

Financial Information

Fundo Brasileiro para a Biodiversidade - FUNBIO

From January 1 to December 31, 2023
with Independent auditor's report on financial information on
Eastern Amazon Fund

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial Information on Project Eastern Amazon Fund

From January 1 to December 31, 2023

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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 Project Eastern Amazon Fund

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Project Eastern Amazon Fund
Rio de Janeiro - RJ

Opinião

We have audited the financial information on Project Eastern Amazon Fund ("FAO" or "Project"), 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, 2023, as well as the corresponding notes to the financial statements, as well as the corresponding notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying Projects' Financial Information for the period from January 1 to December 31, 2023 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 this 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 executive board and Project funders, and should not be distributed or used by other parties. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial information

Management is responsible for preparing the financial information in accordance with the contracts entered into between the parties and with the cash receipt and disbursement basis of accounting described in Note 2, and for the internal controls as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Project'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 the management either intends to liquidate the Project or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial information

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.

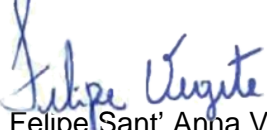
As part of the audit conducted in accordance with the Brazilian and International Standards on Auditing, and the specific audit requirements set out in the clauses of the financial contribution from various sponsors, as described in Note 1, we exercise professional judgment and maintain professional 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 management.
- Concluded on the appropriateness of management'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 Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 future conditions may cause the Project to cease to continue as a going concern.
- Evaluated 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 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 identify during our audit.

Rio de Janeiro, May 29, 2024.

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



Felipe Sant' Anna Vergete
Accountant CRC-RJ106842/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 Project Eastern Amazon Fund

From January 1 to December 31, 2023

(In thousands of reais, unless otherwise stated)

Changes in Project Eastern Amazon Fund, funds in the period from January 1 to December 31, 2023 and 2022 are presented below:

	Notes	FAO-TAC JBS 2023	FAO-TAC JBS 2022	FAO-TAE IMERYS 2023	FAO-TAE IMERYS 2022	FAO-ICS 2023	FAO-ICS 2022	FAO-MOORE 2023	FAO-MOORE 2022
Project balance at beginning of period		5,242,716.32	-	5,247,405.27	-	413,063.22	-	13,899,456.77	-
Cash inflows	4	-	5,000,000.00	-	5,000,000.00	-	334,000.00	5,815,200.00	13,939,000.00
Financial investment yields, net (*)	3	475,940.04	418,267.74	561,229.09	367,562.89	21,941.56	1,769.78	1,523,617.49	13,974.97
Finance costs	3	(6.80)	(19.80)	(3.40)	(153.00)	(752.50)	(511.60)	(22,886.56)	(53,518.20)
Funds executed	5	(2,173,285.27)	(175,531.62)	(258,633.90)	(120,004.62)	(151,508.63)	(25,967.08)	(354,796.06)	-
Funbio advance	4	-	-	-	-	(100,000.00)	100,000.00	-	-
Other transfers		-	-	-	-	(3,772.12)	3,772.12	-	-
Project balance at end of period	3	3,545,364.29	5,242,716.32	5,549,997.06	5,247,405.27	178,971.53	413,063.22	20,860,591.64	13,899,456.77

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

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund
From January 1 to December 31, 2023
(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.

It is a private operational and financial mechanism aimed at strengthening public policies and social initiatives established with a focus on the environment and the sustainable development of the state.

Created by the government of Pará in 2019, through Decree No. 346, FAO aims to mobilize private resources to support actions in connection with Plano Estadual Amazônia Agora - PEAA (Amazon Now State Plan) and operates in synergy with the State Policy on Climate Change (PEMC) in combating deforestation and the decarbonization of economic activities in Pará.

FAO - TAC JBS

Consent Decree entered into on February 14, 2022 between the Federal Prosecutor's Office (MPF) and JBS, with the intermediation of the State Department of Environment and Sustainability of Pará (SEMAS/PA) and Fundo Brasileiro para a Biodiversidade (Funbio), which provided for the allocation of R\$5 million reais to State Environmental Fund for the implementation of the CAR 2.0 project developed by the State Department of Environment and Sustainability of Pará with the aim of automating and gaining agility in the analysis of the Rural Environmental Registry.

FAO - TAE IMERYYS PA

On March 31, 2022, the State Government, through the State Office of the Attorney-General of the Public Finances of Pará (PGE-PA) and the State Department of Environment and Sustainability of Pará (SEMAS/PA), entered into with Imerys Rio Capim Caulim S.A. (IRCC) and Pará Pigmentos S.A. (PPSA) an Out-of-Court Agreement ("TAE"), with the intermediation of Funbio, as the manager of the Eastern Amazon Fund (FAO). As part of the foreseen legal obligations, the amount of R\$5 million reais was allocated to FAO, in order to support public policies for the environment and local development in Pará state, in line with the priority areas of the fund operation.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund (Continued)
From January 1 to December 31, 2023
(In thousands of reais, unless otherwise stated)

1. Operations (Continued)

FAO - ICS

Developed from a partnership between Instituto Clima e Sociedade - ICS (Climate and Society Institute) and the State Department of Environment and Sustainability of Pará (SEMAS/PA), to strengthen and boost the Eastern Amazon Fund (FAO), the project aims to develop the bases for carrying out consistent funding and with defined priorities to support the public policies prioritized by the FAO, notably the State Policy on Climate Change of Pará (PEMC/PA) and the Amazon Now State Plan (PEAA).

FAO - MOORE

The “Project for conservation and sustainable production in new protected areas in Pará: the case of Quilombola territories”, aims to create at least 200,000 hectares through the formal designation of Quilombola Territories and/or Sustainable Use Reserves, and development of territorial planning instruments and technical and financial support for sustainable production activities.

2. Material accounting practices

Basis of preparation and general information

This financial information has been prepared based 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.

This financial information is presented in Brazilian reais (R\$), which is the Entity’s functional currency. All financial information presented in reais, unless otherwise stated.

This financial information was approved for issue by the Entity’s management on May 29, 2024.

3. Funds available

FAO - TAC JBS

From January 1 to December 31, 2023 and 2022, the balance remaining in the checking account is as follows:

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund (Continued)
From January 1 to December 31, 2023
(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

FAO - TAC JBS (Continued)

Description	Type	12/31/2023	12/31/2022
Banco do Brasil - 26716-3	Checking account	396.46	25.94
Banco do Brasil - 26716-3 - Fixed income	Financial investment	3,027,080.52	2,726,104.66
Banco do Brasil - 26716-3 - CDB	Financial investment	517,887.31	2,516,585.72
Total funds available		3,545,364.29	5,242,716.32

In the period from January 1 to December 31, 2023, net financial investment yield totaled R\$475,940.04 (2022 – R\$418,267.74) and finance costs amounted to R\$6.80 (2022 – R\$19.80).

Financial investments are held in a Fixed Income Fund LP Corporate which guaranteed 100.32% of the CDI and have no redemption period and an insignificant risk of value reduction. It also maintains financial investments in bank deposit certificates - CDBs are represented by titles that guarantee 96% of the CDI variation, in 2023 and 2022, and are recorded at the value of the investment, plus the earnings accrued up to the balance sheet date. The investments are held in a top-tier financial institution.

FAO - TAE IMERY'S PA

From January 1 to December 31, 2023 and 2022, the balance remaining in the checking account is as follows:

Description	Type	12/31/2023	12/31/2022
Banco do Brasil - 26760-0	Checking account	6.35	141.65
Banco do Brasil - 26760-0 - Fixed income	Financial investment	3,592,075.43	3,234,923.39
Banco do Brasil - 26760-0 - CDB	Financial investment	1,957,915.28	2,012,340.23
Total funds available		5,549,997.06	5,247,405.27

In the period from January 1 to December 31, 2023, net financial investment yield totaled R\$561,229.09 (2022 – R\$367,562.89) and finance costs amounted to R\$3.40 (2022 – R\$153.00).

Financial investments are held in a Fixed Income Fund LP Corporate which guaranteed 100.32% of the CDI and have no redemption period and an insignificant risk of value reduction. It also maintains financial investments in bank deposit certificates - CDBs are represented by titles that guarantee 96% of the CDI variation, in 2023 and 2022, and are recorded at the value of the investment, plus the earnings accrued up to the balance sheet date. The investments are held in a top-tier financial institution.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund (Continued)
From January 1 to December 31, 2023
(In thousands of reais, unless otherwise stated)

3. Funds available (Continued)

FAO - ICS

From January 1 to December 31, 2023 and 2022, the balance remaining in the checking account is as follows:

Description	Type	12/31/2023	12/31/2022
Banco do Brasil - 26170-X	Checking account	101.17	318,320.40
Banco do Brasil - 26170-X - CDB	Financial investment	178,870.36	94,742.82
Total funds available		178,971.53	413,063.22

In the period from January 1 to December 31, 2023, net financial investment yield totaled R\$21,941.56 (2022 - R\$1,769.78) and finance costs amounted to R\$752.50 (2022 – R\$511.60).

Financial investments in bank deposit certificates - CDBs are represented by titles that guarantee 96% of the CDI variation, in 2023 and 2022, and are recorded at the value of the investment, plus the earnings accrued up to the balance sheet date. The investments are held in a top-tier financial institution.

FAO – MOORE

From January 1 to December 31, 2023 and 2022, the balance remaining in the checking account is as follows:

Description	Type	12/31/2023	12/31/2022
Banco do Brasil - 27377-5	Checking account	297.26	-
Banco do Brasil - 27377-5 - Fixed income	Financial investment	7,729,249.86	6,950,291.97
Banco do Brasil - 27377-5 - CDB	Financial investment	13,131,044.52	6,949,164.80
Total funds available		20,860,591.64	13,899,456.77

In the period from January 1 to December 31, 2023, net financial investment yield totaled R\$1,523,617.49 (2022 – 13,974.97) and finance costs amounted to R\$22,886.56 (2022 – R\$53,518.20).

Financial investments are held in a Fixed Income Fund LP Corporate which guaranteed 100.32% of the CDI and have no redemption period and an insignificant risk of value reduction. It also maintains financial investments in bank deposit certificates - CDBs are represented by titles that guarantee 96% of the CDI variation, in 2023 and 2022, and are recorded at the value of the investment, plus the earnings accrued up to the balance sheet date. The investments are held in a top-tier financial institution.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund (Continued)
From January 1 to December 31, 2023
(In thousands of reais, unless otherwise stated)

4. Cash inflows

In the period from January 1 to December 31, 2023, contributions made by the donor totaled FAO - MOORE totaled R\$5,815,200.00, as follows:

	Amounts in R\$	Quotation (*)	Amounts in USD	Inflow date of fund in the bank
2 nd Contribution	5,815,200.00	4.8460	1,200,000.00	11/28/2023

(*) The presented quotation is given according to the exchange contract in Brazilian Reais (R\$) effected on the date of the resource inflow as per the value stipulated in the contract in dollar (USD).

During the period from January 1 to December 31, 2023, the amount of R\$100,000.00 was returned to Funbio as an advance that the Entity had made available for the Project in the fiscal year ended on December 31, 2022.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial Information on Project Eastern Amazon Fund (Continued)

From January 1 to December 31, 2023

(In thousands of reais, unless otherwise stated)

5. Execution of funds

The execution of funds of Project Eastern Amazon Fund, in the period from January 1 to December 31, 2023 and 2022 is presented below:

	FAO- TAC_JBS 2023	FAO- TAC_JBS 2022	FAO - TAE IMERYYS 2023	FAO - TAE IMERYYS 2022	FAO-ICS 2023	FAO-ICS 2022	FAO- MOORE 2023	FAO- MOORE 2022
Digital transformation	1,798,285.24	948.42	-	-	-	-	-	-
Digital transformation and communication	-	-	124,705.35	957.00	-	-	-	-
Strengthening of the FAO	-	-	-	-	76,508.63	-	-	-
Operational expenses	-	-	-	-	-	25,967.08	39,149.71	-
Objective 1 - New protected areas	-	-	-	-	-	-	50,279.03	-
Objective 2 - sSustainable production	-	-	-	-	-	-	21,320.27	-
Management and administration	375,000.03	174,583.20	133,928.55	119,047.62	75,000.00	-	244,047.05	-
Total execution of funds	2,173,285.27	175,531.62	258,633.90	120,004.62	151,508.63	25,967.08	354,796.06	-

Independent auditor's report on compliance with the accounting and financial contractual provisions of Project Eastern Amazon Fund

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Project Eastern Amazon Fund
Rio de Janeiro - RJ

We have audited the financial information for the period from January 1 to December 31, 2023 on the Project Eastern Amazon Fund ("FAO" or "Project"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the "Entity"), various sponsors, as described in Note 1, and issued our report thereon dated May 29, 2024.

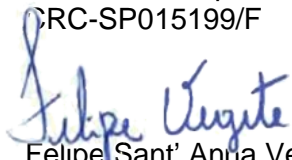
Our audit was focused on checking whether the contractual provisions directly related to accounting and financial matters of the Project Eastern Amazon Fund have been appropriately complied with.

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, 2023, 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, as described in Note 1.

Rio de Janeiro, May 29, 2024.

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



Felipe Sant' Anna Vergete
Accountant CRC-RJ106842/O

Independent auditor's report on the internal control structure of Project Eastern Amazon Fund

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade - FUNBIO
Project Eastern Amazon Fund
Rio de Janeiro - RJ

This report supplements our report on the financial information on the Project Eastern Amazon Fund ("FAO" or "Project").

The executive board of Fundo Brasileiro para a Biodiversidade - FUNBIO, manager of the Project Eastern Amazon Fund, 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 Project, 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 the Project for the period from January 1 to December 31, 2023, 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 Project, but not to issue an opinion on the effectiveness of the internal control structure.

Our audit of the Project for the period from January 1 to December 31, 2023 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.



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 Project, and that could not be detected on a timely basis by FUNBIO employees in the normal 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 29, 2024.

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

A handwritten signature in blue ink, which appears to read 'Felipe Vergete', is placed over the printed name of the accountant.

Felipe Sant' Anna Vergete
Accountant CRC-RJ106842/O