

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2025
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2024**

CLASP

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CLASP
Washington, D.C.

Opinion

We have audited the accompanying financial statements of CLASP, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CLASP as of December 31, 2025, and the change in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of CLASP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CLASP's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CLASP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CLASP'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 Information

We have previously audited CLASP's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 1, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses with Internal Allocations on pages 18 - 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 financial statements as a whole.



May 7, 2026

CLASP

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 13,702,608	\$ 12,454,305
Investments	3,366,395	8,196,333
Grants receivable	931,996	814,333
Prepaid expenses	<u>833,066</u>	<u>864,551</u>
Total current assets	<u>18,834,065</u>	<u>22,329,522</u>
PROPERTY AND EQUIPMENT		
Furniture	171,403	151,721
Computer equipment	289,798	168,866
Leasehold improvements	<u>886,707</u>	<u>810,087</u>
	1,347,908	1,130,674
Less: Accumulated depreciation and amortization	<u>(871,458)</u>	<u>(705,985)</u>
Net property and equipment	<u>476,450</u>	<u>424,689</u>
OTHER ASSETS		
Deposits	118,193	119,872
Right-of-use assets - operating leases, net	<u>618,234</u>	<u>720,034</u>
Total other assets	<u>736,427</u>	<u>839,906</u>
TOTAL ASSETS	<u>\$ 20,046,942</u>	<u>\$ 23,594,117</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,602,533	\$ 3,973,761
Refundable advances	10,390,132	12,105,130
Operating lease liabilities	<u>387,396</u>	<u>303,242</u>
Total current liabilities	<u>12,380,061</u>	<u>16,382,133</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net	<u>303,254</u>	<u>534,748</u>
Total liabilities	<u>12,683,315</u>	<u>16,916,881</u>
NET ASSETS		
Without donor restrictions	6,310,106	4,703,632
With donor restrictions	<u>1,053,521</u>	<u>1,973,604</u>
Total net assets	<u>7,363,627</u>	<u>6,677,236</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,046,942</u>	<u>\$ 23,594,117</u>

See accompanying notes to financial statements.

CLASP

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Foundation grants	\$ 20,037,245	\$ -	\$ 20,037,245	\$ 23,990,274
International grants	6,027,707	-	6,027,707	3,514,218
Net investment return	543,180	-	543,180	517,907
Contracts	647,835	-	647,835	360,071
Project administrative fee	502,984	-	502,984	484,618
Other revenue	50,580	-	50,580	20,994
Net assets released from donor restrictions	920,083	(920,083)	-	-
Total support and revenue	28,729,614	(920,083)	27,809,531	28,888,082
EXPENSES				
Program Services:				
Climate	8,912,911	-	8,912,911	7,856,850
Clean Energy Access	12,257,579	-	12,257,579	14,349,295
Research	1,563,280	-	1,563,280	1,077,408
Comms Program	1,077,769	-	1,077,769	927,235
Total program services	23,811,539	-	23,811,539	24,210,788
Supporting Services:				
Management and General	3,311,601	-	3,311,601	2,562,201
Total expenses	27,123,140	-	27,123,140	26,772,989
Change in net assets	1,606,474	(920,083)	686,391	2,115,093
Net assets at beginning of year	4,703,632	1,973,604	6,677,236	4,562,143
NET ASSETS AT END OF YEAR	\$ 6,310,106	\$ 1,053,521	\$ 7,363,627	\$ 6,677,236

CLASP

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	2025					2024		
	Program Services					Supporting Services		
	Climate	Clean Energy Access	Research	Comms Program	Total Program Services	Management and General	Total Expenses	Total Expenses
Salaries and benefits	\$ 2,957,745	\$ 2,215,018	\$ 860,109	\$ 700,944	\$ 6,733,816	\$ 1,484,393	\$ 8,218,209	\$ 7,003,939
Contractors	4,054,514	3,255,105	171,180	43,813	7,524,612	4,980	7,529,592	10,222,507
Subgrants	-	5,077,599	-	-	5,077,599	-	5,077,599	3,161,245
Result based financing payments	-	199,390	-	-	199,390	-	199,390	1,382,164
Professional services	445,492	335,949	214,303	206,507	1,202,251	209,417	1,411,668	1,056,012
Legal and accounting	527	30,392	8,171	449	39,539	854,230	893,769	255,605
Non-personnel expense	470,114	496,254	102,490	56,657	1,125,515	193,082	1,318,597	1,411,228
Occupancy	183,969	138,083	68,182	41,202	431,436	83,276	514,712	451,112
Travel and meetings	768,222	439,121	134,019	21,513	1,362,875	223,976	1,586,851	1,521,372
Depreciation and amortization	10,838	44,342	2,259	3,915	61,354	104,118	165,472	139,250
Miscellaneous expenses	21,490	26,326	2,567	2,769	53,152	154,129	207,281	168,555
TOTAL	\$ 8,912,911	\$ 12,257,579	\$ 1,563,280	\$ 1,077,769	\$ 23,811,539	\$ 3,311,601	\$ 27,123,140	\$ 26,772,989

See accompanying notes to financial statements.

CLASP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 686,391	\$ 2,115,093
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	165,472	139,250
Amortization of right-of-use asset - Finance lease	-	3,179
Amortization of right-of-use assets - Operating leases	310,099	300,650
Unrealized (gain) loss	(96,985)	53,544
Realized gain	(141,674)	(16,343)
(Increase) decrease in:		
Grants receivable	(117,663)	325,521
Prepaid expenses	31,485	(280,697)
Deposits	1,679	(26,239)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(2,371,228)	988,156
Refundable advances	(1,714,998)	(445,608)
Operating lease liabilities	(355,639)	(356,362)
Finance lease liability	-	(3,179)
Net cash (used) provided by operating activities	<u>(3,603,061)</u>	<u>2,796,965</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(217,233)	(279,236)
Purchase of investments	(28,182)	(5,923,684)
Proceeds from expiration of certificates of deposit	<u>5,096,779</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>4,851,364</u>	<u>(6,202,920)</u>
Net increase (decrease) in cash and cash equivalents	1,248,303	(3,405,955)
Cash and cash equivalents at beginning of year	<u>12,454,305</u>	<u>15,860,260</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,702,608	\$ 12,454,305
SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS		
Operating Right-of-Use-Asset	\$ 208,299	\$ 308,511
Operating Lease Liability for Right-of-Use Asset	\$ 208,299	\$ 305,676

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

CLASP is the leading global authority on appliance energy efficiency, which drives climate change mitigation and adaptation, and alleviates energy poverty. With 26 years' expertise and offices on four continents, CLASP collaborates with policymakers, industry, and leading experts to deliver clear pathways to a more sustainable world for people and the planet.

CLASP has programs and staff in the European Union, China, India, Indonesia, Kenya, Brazil and the United States, and ongoing projects in South Africa and Pakistan.

In 2025, CLASP established CLASP NGO LTD, a private company limited by guarantee and registered with the Registrar of Companies for England and Wales. The entity subsequently applied for charitable status and was granted registration on February 10, 2026. Of the five directors of CLASP NGO LTD, three also serve on the CLASP Board, ensuring alignment in governance and mission oversight.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CLASP's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Cash and cash equivalents -

CLASP considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CLASP maintains cash balances in excess of the FDIC insurance limits.

CLASP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Cash and cash equivalents (continued) -

Additionally, as of December 31, 2025, CLASP maintained \$1,015,216 of cash on hand and in banks overseas. The majority of funds invested in foreign countries are uninsured. Management believes the risk in these situations to be minimal.

Additionally, CLASP is required to maintain separate bank accounts for funding received from certain donors, including GIZ, GEAPP, SIDA and World Bank. As of December 31, 2025, the balance in the GIZ bank account was \$133,768, the balance in the GEAPP bank account was \$1,059,657, the balance in the SIDA bank account was \$1,904,602 and the balance in the World Bank account was \$288,149, respectively.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Foreign currency -

The U.S. Dollar is the functional currency of CLASP. Transactions in currencies other than Dollars are translated into Dollars at the rates when the funds are transferred. Transactions in foreign currencies for office-related expenses, equipment purchased, filed withholding vendors taxes, net payroll along with payroll taxes, and retirement plan funding with non-U.S. currency are tracked and translated into Dollars at the exchange rate in the funding transfer tracking sheets. Assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the financial statement date.

The exchange rates ranges for the year ended December 31, 2025 are as follows:

		<u>January 1, 2025</u>	<u>December 31, 2025</u>
Euro	EURO/USD	1.0397	1.2188
GBP	GBP/USD	1.3935	1.3656
Indian Rupee	USD/INR	82.7700	88.3300
Kenyan Shilling	USD/KES	120.4600	124.9900
Indonesian Rupiah	USD/IDR	16,342.7300	18,471.9200
Brazilian Real	USD/BRL	5.4324	5.3403

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established. Grants receivable are expected to be collected within one year.

Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to seven years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2025 totaled \$165,472.

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes -

CLASP is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. CLASP is not a private foundation. During the year ended December 31, 2025, CLASP was subject to certain taxes in the country of Kenya in accordance with local regulations.

Grants -

CLASP's activities are supported by grants from foreign Governments, international organizations, and other entities. Grants are recognized in the appropriate category of net assets in the period received. CLASP performs an analysis of the individual grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Grants that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional grants contain a right of return and a measurable barrier. These grants are recognized when conditions have been satisfied. Conditional grants received in advance of meeting specified conditions established by donors are recorded as refundable advances. CLASP's refundable advances totaled \$10,390,132 as of December 31, 2025.

In addition, CLASP may obtain funding source agreements related to conditional contributions, which will be received in future years. CLASP's unrecognized conditional contributions to be received in future years totaled approximately \$36,378,000 as of December 31, 2025.

Contracts and project administrative fee -

Contracts and project administrative fees are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts and project administrative fees is recorded when the performance obligations are met. CLASP has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is a fixed fee percentage. Amounts received in advance of satisfying performance obligations are recorded as refundable advance. CLASP's contracts and project administrative fees generally have initial terms of one year or less. For the year ended December 31, 2025, CLASP did not have any contract assets or contract liabilities.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of CLASP are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of actual time and effort or other reasonable basis.

CLASP's donors allow management and general expenditures to be charged to the respective projects they support. Accordingly, management and general expenditures are allocated to CLASP's programs on a basis of time and effort. In accordance with U.S. GAAP, such allocations have been excluded from the accompanying Statement of Functional Expenses. Refer to Schedule 1 for a summary of management and general expenditures charged to each of CLASP's programs for the year ended December 31, 2025.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, CLASP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market CLASP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Fixed Income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

CLASP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 374,421	\$ -	\$ -	\$ 374,421
Fixed income	-	2,991,974	-	2,991,974
TOTAL INVESTMENTS	\$ 374,421	\$ 2,991,974	\$ -	\$ 3,366,395

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	\$ 313,062
Unrealized gain	96,985
Realized gain	141,674
Investment expenses	(8,541)
NET INVESTMENT RETURN	\$ 543,180

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2025:

Climate	\$ 959,331
Research	94,190
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 1,053,521

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Climate	\$ 567,111
Research	348,230
CEA	4,742
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 920,083

4. LINE OF CREDIT

CLASP has a line of credit for \$2,000,000 which expires on October 31, 2026. Amounts borrowed under this agreement bear interest at the Adjusted SOFR Rate (3.671% as of December 31, 2025) and the rate is subject to change. There were no outstanding borrowings as of December 31, 2025. The line is secured by cash held in accounts at the same financial institution.

CLASP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position comprise the following at December 31, 2025:

Cash and cash equivalents	\$ 13,702,608
Investments	3,366,395
Grants receivable	931,996
Financial assets restricted by donor	<u>(1,053,521)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 16,947,478**

CLASP has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, CLASP has a line of credit agreement (as further discussed in Note 4) which allows for additional available borrowings up to \$2,000,000.

6. LEASE COMMITMENTS

CLASP follows FASB ASC 842 for leases. CLASP has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. CLASP has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Operating Leases

On April 27, 2016, CLASP entered into a lease agreement for space in Washington, D.C. The lease term is one hundred twenty (120) full calendar months, beginning on January 2, 2017, which was the date the Landlord delivered possession. The initial base rent for the first year is \$186,507, plus CLASP's share of the annual operating costs and real estate taxes. The lease includes a 2.5% annual escalation clause.

During 2019, CLASP entered into an agreement for additional office space in Washington, D.C. The lease term is ninety two (92) full calendar months, beginning on May 1, 2019. The initial base rent for the first year is \$113,750, plus CLASP's share of the annual operating costs and real estate taxes. The lease also includes a 2.5% annual escalation clause.

CLASP has a lease agreement for office space in Nairobi, Kenya. The lease agreement is effective October 1, 2024 for 72 months expiring December 31, 2030. The initial base rent for the first year is approximately \$47,900, with an annual escalation of 5.0%.

During 2025, CLASP entered into an agreement for office space in New Delhi, India. The lease term is thirty six (36) full calendar months, beginning on March 1, 2025. The initial base rent for the first year is 506,175 Rupee per month (approximately \$5,784), with an annual escalation of 6%.

For the year ended December 31, 2025, total lease cost was \$514,712 and total cash paid was \$394,928 for all operating leases. As of December 31, 2025, the weighted-average remaining lease term and rate for operating leases is 2.76 years and 4.52%, respectively.

CLASP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

6. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments under the leases described above:

<u>Year Ending December 31,</u>	<u>Operating Lease Liabilities</u>
2026	\$ 517,124
2027	152,128
2028	90,563
2029	80,388
2030	83,350
	923,553
Less: Building operating costs	(191,940)
Less: Imputed interest	(40,963)
Less: Current portion	(387,396)
TOTAL LONG TERM PORTION	\$ <u>303,254</u>

7. RETIREMENT PLAN

CLASP provides retirement benefits to its U.S. employees through a defined contribution plan covering all full-time employees. CLASP contributes 1% of gross wages and matches 100% of employee contributions up to 6% of gross wages. Contributions to the Plan during the year ended December 31, 2025 totaled \$283,503. CLASP provides retirement plan funds to staff throughout the countries in which it operates. The total retirement funds provided to staff in other countries during the year ended December 31, 2025 totaled \$108,911.

8. CONTINGENCIES

Various lawsuits and other contingent liabilities arise in the ordinary course of the CLASP's activities. While the final outcome of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on the CLASP's financial statements.

9. AWARDS FROM FOREIGN, COMMONWEALTH & DEVELOPMENT OFFICE (FCDO)

Effective December 31, 2024, CLASP was awarded £2,000,000 from FCDO under FCDO project number 204867 for a project entitled "Transforming Energy Access (TEA)". The project's period is from December 1, 2024 to March 31, 2027. The grant agreement was amended in 2025 with an additional fund of £150,000 to increase the award amount from £2,000,000 to £2,150,000. The additional funding of £150,000 is allocated to the delivery of the second phase of the TEA Health & Safety Support Service. During the year ended December 31, 2025, CLASP incurred expenditures of \$2,464,104 under the award and recognized a corresponding amount of revenue, which is included in the International grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant.

Effective June 10, 2025, CLASP was awarded £4,000,000 from FCDO under FCDO project number 300123-405 for a project entitled "Modern Energy Cooking Services (MECS)". The project's period is from June 10, 2025 to December 31, 2027. During the year ended December 31, 2025, CLASP incurred expenditures of \$401,167 including allowable expenditures of \$368,553 under the award and recognized a corresponding amount of revenue, which is included in the International grants in the accompanying Statement of Activities and Change in Net Assets.

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

10. SUBAWARDS FROM THE SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY (SIDA) FOR THE CLASP/EAIF PROJECT

Effective May 1, 2024, CLASP received a subgrant of \$483,541 from Sida as one of the Energy Access Institutions Facility for the "VeraSol" Program. In 2025, CLASP additional fund of \$200,000 was awarded to increase the subaward amount from \$483,541 to \$683,541. CLASP is the grantee of Sida for the project entitled "Market Institution Facility", CLASP is also one of the subgrantees of Energy Access Institutions Facility which was approved by Sida. The subgrant funded project of "CLASP-EAIF VeraSol's period is from May 1, 2024 to December 31, 2027. During the year ended December 31, 2025, CLASP received the project year 2 funding of \$234,396 and partial of the additional fund of \$50,000 totaling \$284,396, and incurred expenditures of \$248,772 under the award and recognized a corresponding amount of revenue, which is included in the Foundation grants in the accompanying Statement of Activities and Change in Net Assets. This is a fixed subward, revenue is recognized when payment is received. All expenditures incurred are allowed costs under the grant.

11. SUBAWARDS FROM FOREIGN, COMMONWEALTH & DEVELOPMENT OFFICE (FCDO) FOR THE CLASP/EAIF PROJECT

Effective January 1, 2025, CLASP received a subgrant of \$225,000 from FCDO as one of the Energy Access Institutions Facility for the "VeraSol" Program. CLASP is the grantee of FCDO for the project entitled "Transforming Energy Access (TEA)" which is providing co-funding for the Sida's "Market Institution Facility" program, CLASP is also one of the subgrantees of Energy Access Institutions Facility funded and approved by both Sida and FCDO. The Sida and FCDO subgrant funded project of "CLASP-EAIF VeraSol's period is from May 1, 2024 to December 31, 2027. During the year ended December 31, 2025, CLASP received FCDO's full award amount of \$225,000, and incurred expenditures of \$91,473 under the award and recognized a corresponding amount of revenue, which is included in the Foundation Grants in the accompanying Statement of Activities and Change in Net Assets. This is a fixed subward, revenue is recognized when payment is received. All expenditures incurred are allowed costs under the grant.

12. AWARDS FROM IKEA FOUNDATION

Effective April 1, 2022, CLASP was awarded \$17,000,000 from IKEA Foundation under agreement number G-2110-02012 for a project entitled "Efficiency for Access Coalition". The project's original period is April 1, 2022 to March 31, 2025. The grant agreement was amended in June 2023, and Clause 2.3, requiring a funding match from FCDO, was removed, and the period extended to September 30 2025. The grant agreement was amended again in 2025 with an additional funding of \$5,481,329 to increase the award amount from \$17,000,000 to \$22,481,329, and the period extended to December 31, 2026. For the year ending December 31, 2025, CLASP incurred expenditures totaling \$3,434,335, which offsetting revenue recognized is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant.

Effective July 1, 2022, CLASP was awarded \$2,310,715 from IKEA Foundation under agreement number G-2112-02077 for a project entitled "Green for Access First Loss Facility". The project period is July 1, 2022 to June 30, 2025. The grant agreement was amended in 2025 with an additional funding of \$1,100,000 to increase the award amount from \$2,310,715 to \$3,410,715, and the period extended to December 31, 2025. During the year ended December 31, 2025, CLASP incurred expenditures of \$1,209,036 under the award and recognized a corresponding amount of revenue, which is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant.

CLASP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

12. AWARDS FROM IKEA FOUNDATION (Continued)

Following is a summary of expenditures incurred under the awards for the year ended December 31, 2025:

	<u>Efficiency for Access 2.0</u>	<u>G for A</u>	<u>Total</u>
Salaries and benefits	\$ 690,083	\$ 104,771	\$ 794,854
Contractors	1,305,049	-	1,305,049
Subgrants	343,000	1,000,000	1,343,000
Professional services	75,897	2,900	78,797
Legal and accounting	4,768	-	4,768
Non-personnel expenses	146,180	28,108	174,288
Occupancy	43,425	7,375	50,800
Travel and meeting	134,268	7,479	141,747
Depreciation and amortization	14,026	44	14,070
Miscellaneous expenses	9,804	125	9,929
Comms program expenses	<u>349,579</u>	<u>10,777</u>	<u>360,356</u>
Subtotal	3,116,079	1,161,579	4,277,658
Allocation of management and general expenses	<u>318,256</u>	<u>47,457</u>	<u>365,713</u>
IKEA FUNDED EXPENSES	<u>\$ 3,434,335</u>	<u>\$ 1,209,036</u>	<u>\$ 4,643,371</u>

During the year ended December 31, 2024, CLASP received payments of \$3,036,000 from the IKEA Foundation. Including the advance payment balance carried forward from 2024, the total available funds for 2025 amounted to \$4,741,185. After covering total expenses of \$4,643,371 for the year, the inception-to-date unspent balance as of December 31, 2025, was \$97,814, which is included in Refundable advance in the accompanying Statement of Financial Position.

For the year ended December 31, 2025, CLASP's rollforward of refundable advances from IKEA is as follows:

<u>Grant ID</u>	<u>Grant Name</u>	<u>2023 Refundable Advance Balance</u>	<u>2025 Paid</u>	<u>Total Advance Payment Available for 2025</u>	<u>2025 Expenditures</u>	<u>2025 Amount Covered by IKEA Expenditures</u>	<u>2025 Refundable Advance Balance</u>
G-2110-02012	Efficiency for Access 2.0	\$ 1,596,149	\$ 1,936,000	\$ 3,532,149	\$ (3,434,335)	\$ (3,434,335)	\$ 97,814
G-2112-02077	G for A	<u>109,036</u>	<u>1,100,000</u>	<u>1,209,036</u>	<u>(1,209,036)</u>	<u>(1,209,036)</u>	<u>-</u>
	TOTAL	<u>\$ 1,705,185</u>	<u>\$ 3,036,000</u>	<u>\$ 4,741,185</u>	<u>\$ (4,643,371)</u>	<u>\$ (4,643,371)</u>	<u>\$ 97,814</u>

13. AWARDS FROM GLOBAL ENERGY ALLIANCE FOR PEOPLE AND PLANET (GEAPP)

Effective April 15, 2025, CLASP was awarded \$6,150,000 from GEAPP under the grant number FR-GRA-02243 for a project entitled "Productive Use Financing Facility (PUFF)". The project's period is from April 15, 2025 to January 15, 2028. During the year ended December 31, 2025, CLASP incurred expenditures of \$561,511 including allowable expenditures of \$533,088 under the award and recognized a corresponding amount of revenue, which is included in the US and International grants in the accompanying Statement of Activities and Change in Net Assets.

CLASP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

14. AWARDS FROM UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

Effective February 1, 2025, CLASP was awarded \$495,000 from GEAPP under the contract reference 24-082-CLG-24-004 for a project entitled "Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants". The project's period is from February 1, 2025 to September 30, 2026. During the year ended December 31, 2025, CLASP incurred expenditures of \$457,692 under the award and recognized a corresponding amount of revenue, which is included in the International grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant. All expenditures incurred are allowed costs under the grant.

15. AWARDS FROM DOEN FOUNDATION (DOEN)

Effective July 1, 2025, CLASP was awarded \$250,000 from DOEN under the project reference PRJ251026465 for a project entitled "Helping market institutions provide energy access to those being left behind". The project's period is from July 1, 2025 to June 30, 2027. During the year ended December 31, 2025, CLASP incurred expenditures of \$113,538 under the award and recognized a corresponding amount of revenue, which is included in the International grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant. All expenditures incurred are allowed costs under the grant.

16. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through May 7, 2026, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

CLASP

**SCHEDULE OF EXPENSES WITH INTERNAL ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Program Services							
	Climate	Clean Energy Access	Research	Comms Program	IKEA	FCDO	GEAPP	
Salaries and benefits	\$ 2,765,999	\$ 845,997	\$ 860,109	\$ 700,944	\$ 794,854	\$ 232,539	\$ 157,963	\$ 3,869
Contractors	3,961,341	1,190,962	171,180	43,813	1,305,049	149,879	1,453	-
Subgrants	-	183,996	-	-	1,343,000	2,160,437	150,000	100,000
Result based financing payments	-	92,843	-	-	-	-	106,547	-
Professional services	422,937	220,617	214,303	206,507	78,798	14,400	10,806	178
Legal and accounting	527	2,783	8,171	449	4,768	139	276	-
Non-personnel expense	450,962	169,353	102,490	56,657	174,288	74,067	18,588	2,514
Occupancy	167,918	58,806	68,182	41,202	50,800	9,220	9,661	193
Travel and meetings	757,941	184,884	134,019	21,513	141,747	70,188	6,257	2,862
Depreciation and amortization	10,684	20,612	2,259	3,915	14,069	4,402	3,276	46
Miscellaneous expenses	21,262	10,559	2,567	2,769	9,929	2,932	1,883	28
Subtotal	8,559,571	2,981,412	1,563,280	1,077,769	3,917,302	2,718,203	466,710	109,690
Allocation of comms program	799,252	20,542	131,731	(1,395,269)	360,356	39,329	23,250	2,096
Allocation of management and general	1,466,829	409,243	400,545	317,500	365,713	107,739	71,551	1,752
Total internal allocations	2,266,081	429,785	532,276	(1,077,769)	726,069	147,068	94,801	3,848
TOTAL	\$ 10,825,652	\$ 3,411,197	\$ 2,095,556	\$ -	\$ 4,643,371	\$ 2,865,271	\$ 561,511	\$ 113,538

CLASP

SCHEDULE OF EXPENSES WITH INTERNAL ALLOCATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services (Continued)						Supporting Services		Total Expenses
	CLASP-EAIF FCDO VeraSol	CLASP-EAIF SIDA VeraSol	SIDA	World Bank	UNEP CCAC	Eliminate Internal Grants VeraSol Program	Total Program Services	Management and General	
Salaries and benefits	\$ -	\$ 1,334	\$ 66,564	\$ 111,898	\$ 191,746	\$ -	\$ 6,733,816	\$ 1,484,393	\$ 8,218,209
Contractors	-	-	3,243	604,518	93,174	-	7,524,612	4,980	7,529,592
Subgrants	87,500	241,770	1,320,292	-	-	(509,396)	5,077,599	-	5,077,599
Result based financing payments	-	-	-	-	-	-	199,390	-	199,390
Professional services	-	35	3,751	7,364	22,555	-	1,202,251	209,417	1,411,668
Legal and accounting	-	-	15,764	6,662	-	-	39,539	854,230	893,769
Non-personnel expense	1,794	4,936	4,138	46,577	19,151	-	1,125,515	193,082	1,318,597
Occupancy	-	93	3,617	5,694	16,050	-	431,436	83,276	514,712
Travel and meetings	-	-	2,058	31,125	10,281	-	1,362,875	223,976	1,586,851
Depreciation and amortization	-	-	946	990	155	-	61,354	104,118	165,472
Miscellaneous expenses	-	-	499	498	226	-	53,152	154,129	207,281
Subtotal	89,294	248,168	1,420,872	815,326	353,338	(509,396)	23,811,539	3,311,601	27,123,140
Allocation of comms program	2,179	-	-	-	16,534	-	-	-	-
Allocation of management and general	-	604	31,620	50,685	87,820	-	3,311,601	(3,311,601)	-
Total internal allocations	2,179	604	31,620	50,685	104,354	-	3,311,601	(3,311,601)	-
TOTAL	\$ 91,473	\$ 248,772	\$ 1,452,492	\$ 866,011	\$ 457,692	\$ (509,396)	\$ 27,123,140	\$ -	\$ 27,123,140