

Financial Statements

Fundo Brasileiro para a Biodiversidade - FUNBIO

Period from January 1 to December 31, 2021

with Independent auditor's report on financial statements of
"Certain Projects managed by Fundo Brasileiro para a
Biodiversidade - FUNBIO"

A free translation from Portuguese into English of Financial Statements

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial statements of “Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO”

Period from January 1 to December 31, 2021

A free translation from Portuguese into English of Financial Statements

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

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

Opinion

We have audited the financial statements of 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, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Project referred to above for the period from January 1 to December 31, 2021 were prepared, in all material respects, in accordance with the agreements signed 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a matter – Basis of preparation and presentation of the financial statements and restriction on distribution or use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting of these financial statements, prepared to assist the Entity in complying with the provisions for preparation of the financial reports of the aforementioned agreement. Consequently, the financial statements may not be appropriate for other purposes. Our report is intended solely for use and information by the Entity's Board of Directors 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 the executive board and those charged with governance for the financial statements

The executive board is responsible for the preparation of the financial statements 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board 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 executive board either intends to terminate the Project, or has no realistic alternative but to do so.

Those charged with Project governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, 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 one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions or misrepresentations.
- 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 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

Rio de Janeiro, May 30, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-SP015199/O-6

A handwritten signature in blue ink, reading 'Beatriz Gonçalves de Moraes Nicolaci'.

Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/0

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial statements of “Certain Projects”
 Period from January 1 to December 31, 2021
 (In thousands of reais, unless otherwise stated)

Changes in “Certain Projects” funds during 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	-	-	-	-	538	-	544	1,200	333	-	-	-	328	156	2,540	5,639
Net yield (*)	1,172	31	41	36	1	1	16	10	4	3,836	3,188	20	7	5	-	8,368
Finance costs	(945)	(5)	(21)	(8)	(1)	-	(1)	-	(2)	(2,777)	(2,465)	-	(1)	(1)	(10)	(6,237)
Foreign exchange differences	-	-	-	-	-	-	-	-	-	743	533	-	-	-	-	1,276
Funds used	-	(1,219)	-	-	(481)	-	(1,117)	(658)	(568)	-	-	-	-	(25)	-	(4,068)
Transfers (FUNBIO revenue)	-	(133)	-	-	(59)	-	(31)	(120)	(14)	-	-	-	(23)	(15)	-	(395)
Disbursements/internal transfers	(1,137)	1,137	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	17,928	604	584	732	-	26	714	544	-	17,867	12,490	477	311	120	2,530	54,927

(*) The amount refers to income from short-term investment, net of income tax to be withheld upon redemption by Funbio.

See accompanying notes.

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Financial statements of "Certain Projects"

Period from January 1 to December 31, 2021

(In thousands of reais, unless otherwise stated)

Changes in "Certain Projects" funds during the period from January 1 to December 31, 2020 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	Total Certain Projects
Balance at beginning of period		19,976	18	551	688	1	31	579	287	-	12,498	9,535	-	44,164
Funds received	4	-	-	-	-	403	-	1,153	500	543	-	-	-	2,599
Net yield (*)	3	802	19	13	18	-	1	7	4	3	2,050	1,429	1	4,347
Finance costs	3	(43)	-	-	(2)	(1)	(1)	(1)	(1)	(4)	(252)	(146)	-	(451)
Foreign exchange differences	3	-	-	-	-	-	-	-	-	-	1,769	1,368	-	3,137
Funds used	5	-	(878)	-	-	(401)	(6)	(435)	(628)	(268)	-	-	(353)	(2,969)
Transfers (FUNBIO revenue)	6	-	(267)	-	-	-	-	-	(50)	(27)	-	-	(143)	(487)
Disbursements/internal transfers	4	(1,897)	1,897	-	-	-	-	-	-	-	-	(952)	952	-
Other transfers		-	4	-	-	-	-	-	-	-	-	-	-	4
Balance at end of period	3	18,838	793	564	704	2	25	1,303	112	247	16,065	11,234	457	50,344

(*) The amount refers to income from short-term investment, net of income tax to be withheld upon redemption by Funbio.

See accompanying notes.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects"
Period from January 1 to December 31, 2021
(In thousands of reais, unless otherwise stated)

A free translation from Portuguese into English of Financial Statements

1. Operations

Fundo Brasileiro Para a Biodiversidade (the "Entity" or "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 be earmarked for effective biodiversity conservation initiatives. The Entity's head office is located at Rua Voluntários da Pátria, nº 286, 5º e 6º andares, Botafogo, city and state of Rio de Janeiro, with facilities in the city of Brasília, Federal District, at SHN Quadra 2, Bloco F, Executive Office Tower, room 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 statements of Certain Projects managed by Fundo Brasileiro para a Biodiversidade - FUNBIO were prepared by the executive board for the period from January 1 to December 31, 2021 in order to inform the sponsors as to the financial execution of these projects, as follows:

1.1. Kayapó Fund and Kayapó Operational

Kayapó Fund ("FK") is an endowment established and designed by FUNBIO to support Kayapó organizations in the long term and increase the capacity of the 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.

Kayapó Operational, in turn, is the operational account of the Project that receives funds from the Kayapó Fund by means of internal transfers, as the Project advances through the phases and requires funds to achieve the proposed objective of supporting the Kayapó organizations and increasing the capacity of the Kayapó Indigenous Lands to maintain their physical integrity.

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.

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Period from January 1 to December 31, 2021
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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. Project to Support R20 activities in Brazil

R20 - Regions of Climate Action is a non-governmental organization founded in 2010 in California, United States of America, that entered into a partnership agreement with FUNBIO for operational support in managing funds contributed by and for R20, consisting of financial asset management to enable receipts and payments of the initial funds of R20 activities in Brazil.

In 2021, the fund balance was executed and, consequently, all financial transactions and bank accounts were closed when the Project term ended.

1.5. Cooperation Agreement between FUNBIO and MMA - Probio II

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

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

1.6. 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.

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1. Operations (Continued)

1.7. Exxon Mobil - AMLD

In 2020, the “Partnership for Implementation of the Golden Lion Tamarin Ecological Park” project was created, to be executed by the Golden Lion Tamarin Association (AMLD) with funds donated by ExxonMobil, to support the implementation of the Golden Lion Tamarin Ecological Park at Fazenda Igarapé, where the forest restoration process was carried out with seedlings of species of the Atlantic Forest, in the city of Silva Jardim, state of Rio de Janeiro. In 2020, the “Forest Restoration for the Conservation of the Golden Lion Tamarin” project performed maintenance and monitoring of the seedlings of native species of the Atlantic Forest planted in 2019.

1.8. Amazon Forest Fund

The Amazon Forest Fund Project aims to ensure the effective coordination and integration of the Amazon Forest Fund initiative across Brazil, with funds donated by Global Wildlife Conservation (“GWC”), by building a shared strategy both to face the impacts already felt by the 2019 forest fires, and to prepare for the 2020 forest fire season. During the 20 months of the project, in addition to supporting projects in the Amazon, other actions were also developed as opportunities in Brazil, such as the development of a new financial mechanism to support new projects in the Amazon in partnership with the European Commission - the Rapid Rescue Facility.

In 2021, the fund balance was executed and, consequently, all financial transactions and bank accounts were closed when the Project term ended.

1.9. 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, which will be transferred to the Fund’s operational account for execution through project calls.

In August 2021, a call was opened for the selection of projects to support family farmers, traditional peoples and communities, through actions to strengthen socio-biodiversity and bioeconomy value chains in protected areas in the state of Amapá.

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1. Operations (Continued)

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

Abrolhos Terra e Mar Fund, formerly known as “Bahia & ES Fund”, is an endowment designed by FUNBIO, with 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.

In 2021, there were no disbursements due to the extension of the Covid-19 pandemic, and the collective construction processes were rethought and replanned, resulting in remote workshops and mentorships. For this same reason, FUNBIO did not conduct in-person monitoring, having followed the activities through virtual meetings.

The Project’s operational account receives funds from the Abrolhos Terra e Mar Fund by means of internal transfers, as the Project advances through the phases and requires funds to achieve the proposed objective of ensuring the viability and sustainability of the Federal Protected Areas of Abrolhos Terra e Mar territory.

1.11. Amazon Consortium

The Interstate Consortium of the Legal Amazon, which started operating in 2021, 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

1.12. REWILD

The project Articulated strategy to face ethno-environmental emergency in the Brazilian Amazon, which began in 2021, is an initiative funded by the international environmental organization ReWild, through the Rapid Rescue Facility Program, with funds from the European Union. Its main purpose is to support traditional communities, indigenous peoples and family farmers impacted by the Covid-19 pandemic.

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1. Operations (Continued)

1.12. REWILD (Continued)

COVID-19 impacts

At the beginning of January 2020, the outbreak of a new virus called COVID-19 was identified. The Brazilian Ministry of Health reported the first case registered in the country on February 25, 2020, in the city of São Paulo. Due to the speed of contamination and the growing number of infected people, on March 11, 2020, COVID-19 was classified by the World Health Organization (WHO) as a pandemic.

Due to the impacts of the pandemic, since March 18, 2020, a series of measures have been taken to protect the health and safety of the Entity's employees. Project management, financial management, and the management of disbursements, acquisitions and hiring were less impacted. However, those actions that depend on personnel mobility, such as travel, field monitoring and local tasks were reduced or postponed.

FUNBIO monitored COVID-19-related developments in 2020, and in 2021, continued the remote work regime, coordinating its operational actions based on the existing business continuity plans and on the guidance from global and local health organizations, Federal, State and Municipal Governments, and general best practices for crisis management.

FUNBIO considers that so far there has been no significant changes in the fair value of its assets and liabilities brought about by the COVID-19-related restrictions.

2. Significant accounting practices

Basis of preparation and general information

The financial statements of the Projects were prepared on a receipt and payment accounting base, whereby revenues are recognized upon receipt of funds (resources) and expenses are recorded when they effectively represent expenses paid in cash (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.

These financial statements are presented in Brazilian reais, which is FUNBIO's functional currency. All financial information presented in thousands of reais was rounded to the nearest amount, unless otherwise stated.

The Entity's executive board approved the issue of these financial statements on May 30, 2022.

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects" (Continued)
Period from January 1 to December 31, 2021
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3. Funds available

In the period from January 1 to December 31, 2021 and 2020, the remaining balances, segregated by project, in the checking accounts are broken down as follows:

3.1. Kayapó Fund

Description	Type	2021	2020
Itaú Private – 013.548-6 - Efficax	Financial investment	12,916	12,563
Itaú Pragma – 89.239-9 – Fixed and Variable Income	Financial investment	5,012	6,275
		<u>17,928</u>	<u>18,838</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$1,172 (R\$802 in 2020) and finance costs amounted to R\$945 (R\$43 in 2020).

The investments of the Kayapó Fund, managed by FUNBIO through Pragma Patrimônio, 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 Bonds – National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed bonds.

3.2. Kayapó Operational

Description	Type	2021	2020
Banco do Brasil - CDB 28.686-9	Financial investment	604	793
		<u>604</u>	<u>793</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$31 (R\$19 in 2020) and finance costs amounted to R\$5.

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 96% to 97% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.3. Adoption of parks

Description	Type	2021	2020
Banco do Brasil - CDB 28.711-3	Financial investment	584	564
		<u>584</u>	<u>564</u>

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3. Funds available (Continued)

3.3. Adoption of parks (Continued)

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$41 (R\$13 in 2020) and finance costs amounted to R\$21.

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 98.50% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed between 90 and 180 days, and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.4. Fauna Fund Portfolio

Description	Type	2021	2020
Itaú - 01677-4 - CDB	Financial investment	584	563
Itaú - 01677-4 - Private Exclusive FIC	Financial investment	148	141
		<u>732</u>	<u>704</u>

In the period from January 1 to December 31, 2021, net income from short-term investments totaled R\$36 (R\$18 in 2020) and finance costs amounted to R\$8 (R\$2 in 2020).

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 97,50% to 101% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.5. Project to Support R20 activities in Brazil

Description	Type	2021	2020
Banco do Brasil - 28.950-7	Checking account	-	2
		<u>-</u>	<u>2</u>

In the period from January 1 to December 31, 2021, net income totaled R\$1 and finance costs amounted to R\$1 (R\$1 in 2020).

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3. Funds available (Continued)

3.6. Cooperation Agreement between FUNBIO and MMA - Probio II

Description	Type	2021	2020
Banco do Brasil - CDB 130.239-6	Financial investment	26	25
		<u>26</u>	<u>25</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$1 (R\$1 in 2020) and no finance costs were recorded (R\$1 in 2020).

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 96% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.7. FUNBIO Scholarships - Preserving the Future

Description	Type	2021	2020(*)
Banco do Brasil – CDB 24.128-8	Financial investment	714	1,303
		<u>714</u>	<u>1,303</u>

(*) The amount of R\$1,303 comprises: R\$1,153 that was held in financial investments in account 24.128-8 of the Project as of December 31, 2020 and R\$153 referring to inflow of funds from Eurofins Agrosciences Services Ltda. on December 24, 2020 in Funbio's administrative account and which was transferred to the Project account on January 5, 2021. For being a Project balance, this amount was considered a contribution of funds in the balance as of December 31, 2020.

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$16 (R\$7 in 2020) and finance costs amounted to R\$1 (R\$1 in 2020).

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 96% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.8. Exxon Mobil - AMLD

Description	Type	2021	2020
Banco do Brasil - RF LP Corporate 24.900-9	Financial investment	543	112
		<u>543</u>	<u>112</u>

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3. Funds available (Continued)

3.8. Exxon Mobil - AMLD (Continued)

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$10 (R\$4 in 2020) and no finance costs were recorded (R\$1 in 2020).

Financial investments are held in the Fixed Income Fund LP Corporate, which ensured income of 112.21% of the CDI. Financial investments may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.9. Amazon Forest Fund

Description	Type	2021	2020
Banco do Brasil - CDB 25.537-8	Financial investment	-	247
		<u>-</u>	<u>247</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$4 (R\$3 in 2020) and finance costs amounted to R\$2 (R\$4 in 2020).

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 97% of the Interbank Deposit Certificate (CDI) variation, with an average redemption term of 6 years and with insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.10. Amapá Fund

Description	Type	2021	2020
Itaú Private – 17.414-7	Checking account	1	-
Itaú Private – 17.414-7 - Efficax	Financial investment	350	219
Itaú Private – 17.414-7 - World Equities FIC	Financial investment	-	1,002
Itaú Pragma – 96.669-8 – Fixed and Variable Income	Financial investment	5,626	5,697
BNP Paribas Osmosis Global - 1084425 - Equity	Financial investment	914	-
Julius Bär - 0600.6870	Financial investment	10,976	9,147
		<u>17,867</u>	<u>16,065</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$3,836 (R\$2,050 in 2020) and finance costs amounted to R\$2,777 (R\$252 in 2020). Exchange differences totaled R\$743 (R\$1,769 in 2020).

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3. Funds available (Continued)

3.10. Amapá Fund (Continued)

The investments of Amapá 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 Bonds – National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed bonds.

3.11. Abrolhos Terra e Mar Fund (ATM Fund)

Description	Type	2021	2020
Itaú Pragma – 15.874-0	Checking account	3,474	3,534
Itaú Private – 02.077-9 - Efficax FI	Financial investment	231	166
Itaú Private – 02.077-9 - WORLD EQUITIES FIC	Financial investment	-	599
Julius Bär - 0600.6869	Financial investment	8,218	5,384
BNP Paribas – 1084424 - Osmosis Global	Financial investment	567	-
Itaú Miami - 6086720 - UNITS BLACKROCK GLOBAL	Amounts in transit ¹	-	1,551
		12,490	11,234

(1) On November 9, 2020, a transfer was made from account Itaú Miami CC 6086720 - ABROLHOS Fund - UNITS BLACKROCK GLOBAL in the amount of R\$1,550 to account Julius Bär 0600.6869. However, this amount remained in transit and was only regularized in the account on February 5, 2021.

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$3,188 (R\$1,429 in 2020) and finance costs amounted to R\$2,465 (R\$146 in 2020). Exchange differences totaled R\$533 (R\$1,368 in 2020).

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 Bonds – National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed bonds.

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

Description	Type	2021	2020
Banco do Brasil - CDB 130.124-1	Financial investment	477	457
		477	457

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$20 (R\$1 in 2020).

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects" (Continued)
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(In thousands of reais, unless otherwise stated)

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3. Funds available (Continued)

3.12. Abrolhos Terra e Mar Fund (ATM Fund) – Operational (Continued)

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 97% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 6 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

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

Description	Type	2021
Banco do Brasil - CDB 25.877-6	Financial investment	311
		<u>311</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$7 and finance costs amounted to R\$1.

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 96% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.14. Amazon Consortium - Embassy of France

Description	Type	2021
Banco do Brasil - CDB 26.171-8	Financial investment	120
		<u>120</u>

In the period from January 1 to December 31, 2021, net income from financial investments totaled R\$5 and finance costs amounted to R\$1.

Investments in Bank Deposit Certificates (CDB) comprise bonds remunerated at 96% of the Interbank Deposit Certificate (CDI) variation, which may be redeemed in up to 5 years and pose insignificant risk of reduction in value. Investments are held with first-tier financial institutions.

3.15. REWILD

Description	Type	2021
Banco do Brasil - 26.351-6	Checking account	2,530
		<u>2,530</u>

In the period from January 1 to December 31, 2021, finance costs amounted to R\$10.

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Notes to financial statements of "Certain Projects" (Continued)

Period from January 1 to December 31, 2021

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4. Inflows and internal transfers of funds in the period

Total funds contributed by the donor for project execution and internal transfers between projects during the period from January 1 to December 31, 2021 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	-	(655)	(655)	-	02/22/2021
Kayapó Fund	-	(482)	(482)	-	09/08/2021
Total Kayapó Fund	-	(1,137)	(1,137)		
Kayapó Operational	-	655	655	-	02/22/2021
Kayapó Operational	-	482	482	-	09/08/2021
Total Kayapó Operational	-	1,137	1,137		
R20 - CLIMATE ACTION MEMBERSHIP DA ELETROBRÁS	270	-	270	02/05/2021	-
R20 – CITY OF SÃO CARLOS	8	-	8	05/07/2021	-
R20 - PETROBRAS DISBTRIBUIDORA	260	-	260	07/20/2021	-
Total - R20	538	-	538		
Funbio Scholarships - Instituto Humanize	500	-	500	10/14/2021	-
Funbio Scholarships - Funbio	44	-	44	11/22/2021	-
Total Funbio Scholarships	544	-	544		
Exxon Mobil - AMLD	1,200	-	1,200	10/08/2021	-
Total Exxon Mobil - AMLD	1,200	-	1,200		
Amazon Forest Fund	333	-	333	03/09/2021	-
Total Amazon Forest Fund	333	-	333		
Amazon Consortium - ICS	164	-	164	05/13/2021	-
Amazon Consortium - ICS	164	-	164	10/19/2021	-
Total Amazon Consortium - ICS	328	-	328		
Amazon Consortium - Embassy of France	156	-	156	05/21/2021	-
Total Amazon Consortium – Embassy of France	156	-	156		
REWILD	2,540	-	2,540	12/23/2021	-
Total REWILD	2,540	-	2,540		
Total inflows and internal transfers of funds	5,639	-	5,639		

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects" (Continued)
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 (In thousands of reais, unless otherwise stated)

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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, 2021 are presented below:

5.1. Kayapó Operational

	<u>2021</u>	<u>2020</u>
AFP Project - Institutional strengthening towards autonomy	(655)	-
Kabu Institute Project - Strengthening income-generating activities	(482)	-
IR Project - Mẽ Anodjá Taking care of our Kayapó/Metuktire People	-	(474)
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 4 th Support Cycle for Kayapó Fund Projects	(76)	(76)
Other expenses	(6)	(11)
Total funds executed	<u>(1,219)</u>	<u>(878)</u>
Other expenses	(133)	(267)
Total transfers (revenue) - Funbio	<u>(133)</u>	<u>(267)</u>
Total	<u>(1,352)</u>	<u>(1,145)</u>

5.2. R20

	<u>2021</u>	<u>2020</u>
Implementation of R20 in Brazil	(481)	(401)
Total funds executed	<u>(481)</u>	<u>(401)</u>
Funbio management	(59)	-
Total transfers (revenue) - Funbio	<u>(59)</u>	<u>-</u>
Total	<u>(540)</u>	<u>(401)</u>

5.3. Cooperation Agreement between FUNBIO and MMA - Probio II

	<u>2021</u>	<u>2020</u>
Execution – MMA balance	-	(6)
Total funds executed	<u>-</u>	<u>(6)</u>

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects" (Continued)
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 (In thousands of reais, unless otherwise stated)

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

5.4. FUNBIO Scholarships - Preserving the Future

	<u>2021</u>	<u>2020</u>
Scholarship - PhD	(922)	(350)
Scholarship – Master’s degree	(122)	(76)
Management of Funbio scholarships	(73)	(9)
Total funds executed	<u>(1,117)</u>	<u>(435)</u>
Management of Funbio scholarships	(31)	-
Total transfers (revenue) - Funbio	<u>(31)</u>	<u>-</u>
Total	<u>(1,148)</u>	<u>(435)</u>

5.5. Exxon Mobil - AMLD

	<u>2021</u>	<u>2020</u>
Golden Lion Tamarin Association (AMLD)	-	(289)
Golden Lion Tamarin Ecological Park	(112)	(339)
Golden Lion Tamarin Ecological Park II	(546)	-
Total funds executed	<u>(658)</u>	<u>(628)</u>
Funbio management	(120)	(50)
Total transfers (revenue) - Funbio	<u>(120)</u>	<u>(50)</u>
Total	<u>(778)</u>	<u>(678)</u>

5.6. Amazon Forest Fund

	<u>2021</u>	<u>2020</u>
Engagement of consultant	(565)	(268)
Reimbursement of travel expenses	(3)	-
Total funds executed	<u>(568)</u>	<u>(268)</u>
Funbio management	(14)	(27)
Total transfers (revenue) - Funbio	<u>(14)</u>	<u>(27)</u>
Total	<u>(582)</u>	<u>(295)</u>

Fundo Brasileiro para Biodiversidade - FUNBIO

Notes to financial statements of "Certain Projects" (Continued)
Period from January 1 to December 31, 2021
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5. Execution of funds and transfers (revenue) – Funbio (Continued)

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

	<u>2021</u>	<u>2020</u>
Support to project	-	187
Technical Secretariat	-	166
Total funds executed	<u>-</u>	<u>(353)</u>
Financial Manager	-	(143)
Total transfers (revenue) - Funbio	<u>-</u>	<u>(143)</u>
Total	<u>-</u>	<u>(496)</u>

5.8. Amazon Consortium - ICS

	<u>2021</u>
Financial management - Funbio	<u>(23)</u>
Total transfers (revenue) - Funbio	<u>(23)</u>

5.9. Amazon Consortium - Embassy of France

	<u>2021</u>
Control of deforestation	<u>(25)</u>
Total funds executed	<u>(25)</u>
Other expenses	<u>(15)</u>
Total transfers (revenue) - Funbio	<u>(15)</u>
Total	<u>(40)</u>

5.10. Projects for which no execution of funds took place in the period



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

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

We have audited the financial statements of Certain Projects ("Certain Projects" or "Projects"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO ("Entity"), financed with funds from the financial contribution agreement with various sponsors, and issued our report thereon, dated May 30, 2022.

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 International Standards on Auditing and the requirements set out in the agreements entered into between the Entity and the various sponsors. These standards require that we plan and conduct the audit in order to obtain reasonable assurance that FUNBIO has complied with the terms set out in the agreement entered into between the Entity and the 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, 2021, FUNBIO complied, in all material respects, with the applicable contractual provisions, of an accounting and financial nature, of the agreement entered into between the Entity and the various sponsors.

Rio de Janeiro, May 30, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6


Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/0



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

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

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

The executive board of Fundo Brasileiro para a Biodiversidade - FUNBIO, which manages Certain Projects, is responsible for maintaining an internal control structure sufficient to mitigate the risks of material misstatement in the financial statements 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 statements. 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 statements of Certain Projects for the period from January 1 to December 31, 2021, we obtained an understanding of the internal control structure and assessed the risk of controls to determine our audit procedures, in order to express an opinion on the financial statements of the Projects, but not to issue an opinion on the effectiveness of the internal control structure.

Our audit of Certain Projects for the period from January 1 to December 31, 2021 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 statements of funds received, disbursements made, and investments accumulated.



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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 statements of the Projects, 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 30, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6


Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/0