets	1,828,338	2,484,149
LIABILITIES		
Current liabilities		
Accounts payable (note 5)	190,051	213,854
Accrued liabilities (note 6)	35,917	58,176
Deferred income - current (note 7)	-	500,000
	225,968	772,030
Non - current liabilities		
Deferred income - non current (note 3)	209,945	546,647
Total liabilities	435,913	1,318,677
EQUITY		
Comprehensive surplus for the year net of tax	226,953	165,136
Endowment funds (note 14)	30,000	30,000
Other reserves	1,135,472	970,336
Total equity	1,392,425	1,165,472
TOTAL LIABILITIES AND EQUITY	1,828,338	2,484,149

The accompanying notes are an integral part of the financial statements

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STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2025 and 31 December 2024 (in Euros)

	Comprehensive surplus/(deficit)	Other reserves	Endowment funds	Total
Balance, beginning of year 2024	(99,153)	1,069,489	30,000	1,000,336
Transfers	99,153	(99,153)	-	-
Additions	165,136	-	-	190,875
Balance, end of year 2024	165,136	970,336	30,000	1,165,472
Transfers	(165,136)	165,136	-	-
Additions	226,953	-	-	226,953
Balance, end of year 2025	226,953	1,135,472	30,000	1,392,425

The accompanying notes are an integral part of the financial statements

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CASH FLOW STATEMENT, for the year ended 31 December 2025 and 31 December 2024 (in Euros)

	2025	2024
OPERATING ACTIVITIES		
Surplus of income over expenses	226,953	165,136
Non-cash items:		
Non-cash income	(119,969)	(199,928)
Depreciation of tangible and intangible assets	131,582	213,769
(Increase)/decrease in working capital items (note 7)	(27,188)	93,860
Net cash generated in operating activities	**211,378**	**272,837**
INVESTING ACTIVITIES		
Capital expenditures	(5,305)	(8,622)
Net cash (used in) investing activities	**(5,305)**	**(8,622)**
Net increase in cash and cash equivalents	**206,073**	**264,215**
Cash and bank balances, beginning of year	**977,166**	**712,951**
Cash and bank balances, end of year	**1,183,239**	**977,166**

The accompanying notes are an integral part of the financial statements

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1. Fundación Public Interest Oversight Board

The Fundación Public Interest Oversight Board ("the PIOB or PIOB Foundation") was constituted on December 15, 2005 under the Foundations Law 50/2002, the Spanish law for not-for-profit foundations. Its founders were the International Organisation of Securities Commissions, the Bank for International Settlements and the International Association of Insurance Supervisors, three international regulatory groups committed to maintaining the stability of the international financial system and operating in the international public interest.

The Foundation serves the public interest by appointing members to the International Auditing and Assurance Standards Board (IAASB), International Ethics Standards Board for Accountants (IESBA) (also referred as SSBs) and overseeing their standard-setting. Its mission is to ensure that international standards in auditing and assurance, ethics and independence are responsive to the public interest and thereby enhance confidence in corporate reporting and in the services of professional accountants, auditors and other assurance providers.

On July 14, 2020, the Monitoring Group (MG) published its set of Recommendations to strengthen the international audit and ethics standard-setting system, which re-affirmed and enhanced the PIOB's responsibilities (MG Recommendations). The MG Recommendations set out a model which is implemented via a three-tier governance structure: the MG, the PIOB with responsibility for nominations and oversight and a new entity the International Foundation for Ethics and Audit (IFEA) which houses the SSBs. The objective of the reforms led by the MG is to enhance the independence of the standard-setting system so that no undue influence is wielded by any stakeholder and standard-setting responds to the public interest. In line with the MG Recommendations, the PIOB continues to have the critical role of providing independent oversight of the public interest responsiveness of audit and assurance, and ethics standards.

In terms of the MG Recommendations with regard to responsibility for nominations to the SSBs, in November 2021 the PIOB established an SSB Nominations Committee, which runs the selection process and makes recommendations to the PIOB for the appointment of SSB members and members of the Stakeholder Advisory Council (SAC). The SAC replaced the Consultative Advisory Groups (CAGs) in 2024.

The IFEA legal entity became operational at the end of 2022, when it held its inaugural board meeting with the participation of the IFEA trustees who are appointed by the three Members of IFEA (the MG, the PIOB, and the International Federation of Accountants (IFAC)): four trustees having been nominated by the PIOB and two by IFAC. The Trustees then elect the Chair who must be one of the PIOB-nominated appointees. As required by the Bylaws of IFEA, its Board of Trustees does not duplicate or interfere in the oversight and nominations duties of the PIOB. Neither the PIOB as a member of IFEA nor the Trustees nominated by the PIOB and appointed by the members have a majority vote in IFEA and consensus is required for the adoption of decisions. These individual Financial Statements therefore only correspond to the Fundación Public Interest Oversight Board.

The PIOB´s Foundation Board of Trustees is responsible for ensuring that the Foundation operates within its mandate and meets its legal and administrative obligations to the Spanish government. A Technical Committee of the Board is responsible for planning and executing the Foundation's oversight program and related activities, and the SSB Nominations Committee manages the selection process to the SSBs. Support for the Board of Trustees, the Technical Committee and the SSB Nominations Committee is provided by the Foundation's Secretariat based in Madrid, Spain.

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In addition to meeting local regulatory requirements, the Foundation is operationally and financially accountable to the MG. The MG consists of a forum of international regulators and other public interest bodies. The MG also approves the Foundation's annual budget.

In 2025, the PIOB and IFEA committed to taking all necessary steps to develop a Proposed Plan on the enhancement of efficiency and simplification of the current standard-setting structure comprising the PIOB and IFEA. It is envisaged that these discussions will result in a Proposed Plan by May 2026.

2. Going concern

The matter of applying the going concern basis of accounting has been highlighted in the past four years. Previous financial statements explain that the PIOB began encountering funding difficulties and shortfalls from 2022 as a result of the proposed diversified and sustainable funding solution, envisaged by the Monitoring Group Recommendations, not being achieved and the progressive withdrawal of IFAC funding to a position of no funding support beyond 2025.

In the past four years of budgeted deficits, the PIOB has only through extraordinary and non-recurring contributions resolved the deficits each year, while also reducing operational expenditure. The 2025 PIOB budget included a funding shortfall of EUR 0.7 million which required significant cost reduction efforts and again an extraordinary measure was necessary via a conditional grant agreement with IFEA (see Note 3, Income and Cost Recognition), to avert an unsustainable deficit. While there is a resulting surplus of EUR 227K at December 31, 2025, the structural funding challenges continue and are the subject of ongoing interactions with key stakeholders under the leadership of the Monitoring Group.

In December 2025, the Chair of the Monitoring Group approved the PIOB's 2026 budget which included an unconditional contribution of EUR 750K from IFEA leaving a shortfall of EUR 0.17 million to be covered from PIOB's reserves.

During the first quarter of 2026, a subcommittee of the Board of Trustees and the Secretary General participated alongside the IFEA Managing Director in stakeholder meetings observed by the Chair of the Monitoring Group to discuss various aspects of a potential evolution of the standard-setting system, also with a view to achieving stable and sustainable funding to the system as a whole.

As of date of approval of these financial statements, those discussions are progressing, although there are no assurances at this point that adequate funding for 2027 will be forthcoming.

Management of the PIOB has concluded, as of the date of the issuance of these financial statements, that these circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Foundation's ability to continue as a going concern into 2027. However, based on the considerations described in the previous paragraphs, the Secretary General considers it appropriate to prepare these annual financial statements on a going concern basis.

3. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Foundation also prepares its statutory financial statements as required by the Spanish Law in accordance with the

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Accounting Plan for Small and medium not-for-profit entities issued by the Resolution of March 26, 2013, of the Spanish Accounting and Auditing Institute (ICAC).

The financial statements are prepared in Euros, which is the Foundation´s functional currency.

These financial statements were prepared by the Secretary General of the Foundation on April 15, 2026.

Financial statements

The Secretary General is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Accounting estimates

Preparation of the financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and in the notes to financial statements. These estimates and assumptions are based on management's best knowledge of existing facts and circumstances as well as any current-period impact of actions that the Foundation may undertake in the future. Actual results may differ from those estimates.

New Standards and Interpretations issued

The financial statements have been drawn up on the basis of accounting Standards, Interpretations and amendments effective at the beginning of the accounting period on 1 January 2025.

Measurement Basis

The statements of comprehensive income, financial position, changes in equity and cash flows have been prepared on the historical cost and an accrual basis with all assets and liabilities valued at amortized cost, unless otherwise stated in the accounting policies.

Foreign currency translation

Foreign currency transactions are accounted for in Euros and translated at the rates of exchange prevailing at the transaction date. Exchange gains or losses on subsequent settlement of related balances are recognised in the income statement when they arise.

Financial instruments denominated in foreign currencies at the balance sheet date are translated to their Euro equivalent at the prevailing foreign exchange rate. Foreign exchange differences arising on translation are recognised in the income statement.

Income and cost recognition

On May 12, 2021, IFAC issued a guarantee letter committing to contribute to the PIOB budget with a progressive reduction in guaranteed funding until 2025. For 2024, the guarantee was the lower of one-third of PIOB's budgeted expenses for the year in Euros or EUR 650,000. For 2025 fiscal year, the guarantee will be the lower of 25% of PIOB's budgeted expenses for the year in Euros or EUR 500,000. No further funding or guarantee will be provided after December 31, 2025. IFAC paid in advance its 2025 contribution of EUR 500,000 in 2024. This contribution was recorded under the item

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Deferred Income – Current of the Statement of Financial Position as of December 31, 2024 and reclassified to Income in 2025.

The IFAC guarantee will not apply to funding of any costs associated with the dissolution of the PIOB. In the event that a decision to dissolve the PIOB is taken by the governing entity of the PIOB, any remaining guarantees would cease to be effective with immediate effect, and IFAC would therefore be discharged of any funding obligations towards the PIOB.

Income from IFAC in 2025 represents 22.28% of total income (26.16% in 2024) and is recognized yearly on an accrual basis.

In 2009 and 2014, the European Commission (EC) awarded a grant to the Foundation for each of the years of the period 2010-2013 and 2014-2020, to support the Foundation's work program. In 2021, the EC awarded a new grant to the Foundation for each of the years between 2021-2027, through Regulation (EU) 2021/690 of the European Parliament and of the Council of April 28, 2021, establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014.

The contribution for the year 2025 is for a maximum of EUR 350,000 or 30% of the eligible costs of the action (EUR 350,000 or 30% of the eligible costs in 2024). The 2025 Grant agreement with the EC establishes that, if funding by IFAC reaches more than two-thirds of total funding in 2025, the EC shall limit its contribution for 2025 to a maximum amount of EUR 300,000.

This EC income is recognized on an accrual basis.

On September 4, 2025, the PIOB signed a Conditional Grant Agreement with IFEA under which IFEA agreed to provide grant funding of up to EUR 500,000 to support the PIOB's operations through 31 December 2025. The agreement included provisions under which the PIOB may be required to return the grant amount unless the PIOB takes all reasonable and necessary steps to: i) jointly prepare with IFEA, itself committed to taking all reasonable and necessary steps, a Proposed Plan on the enhancement of efficiency and simplification of the current standard-setting structure comprising the PIOB and IFEA, by October 15, 2025; and ii) Support the presentation of the Proposed Plan to the MG for consideration, input and amendment. On 18 December 2025, the parties signed an amendment of the Conditional Grant Agreement which extended the deadline for preparation of the proposed plan to 31 March 2026 and states that there would be no obligation to repay the funding after December 31, 2025. The amendment also indicated that assuming the Proposed Plan, based on the input from the MG, is approved by the MG, IFAC and the PIOB, IFEA and PIOB agree to commence reasonable implementation steps by September 30, 2026, for actualization in January 2027. Subsequent to this agreement the date of May 15, 2026, was agreed with the MG Chair for a submission of Proposed Plan and the implementation timeline will be necessarily over 2026 and 2027.

On September 4, 2025, the PIOB signed an indemnification agreement with IFEA under which IFEA will provide indemnity funding of up to EUR 1,000,000 to cover legal liabilities of the Trustees in the event of a liquidation of the PIOB'; if triggered on or before 1 July 2026.

The Foundation has been granted the right by the Spanish authorities to use part of the premises. On June 12, 2024, the Spanish authorities extended its agreement with the PIOB through to September 2027.

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In January 2025, an agreement was signed with the Spanish authorities providing for the temporary transfer of part of the space allocated to the PIOB to the International Organization of Securities Commissions (IOSCO) for a period not exceeding twelve months. As a result, the Foundation's allocated space was reduced from one third to one fifth of the total area of the building in which it is located. Following this re-allocation in the space made available, the amount of the in-kind contribution recognised in the statement of comprehensive income as both income and expense, and the amount recorded as intangible asset and as deferred income non-current have been adjusted accordingly. The Foundation records the grant as deferred income non-current and as an intangible asset, which is recognised in the statement of comprehensive income on a systematic basis over the term of the agreement. This change in the space made available has no impact on the Foundation's results, as the same in-kind amount is recognised annually in both income and expense. In December 2025, IOSCO, with the acknowledgement and agreement of the PIOB, requested that the Spanish authorities grant a further temporary extension, for a period of twelve months, of part of the space allocated to the PIOB.

Interest income from financial instruments, if any, is recorded as part of income on an accrual basis.

Operating costs are recognised as an expense when incurred.

Cash and bank balances

The Foundation's policy is to present cash and bank balances together with temporary investments, if any, having a term of three months or less from the acquisition date as cash and cash equivalents.

The Foundation maintains two bank accounts in Euros. The Banks where the Foundation hold 99.9% of its cash and bank balances have been graded at the short-term as A-2 and A-1 financial entities.

Cash Flow Statement

The following are definitions of the terms used in the cash flow statement:

Cash and bank balances comprise cash on hand and current bank balances.

Operating activities include all transactions that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding, and disposal of fixed assets and investments.

Financial instruments

Financial instruments are recognized on the trade date at amortized cost and are derecognized at sales date when the rights to receive cash flows from the instrument expire.

Liquidity risk:
The Foundation manages its working capital to ensure sufficient cash resources are maintained to meet short-term liabilities. At December 31, 2025, working capital was positive in the amount of EUR 1,372 thousand (EUR 1,139 thousand at December 31, 2024).

There are no borrowings or outstanding long-term debt as at December 31, 2025.

Credit risk:
As mentioned in Note 3, section "Income and cost recognition" the European Commission decided to award a grant to the Foundation for the periods 2010-2013, 2014-2020 and 2021-2027. The amount that remains in the Balance Sheet is mainly related to the 2025 grant that will be paid in 2026.

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The Foundation considers that risks related to collection of grants from the European Commission are not significant.

Currency risk:
There is no currency risk associated with the balances in these bank accounts; therefore, the Foundation did not hedge its foreign currency exposure.

Fair values:
At December 31, 2025, the carrying amounts for all financial instruments held by the Foundation approximate to their fair values.

Restrictions on the use of cash and cash equivalents:
There are no restrictions on the use of cash or cash equivalents.

Taxation

On March 29, 2006, the Spanish Parliament passed legislation included within law 4/2006 of 29 March 2006, to specifically exempt the Foundation from Spanish income tax.

Tangible assets

Tangible assets represent the value of computer equipment used for data processing, the related furniture and communications equipment.

These assets are depreciated over their estimated useful lives according to the following methods and annual rates:

Tangible assets	Methods	Depreciation rate
Computer equipment	Straight-line	25%
Furniture and fixtures	Straight-line	10% to 20%
Audio and Video Equipment	Straight-line	25%

Repair and maintenance costs for tangible assets are recognized on the income statement in the year incurred. Costs of improvements that increase assets' capacity or efficiency or extend their useful life are recognized as an increase in the value of the assets.

Intangible assets

Intangible assets comprise the value of computer software used in the administrative and accounting management of the Foundation and the fair value assigned to the right to use the building.

Computer software has been valued at cost of acquisition. The right of use of the building was recognized at fair value, less accumulated amortization, and any impairment allowances. Amortization of computer software is calculated on a straight-line basis over a four-year period. Amortization of the right of use is calculated over a four-year period, in line with the new assignment period.

	Methods	Rates
Intangible asset		
Software	Straight-line	25%
Right to use the building at Oquendo street	Straight-line	25%

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4. Expenses allocated by Activity (inclusive of all Board Committees and staff costs)

(in Euros)	2025	2024
Oversight (1)	935,125	982,9 65
Communications and External Relations (2)	168,007	173,712
MG and MG member meeting costs (3)	120,691	119,450
Foundation Board Meetings (4)	164,617	155,845
Other ongoing operating costs (5)	447,158	581,833
Nominations (6)	181,405	305,350
Total expenses	2,017,003	2,319,155

The description of the Foundation´s activities is as follows:

(1) Through this activity, the PIOB provided independent oversight of the Standard Setting Boards (SSBs) and observe the Stakeholder Advisory Council (SAC) under its mandate. This activity included the related costs to comply with this mandate.
(2) Includes the cost of attending meetings with stakeholders other than MG members.
(3) Includes all costs allocated in this activity to the MG and MG members.
(4) This activity includes all the necessary operating costs to run the Foundation.
(5) Most significant cost in this activity is the annual amortization of EUR 119,969 in 2025 (EUR 199,928 in 2024) of one fifth in 2025 (one third in 2024) of right of use of the premises located at Oquendo 12 (Note 3).
(6) This activity included all costs related to the selection process of candidates to the SSBs and of the SAC. The reduction is attributable to the lower turnover of SSB members in 2025 compared with 2024, together with the revised method for calculating the stipends payable to members of the SSB Nominations Committee, effective from 1 January 2025 (Note 9).

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5. Accounts Payable

(in Euros)	2025	2024
Employee Taxes and Social Security	59,245	60,600
Other (1)	130,806	153,254
Total Accounts Payable	190,051	213,854

(1) The decrease in the payable item 'Other' is primarily due to variable remuneration and outstanding invoices from a supplier at December 31,2024, which were paid in 2025.

6. Accrued Liabilities

(in Euros)	2025	2024
Occupancy expenses	27,447	49,706
Other accrued liabilities	8,470	8,470
Total Accrued Liabilities	35,917	58,176

7. Information Included in the Cash Flow Statement

The Increases/(Decreases) in working capital items are detailed as follows:

(in Euros)	2025	2024
Accounts receivable	(472,960)	478,850
Prepaid expenses	(45,914)	43,053
Accounts payable	23,803	(122,458)
Accrued liabilities	22,259	6,695
Deferred Income – Current	500,000	(500,000)
Increases/(decreases) in working capital	27,188	(93,860)

The variation in the accounts receivable item is due to exceptional audit profession funding of EUR 500,000. The amount was settled in two instalments, disbursed in March and April 2025.

The variation in the prepaid expenses item in 2025 is due to flight costs paid in 2024 for meetings attended in 2025.

The variation in 2025 on the accounts payable item is related to explanation (1) in Note 5.

The variation in the Deferred Income – Current item is due to advance payment in 2024 of IFAC´s 2025 funding. This amount was reclassified to income in 2025.

8. Employee Costs

(in Euros)	2025	2024
Gross salaries (1)	879,944	741,562
Spanish social security fees (2)	107,235	76,282
Other benefits (3)	81,204	70,953
Total Employee Costs	1,068,383	888,797

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(1),(2) Increase primarily due to one staff on leave in 2024.
(3) Mainly includes pension plans and medical insurance expenses.

9. Technical Committee and SSB Nominations Committee Stipends

At December 31, 2025, the Technical Committee was made up of eight members inclusive of the Chair (ten members in 2024), five of which are also members of the Board of Trustees` (Note 15).

The Chair of the Technical Committee receives annually EUR 123,750 in recognition of leadership responsibilities. The rest of Technical Committee members receive annual stipends of EUR 20,625 and a variable amount of EUR 825 per day of attendance at assigned public interest observations. In 2020, the Foundation defined criteria for payment of variable stipends that takes into account the time differences for those meetings held in an online environment. The detailed breakdown of stipends accrued by the PIOB to members of the Technical Committee in 2025 is:

(in Euros)	**2025**
Mme. Linda de Beer (Chair until September 29,2025)	92,812
Mr. Robert Buchanan	27,22 5
Mme. Janine Van Diggelen	29,700
Mme. Tshegofatso Modise (Chair from September 29, 2025)	50,531
Mr. David Sullivan	25,575
Mr. Tomoyuki Furusawa	24,750
Mme. Sandra Peters	10,313
Mr. Philippe Christelle	28,875
Mr. Mark Smith	24,750
Mr. Han Yi	20,625
Total stipends accrued	335,156

Until December 31, 2024, the annual stipend for the Chair of the SSB Nominations Committee was EUR 20,000. Members of the Nominations Committee received a fixed annual stipend of EUR 15,000, each.

As from January 1, 2025, the SSB Nominations Committee Chair receives an annual stipend of EUR 6,000 and its Members receive an annual stipend of EUR 3,000, each. In addition, the Chair and the Members of the SSB Nominations Committee receive a variable amount based on the specific activities and needs of the Committee which can differ from year to year and are calculated using an hourly rate of EUR 70. The Chair and Members also receive a variable amount of EUR 200, each for each participation in a sub-Committee panel that interviews candidates for vacancies on the Standard-Setting Boards.

10. Legal and Other Professional Fees

(in Euros)	**2025**	**2024**
Legal fees (1)	63,819	57,197
External support communications (2)	-	22,691

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Background check costs of candidates to Standard-Setting Boards (3)	1,573	21,901
Advertisement costs for nominations of candidates to Standard-Setting Boards and SAC (4)	526	6,171
Board assessment fees	6,213	9,250
Miscellaneous	8,924	20,236
Total Legal and Other Professional Fees	81,055	137,446

(1) In 2025, includes recurring legal fees and additional labour-related and contract-review work not included in the lawyer's annual proposal.
(2) Reduction due to a new strategy of an efficient allocation of costs.
(3),(4) Reduction due to lower rotation of SSB members in 2025 compared to 2024.

11. Cash and bank balances

(in Euros)	2025	2024
Cash and bank balances	1,183,239	977,166
Total cash and bank balances	1,183,239	977,166

12. Tangible assets

Details of tangible assets and the related accumulated depreciation at December 31, 2025, as well as movements during the period then ended, are as follows:

	Balance at December 31, 2024	Additions	Balance at December 31, 2025
Cost:			
IT equipment	67,399		67,399
Furniture and fixtures	33,728	4,708	38,436
Communications equipment	87,257	-	87,257
Total cost	**188,384**	**4,708**	**193,092**
Accumulated depreciation:			
IT equipment	(61,254)	(2,781)	(64,035)
Furniture and fixtures	(28,468)	(1,437)	(29,905)
Communications equipment	(87,252)	-	(87,252)
Total depreciation	**(176,974)**	**(4,218)**	**(181,192)**
Net, end of year	**11,410**		**11,900**

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13. Intangible assets

Details of intangible assets and the related accumulated amortization at December 31, 2025, as well as movements during the period then ended, are as follows:

	Balance at December 31, 2024	Write-offs	Additions	Balance at December 31, 2025
Cost:				
Software	62,039	-	599	62,638
In-kind contribution Oquendo	799,711	(799,711)	329,914	329,914
Total cost	**861,750**	**(799,711)**	**330,513**	**392,552**
Accumulated amortization:				
Software	(46,814)	-	(7,397)	(54,211)
In-kind contribution Oquendo	(253,064)	253,064	(119,969)	(119,969)
Total amortization	**(299,878)**	**253,064**	**(127,366)**	**(174,180)**
Net, end of year	**561,872**			**218,372**

Intangible assets reflect the value of computer software and, primarily, the fair value of the right to use the premises located at street Oquendo 12, granted by the CNMV for a four-year period, until September 26, 2027 (see note 3 – section Income as cost recognition).

At December 31, 2025, the Foundation has not identified indications of an impairment in the value of the right of use.

14. Endowment funds and other reserves

To meet the minimum legal capital requirements established by the Foundations' law, the founders of the Foundation (see Note 1) collectively provided an initial endowment for EUR 30,000. Such endowment cannot be used by the Foundation.

Other reserves correspond to contributions in excess of expenses for prior periods. The Board of Trustees can decide on the allocation to these reserves for future years. Also, in the case that the Foundation is dissolved, after the realization of assets and liquidation of liabilities, any remaining balance shall be distributed in accordance with Foundations Law 50/2002. Other reserves at December 31, 2025, amount to EUR 1.4 million.

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The objective of the PIOB´s reserves is to strengthen the economic resilience and independence of the Foundation and make it less vulnerable to unexpected expenses.

15. Board of Trustees

Positions on the Board of Trustees are voluntary and there is no honorarium paid for any position held. The following persons were members of the Board of Trustees during the year:

Mme. Linda de Beer	Chair of the Board of Trustees until September 29, 2025
Mme. Tshegofatso Modise	Trustee from June 30, 2025 and Chair of the Board of Trustees from September 29, 2025
Mr. Robert Buchanan	Trustee until July 4, 2025
Mr. David Sullivan	Trustee
Mme. Sandra Peters	Trustee until June 20, 2025
Mr. Philippe Christelle	Trustee
Mr. Tomoyuki Furusawa	Trustee
Mr. Mark Smith	Trustee from June 30, 2025

16. Auditor´s fees

This note shows the total fees payable (including VAT) by the PIOB to its auditors.

(in Euros)	2025	2024
Fees payable for the voluntary audit of PIOB´s IFRS and statutory financial statements	6,655	6,655
Fees payable for ISAE 3000 – Assurance engagements on eligibility of costs and funding report provided to the EC	1,815	1,815
Total Auditor´s fees	8,470	8,470

17 Subsequent event

In February 2026, the Foundation implemented a redundancy of one of its employees on objective grounds and thereby paid compensation of EUR 132K. The employee however has indicated an intention, following an unsuccessful conciliation hearing in March 2026, to claim unfair dismissal. At the date these financial statements were prepared, the Foundation had not yet received the related legal claim.

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On behalf of the Foundation, I declare that the statements set out in pages 1 to 4 and the accompanying notes set out in pages 5 to 16 constitute the Financial Statements of the Foundation for the year ended December 31, 2025.

Martin Manuzi
Secretary General
April 15, 2026

PIOB

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