

Financial Information

Fundo Brasileiro para a Biodiversidade - FUNBIO

From January 1 to December 31, 2022
with Independent auditor's report on financial information on
"Certain Projects managed by Fundo Brasileiro para a
Biodiversidade - FUNBIO"

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on “Certain Projects”

From January 1 to December 31, 2022

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A free translation from Portuguese into English of Independent Auditor's Report on the financial information prepared in Brazilian currency in accordance with the contracts entered into by and between the parties, and the cash receipt and disbursement basis of accounting described in Note 2

Independent auditor's report on the financial information on "Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO"

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Certain Projects
Rio de Janeiro - RJ

Opinion

We have audited the financial information on Certain Projects ("Certain Projects" or "Projects"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO ("Entity"), financed with funds from various sponsors, as described in Note 1, for the period from January 1 to December 31, 2022, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, the accompanying Projects' Financial Information for the period from January 1 to December 31, 2022 was prepared, in all material respects, in accordance with the contracts entered into by and between the parties, and the cash receipt and disbursement basis of accounting described in Note 2.

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Entity and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter - Basis of preparation and presentation of the financial information and restriction on distribution or use

We draw attention to Note 2 to the financial information, which describes the accounting basis of these financial information, prepared to assist the Entity in complying with the clauses for preparing the financial reports of the aforementioned contract. As such, the financial information may not serve any other purposes. Our report is intended solely for use and information by the Entity's Board of Directors and Projects' funders, and should not be distributed or used by other parties. Our opinion is not modified in respect of this matter.



Responsibilities of the executive board and those charged with governance for the financial information

The executive board is responsible for the preparation of the financial information in accordance with the agreements entered into between the parties and the cash receipt and disbursement basis of accounting described in Note 2, and for such internal control as the executive board determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, the executive board is responsible for assessing the Projects' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Projects or has no realistic alternative but to do so.

Those charged with governance of the Projects are responsible for overseeing the process of preparing its financial information.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is 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 the Brazilian and International Standards on Auditing 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 this financial information.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the financial information, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.



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- Concluded on the appropriateness of the executive board'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 substantial doubt as to the Projects' 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 information 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 report. However, future events or conditions may cause the Projects to cease to continue as a going concern.

We communicate with those charged with governance 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 identified during our audit.

Rio de Janeiro, May 31, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP015199/F


Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/O

A free translation from Portuguese into English of the Financial Information prepared in Brazilian currency in accordance with the contracts entered into by and between the parties, and the cash receipt and disbursement basis of accounting described in Note 2

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on “Certain Projects”

From January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

Changes in “Certain Projects” funds in the period from January 1 to December 31, 2022 are presented below:

Note	Kayapó Fund	Kayapó Operational	Adoption of parks	Fauna Fund Portfolio	Cooperation Agreement between FUNBIO and MMA - Probio II	FUNBIO Scholarships - Preserving the Future	Exxon Mobil - AMLD	Amapá Fund	Amapá Fund Operational	Abrolhos Terra e Mar Fund (ATM Fund)	Abrolhos Terra e Mar Fund (ATM Fund) - Operational	Amazon Consortium - ICS	Amazon Consortium - Embassy of France	Amazon Consortium - Embassy of France – Phase II	Total Certain Projects	
Balance at beginning of period	17,928	604	584	732	26	714	544	17,867	-	12,490	477	311	120	-	52,397	
Funds received	4	-	-	-	-	1,000	1,000	-	-	-	-	-	-	85	2,085	
Net yield (*)	3	3,131	45	77	3	14	36	5,897	21	4,775	8	18	2	1	14,094	
Finance costs	3	(1,740)	-	-	-	(1)	-	(7,815)	-	(6,147)	-	-	(1)	-	(15,704)	
Foreign exchange differences	3	-	-	-	-	-	-	(719)	-	(541)	-	-	-	-	(1,260)	
Funds executed	5	-	(1,391)	-	-	(1,121)	(1,000)	-	(224)	-	(456)	(480)	(121)	-	(4,793)	
Transfers (FUNBIO revenue)	5	-	(131)	-	-	-	(150)	-	(107)	-	-	(45)	-	-	(433)	
Disbursements/internal transfers	4	(1,156)	1,156	-	-	-	-	(714)	714	-	-	-	-	-	-	
Other transfers		-	-	-	-	(2)	-	-	-	-	-	200	-	-	198	
Balance at end of period	3	18,163	283	654	809	29	604	426	14,516	404	10,577	29	4	-	86	46,584

(*) This amount refers to financial investment yield, net of income tax to be withheld upon redemption by Funbio.

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on “Certain Projects”

From January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

Changes in “Certain Projects” funds in the period from January 1 to December 31, 2021 are presented below:

	Note	Kayapó Fund	Kayapó Operational	Adoption of parks	Fauna Fund Portfolio	R20	Cooperation Agreement between FUNBIO and MMA - Probio II	FUNBIO Scholarships - Preserving the Future	Exxon Mobil - AMLD	Amazon Forest Fund	Amapá Fund	Abrolhos Terra e Mar Fund (ATM Fund)	Abrolhos Terra e Mar Fund (ATM Fund) - Operational	Amazon Consortium - ICS	Amazon Consortium - Embassy of France	REWILD	Total Certain Projects
Balance at beginning of period		18,838	793	564	704	2	25	1,303	112	247	16,065	11,234	457	-	-	-	50,344
Funds received	4	-	-	-	-	538	-	544	1,200	333	-	-	-	328	156	2,540	5,639
Net yield (*)	3	1,172	31	41	36	1	1	16	10	4	3,836	3,188	20	7	5	-	8,368
Finance costs	3	(945)	(5)	(21)	(8)	(1)	-	(1)	-	(2)	(2,777)	(2,465)	-	(1)	(1)	(10)	(6,237)
Foreign exchange differences	3	-	-	-	-	-	-	-	-	-	743	533	-	-	-	-	1,276
Funds executed	5	-	(1,219)	-	-	(481)	-	(1,117)	(658)	(568)	-	-	-	-	(25)	-	(4,068)
Transfers (FUNBIO revenue)	5	-	(133)	-	-	(59)	-	(31)	(120)	(14)	-	-	-	(23)	(15)	-	(395)
Redemptions - Funds/Internal transfer	4	(1,137)	1,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	3	17,928	604	584	732	-	26	714	544	-	17,867	12,490	477	311	120	2,530	54,927

(*) This amount refers to financial investment yield, net of income tax to be withheld upon redemption by Funbio.

See accompanying notes.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects”

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

1. Operations

Fundo Brasileiro Para a Biodiversidade (FUNBIO) is a Brazilian private not-for-profit entity that operates in partnership with the government and business sectors as well as the civil society so that strategic and financial resources are earmarked for effective biodiversity conservation initiatives. The Entity’s head office is located at Rua Voluntários da Pátria, nº 286, 5th and 6th floors, Botafogo, Rio de Janeiro - RJ, with establishment in the city of Brasília, Federal District, at SHN Quadra 2, Bloco F, Executive Office Tower, suite 1323 to 1326, Asa Norte.

The main activities include financial management of projects and funds, design of financial mechanisms and studies of new sources of funds for conservation, as well as procurement and engagement of goods and services. Funbio is accredited as an implementing agency for GEF - Global Environment Facility and for GCF - Green Climate Fund.

The financial information of Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO was prepared by the executive board for the period from January 1 to December 31, 2022 in order to inform the sponsors as to the financial execution of these projects, as follows:

1.1. Kayapó Fund (FK)

Endowment established and designed by FUNBIO to support Kayapó organizations in the long term and increase the capacity of Kayapó Indigenous Lands to maintain their physical integrity. FK received donations from the Amazon Fund, through the Brazilian Development Bank (BNDES), and from CI-Brazil (Conservation International). FUNBIO is the manager of the resources, which should be allocated to projects formulated by Brazilian indigenous organizations in connection with this ethnic group.

1.2. Adoption of parks

This type of support, created in 2011, seeks voluntary private investment to structure and foster the maintenance of Federal, State or Municipal Protected Areas, aimed at biodiversity conservation. The current contract entered into with BP Brasil in 2012 provides for a donation to support actions related to the administration and environmental management of protected areas. The project and territory that will receive the benefit have not yet been defined, and changes in the allocation of funds have not been determined.

FUNBIO manages the donations and provides specialized procurement and engagement, financial control and reporting services. In consideration for the contribution of resources, the companies’ sponsorship is recognized and gain visibility in communication actions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

1.3. Fauna Fund Portfolio

The Brazilian Fauna and Fishing Resources Conservation Portfolio - Fauna Brasil Portfolio is a financial mechanism that receives funds from criminal penalties, environmental administrative fines, donations, sponsorships and other sources. Result of a partnership with IBAMA (Brazilian Institute of Environment and Renewable Natural Resources), ICMBio and the Federal Prosecutor's Office, it is intended to fund endangered Brazilian fauna conservation programs and projects.

Currently, the Portfolio has not received funds, and the intention is to allocate the funds to projects with similar objectives. This can only be achieved by reinstating members representing the governance of the mechanism.

1.4. Cooperation Agreement between FUNBIO and MMA - Probio II

This Agreement was entered into to enable the use of the remaining financial resources from the Project Integrated Public-Private Actions for Biodiversity, under the agreement entered into by Brazil's Federal Savings and Loans Bank (Caixa Econômica Federal), the World Bank and FUNBIO. These funds come from the finance yield from the GEF donation.

The objectives of the project have already been achieved and the existing balance arising from investment yield awaits technical guidance for its allocation. After a resolution is issued, the project will be terminated.

1.5. FUNBIO Scholarships - Preserving the Future

The FUNBIO Scholarships – Preserving the Future Program, which is the result of the initial partnership between Instituto Humanize and FUNBIO, received in 2021 a contribution from Eurofins, in addition to the contributions from the aforementioned institutions. The purpose of the program is to provide financial support for field research on environment and biodiversity conservation conducted by master's and PhD students enrolled in universities and higher education institutes in the Brazilian territory.

1.6. Exxon Mobil - AMLD

In 2020, project “Partnership for Implementation of the Golden Lion Tamarin Ecological Park” was created to support the implementation of the Golden Lion Tamarin Ecological Park at Fazenda Igarapé, where, also in 2020, the forest restoration process with seedlings of species of the Atlantic Forest began, in the city of Silva Jardim, state of Rio de Janeiro. In 2020, the project “Forest Restoration for the Conservation of the Golden Lion Tamarin” performed maintenance and monitoring of seedlings of native species of the Atlantic Forest planted in 2019.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

1.7. Amapá Fund

The Amapá Fund was designed by FUNBIO with the support from the Gordon and Betty Moore Foundation and CI-Brazil, and in close cooperation with the State of Amapá Department of the Environment, in order to allocate resources for the maintenance of biodiversity protected areas in that state.

FUNBIO is the financial manager of the mechanism, which provides for the funding from various sources such as Consent Decrees (“TACs”), donations and payments for environmental services. The purpose is to give agility to the execution and flexibility in allocating resources to protected areas, so as to meet the actual needs of the Protected Areas of the most preserved state in Brazil.

1.8. Abrolhos Terra e Mar Fund (ATM Fund) - Operational

Abrolhos Terra e Mar Fund, formerly known as “Bahia & ES Fund”, was designed by FUNBIO with the support from the Gordon and Betty Moore Foundation and CI-Brazil, and in close coordination with Chico Mendes Institute for Biodiversity Conservation (ICMBio), in order to allocate resources to ensure the viability and sustainability of the Federal Protected Areas of Abrolhos Terra e Mar territory.

1.9. Amazon Consortium

The Interstate Consortium of the Legal Amazon is an agency established as a public association, with autonomy to raise funds, make investments and implement projects that are of common interest to the nine states of the Brazilian Legal Amazon. It is part of the indirect administration of all member states and is based in the Federal District, with head office in Brasilia and administrative offices in the associated states. This Consortium has two donators for contribution of funds:

- (i) Instituto Clima e Sociedade (ICS);
- (ii) Embassy of France in Brazil

2. Significant accounting practices

Basis of preparation and general information

The financial information on the Projects has been prepared on the cash receipt and disbursement basis of accounting, whereby revenues are recorded upon receipt of funds (resources) and expenses are recognized when they effectively represent expenses paid in cash. This accounting practice differs from the accounting practices applicable in Brazil, which establish that transactions must be recorded to the extent that they are incurred rather than when paid.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

2. Significant accounting practices (Continued)

Basis of preparation and general information (Continued)

The financial information is presented in Brazilian reais (R\$), which is the Entity’s functional currency. All financial information presented in thousands of reais was rounded to the nearest thousand, unless otherwise stated.

This financial information was approved for issue by the Entity’s executive board on May 31, 2023.

3. Funds available

In the period from January 1 to December 31, 2022 and 2021, the remaining balances, segregated by project, in the checking accounts are broken down as follows:

3.1. Kayapó Fund

Description	Type	2022	2021
Itaú Private – 013.548-6 - Efficax	Financial investment	7,492	12,916
Itaú Pragma – 89.239-9 – Fixed and Variable Income	Financial investment	10,671	5,012
		18,163	17,928

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$3,131 (R\$1,172 in 2021) and finance costs amounted to R\$1,740 (R\$945 in 2021).

The investments of the Funds managed by FUNBIO, through Pragma Patrimônio and Julius Bar Investment Bank, are diversified short- and long-term investments, from 1 to 8 years, with liquidity ranging from D+1 to D+180 days. These funds are invested in Government Securities - National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed securities.

3.2. Kayapó Operational

Description	Type	2022	2021
Banco do Brasil - CDB 28.686-9	Financial investment	283	604

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$45 (R\$31 in 2021) and no finance costs were recorded (R\$5 in 2021).

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

3.2. Kayapó Operational (Continued)

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.3. Adoption of parks

Description	Type	2022	2021
Banco do Brasil - CDB 28.711-3	Financial investment	654	584

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$70 (R\$41 in 2021) and no finance costs were recorded (R\$21 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.4. Fauna Fund Portfolio

Description	Type	2022	2021
Itaú - 01677-4 - CDB	Financial investment	644	584
Itaú - 01677-4 - Private Exclusive FIC	Financial investment	165	148
		809	732

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$77 (R\$36 in 2021) and no finance costs were recorded (R\$8 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

3.5. Cooperation Agreement between FUNBIO and MMA - Probio II

Description	Type	2022	2021
Banco do Brasil - CDB 130.239-6	Financial investment	29	26

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$3 (R\$1 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.6. FUNBIO Scholarships - Preserving the Future

Description	Type	2022	2021
Banco do Brasil - CDB 24.128-8	Financial investment	604	714

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$14 (R\$16 in 2021) and finance costs amounted to R\$1 (R\$1 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.7. Exxon Mobil - AMLD

Description	Type	2022	2021
Banco do Brasil - CDB 24.900-9	Financial investment	426	544

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$36 (R\$10 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

3.8. Amapá Fund

Description	Type	2022	2021
Itaú Private – 17.414-7	Checking account	1	1
Itaú Private - Efficax – 17.414-7	Financial investment	317	350
Itaú Pragma - Fixed and Variable Income - 96.669-8	Financial investment	4,923	5,626
BNP Paribas Osmosis Global - Equity - 1084425	Financial investment	551	914
Julius Bär - 0600.6870	Financial investment	8,538	10,976
BTG Pactual – GAMA BW - 03562585		186	-
		14,516	17,867

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$5,897 (R\$3,836 in 2021) and finance costs amounted to R\$7,815 (R\$2,777 in 2021). Foreign exchange differences totaled R\$719 (R\$743 in 2021). The investments of Amapá Fund managed by FUNBIO, through Pragma Patrimônio and Julius Bar Investment Bank, are diversified short- and long-term investments, from 1 to 8 years, with liquidity ranging from D+1 to D+180 days. These funds are invested in Government Securities - National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed securities.

3.9. Amapá Fund - Operational

Description	Type	2022	2021
Banco do Brasil - 29009-2	Checking account	3	-
Banco do Brasil – CDB - 29009-2	Financial investment	401	-
		404	-

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$21 (R\$20 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on "Certain Projects" (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

3.10. Abrolhos Terra e Mar Fund (ATM Fund)

Description	Type	2022	2021
Itaú Pragma – 15.874-0	Checking account	1	-
Itaú Pragma - Fixed and Variable Income - 15.874-0	Financial investment	3,442	3,474
Itaú Private - Efficax FI – 02.077-9	Financial investment	232	231
Julius Bär - 0600.6869	Financial investment	6,398	8,218
BNP Paribas - Osmosis Global – 1084424	Financial investment	392	567
BTG Pactual – GAMA BW - 03370187	Financial investment	112	-
		10,577	12,490

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$4,775 (R\$3,188 in 2021) and finance costs amounted to R\$6,147 (R\$2,465 in 2021). Foreign exchange differences totaled R\$541 (R\$533 in 2021).

The investments of Abrolhos Terra e Mar Fund (ATM Fund), managed by FUNBIO, through Pragma Patrimônio and Julius Bär, are diversified short- and long-term investments, from 1 to 8 years, with liquidity ranging from D+1 to D+180 days. These funds are invested in Government Securities - National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed securities.

3.11. Abrolhos Terra e Mar Fund (ATM Fund) - Operational

Description	Type	2022	2021
Banco do Brasil - CDB 130.124-1	Financial investment	29	477

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$8 (R\$20 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on "Certain Projects" (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

3.12. Amazon Consortium - Instituto Clima e Sociedade (ICS)

Description	Type	2022	2021
Banco do Brasil - CDB 25.877-6	Financial investment	4	311

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$18 (R\$7 in 2021) and no finance costs were recorded (R\$1 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.13. Amazon Consortium - Embassy of France

Description	Type	2022	2021
Banco do Brasil - CDB 26.171-8	Financial investment	-	120

In the period from January 1 to December 31, 2022, net financial investment yield totaled R\$2 (R\$5 in 2021) and finance costs amounted to R\$1 (R\$1 in 2021).

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

3.14. Amazon Consortium - Embassy of France - Phase II

Description	Type	2022	2021
Banco do Brasil - CDB 26.171-8	Financial investment	86	-
		<u>86</u>	<u>-</u>

In the period from January 1 to December 31, 2022, financial investment yields totaled R\$1.

Investments in Bank Deposit Certificates (CDB) comprise securities remunerated from 96% to 101.50% of the Interbank Deposit Certificate (CDI) variation, in 2022 and 2021, which are recorded at the investment value, plus yield earned through the financial information date. Investments are held with first-tier financial institutions.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

4. Inflows and internal transfers of funds in the period

Total funds contributed by the donor for projects’ execution and internal transfers between projects in the period from January 1 to December 31, 2022 were as follows:

Project	Cash inflows	Internal transfers	Total inflows and internal transfers	Date of entry into the Bank	Date of internal transfer in the Bank
Kayapó Fund	-	(828)	(828)	-	05/06/2022
Kayapó Fund	-	(328)	(328)	-	09/23/2022
Total Kayapó Fund	-	(1,156)	(1,156)		
Kayapó Operational	-	828	828	-	05/06/2022
Kayapó Operational	-	328	328	-	09/23/2022
Total Kayapó Operational	-	1,156	1,156		
Amapá Fund	-	(714)	(714)	-	09/06/2022
Amapá Fund - Operational	-	714	714	-	09/06/2022
Funbio Scholarships - Instituto Humanize	500	-	500	01/21/2022	-
Funbio Scholarships - Funbio	500	-	500	12/16/2022	-
Total Funbio Scholarships	1,000	-	1,000		
Exxon Mobil - AMLD	1,000	-	1,000	10/14/2022	-
Amazon Consortium - Embassy of France – Phase II	85	-	85	11/10/2022	-
Total inflows and internal transfers of funds	2,085		2,085		

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on “Certain Projects” (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

5. Execution of funds and transfers (revenue) - Funbio

Funds executed and transfers (revenue) of Funbio, segregated by project, in the period from January 1 to December 31, 2022 and 2021 are presented below:

5.1. Kayapó Operational

	2022	2021
AFP Project - Institutional strengthening towards autonomy	(328)	(655)
Kabu Institute Project - Strengthening income-generating activities	-	(482)
IR Project - Mê Anodjá Taking care of our Kayapó/Metuktire People	(511)	-
IK Project - Defense of the Mekrãgnotí Territory in the deforestation corridor in southwest of Pará	(317)	-
CI-Brazil Project - Technical Proposal for Monitoring Activities Related to the 4th Support Cycle for Kayapó Fund Projects	(76)	(76)
Other expenses	(159)	(6)
Total funds executed	(1,91)	(1,219)
Funbio management	(131)	(133)
Total transfers (revenue) - Funbio	(131)	(133)
Total	(1,522)	(1,352)

5.2. FUNBIO Scholarships - Preserving the Future

	2022	2021
Scholarship - PhD	(1.016)	(922)
Scholarship – Master’s degree	(91)	(122)
Management of Funbio scholarships	(14)	(73)
Total funds executed	(1.121)	(1.117)
Management of Funbio scholarships	-	(31)
Total transfers (revenue) - Funbio	-	(31)
Total	(1.121)	(1.148)

5.3. Exxon Mobil - AMLD

	2022	2021
Golden Lion Tamarin Ecological Park	-	(112)
Golden Lion Tamarin Ecological Park II	(534)	(546)
Golden Lion Tamarin Ecological Park 3	(466)	-
Total funds executed	(1,000)	(658)
Funbio management	(150)	(120)
Total transfers (revenue) - Funbio	(150)	(120)
Total	(1,150)	(778)

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to the financial information on "Certain Projects" (Continued)

Period from January 1 to December 31, 2022

(In thousands of reais, unless otherwise stated)

5. Execution of funds and transfers (revenue) - Funbio (Continued)

5.4. Amapá Fund - Operational

	2022	2021
Support to project	(151)	-
Technical Secretariat	(73)	-
Total funds executed	(224)	-
Financial Manager	(107)	-
Total transfers (revenue) - Funbio	(107)	-
Total	(331)	-

5.5. Abrolhos Terra e Mar Fund (ATM Fund) - Operational

	2022	2021
Support to project	(456)	-

5.6. Amazon Consortium - ICS

	2022	2021
Control of deforestation	(480)	-
Total funds executed	(480)	-
Funbio management	(45)	(23)
Total transfers (revenue) - Funbio	(45)	(23)
Total	(525)	(23)

5.7. Amazon Consortium - Embassy of France

	2022	2021
Control of deforestation	(120)	(25)
Project Operationalization Costs	(1)	-
Total funds executed	(121)	(25)
Other expenses	-	(15)
Total transfers (revenue) - Funbio	-	(15)
Total	(121)	(40)



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Independent auditor's report on compliance with the accounting and financial contractual provisions of "Certain Projects"

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Certain Projects
Rio de Janeiro - RJ

We have audited the financial information for the period from January 1 to December 31, 2022 on Certain Projects ("Certain Projects" or "Projects"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the "Entity"), financed with funds from the financial contribution agreement with various sponsors, and issued our report thereon, dated May 31, 2023.

Our audit was focused on checking whether the contractual provisions directly related to accounting and financial matters of the Projects have been appropriately complied with.

We conducted our audit in accordance with the International Standards on Auditing and the requirements set out in the financial contribution agreement with various sponsors. These standards require that we plan and conduct the audit in order to obtain reasonable assurance that FUNBIO has complied with the clauses set out in the financial contribution agreement with various sponsors. The audit includes review, on a test basis, of the evidence deemed appropriate by us. Accordingly, we believe that our audit provides a reasonable basis for our opinion.

In our opinion, in the period from January 1 to December 31, 2022, FUNBIO complied, in all material respects, with the applicable contractual provisions, of an accounting and financial nature, of the financial contribution agreement entered into with various sponsors.

Rio de Janeiro, May 31, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP015199/F

Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/O



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Independent auditor’s report on the internal control structure of “Certain Projects”

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Certain Projects
Rio de Janeiro - RJ

This report supplements our report on the financial information of Certain Projects (“Certain Projects” or “Projects”).

The executive board of Fundo Brasileiro para a Biodiversidade - FUNBIO, manager of the Projects, is responsible for maintaining an internal control structure sufficient to mitigate the risks of material misstatement in the financial information and protect the assets under custody of the Projects, including the areas constructed and other assets acquired. In order to fulfill this responsibility, the executive board is required to make judgments and estimates to evaluate the expected benefits and costs of the internal control policies and procedures. The objectives of an internal control system are to provide the executive board with reasonable, but not absolute, assurance that assets are protected against losses arising from unauthorized use or disposals, that transactions are carried out in accordance with the executive board’s authorizations and agreement terms, and that they are properly recorded to allow the preparation of reliable financial information. Due to the limitations inherent in any internal control system, errors or irregularities may occur and remain undetected. In addition, the projections of any assessment of the structure of future periods are subject to the risk that the procedures could prove inadequate due to changes in conditions, or that the effectiveness of the design and operation of the policies and procedures could deteriorate.

In planning and conducting our audit of the financial information on Certain Projects for the period from January 1 to December 31, 2022, we obtained an understanding of the internal control structure and assessed the risk of control to determine our audit procedures, in order to express an opinion on the financial information on the Projects, but not to issue an opinion on the effectiveness of the internal control structure.

Our audit of the Projects for the period from January 1 to December 31, 2022 revealed no significant deficiencies in the design or operation of internal controls that, in our opinion, could significantly affect FUNBIO’s ability to record, process, summarize and report financial information consistently with the executive board’s representations in the financial information of funds received, disbursements made, and accumulated investments.



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A significant deficiency is the condition in which the design or operation of one or more elements of the internal control structure does not reduce to a relatively low level the risk that errors or irregularities may occur in amounts that could be significant in relation to the financial information of the Projects, and that could not be detected on a timely basis by FUNBIO employees in the ordinary course of the duties assigned thereto.

Our consideration of the internal control structure does not necessarily expose all matters of that system that could be considered significant deficiencies and, therefore, should not necessarily expose all conditions to be reported that could be considered significant deficiencies, according to the definition above.

Rio de Janeiro, May 31, 2023.

ERNST & YOUNG
Auditores Independentes S/S Ltda
CRC-SP015199/F


Beatriz Gonçalves de Moraes Nicolaci

Accountant CRC-RJ091370/O