

## **Financial Information**

### **Fundo Brasileiro para a Biodiversidade - FUNBIO**

Period from July 1, 2023 to June 30, 2024

With Independent Auditor's Report on Financial Information of  
Project "COPAIBAS - Projeto Comunitário, Unidades de  
Conservação e Povos Indígenas na Amazônia e Cerrado  
Brasileiro"

## Fundo Brasileiro para a Biodiversidade - FUNBIO

### Financial Information of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro”

Period from July 1, 2023 to June 30, 2024

#### Contents

Independent auditor’s report on financial information of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” .....	1
Financial information of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” .....	4
Notes to the financial information of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” .....	5
Independent auditor’s report on compliance with the accounting and financial contractual provisions of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” .....	9
Independent auditor’s report on the internal control structure of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” .....	10

A free translation from Portuguese into English of Independent Auditor's Report on Financial Information prepared in accordance with the contracts entered into between the parties and the cash receipt and disbursement basis of accounting

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## **Independent auditor's report on financial information of Project "COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro"**

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

### **Opinion**

We have audited the financial information of Project "COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro" ("Project" or "COPAIBAS"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the "Entity"), funded by the Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Brazil, for the period from July 1, 2023 to June 30, 2024, and notes to the financial information, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial information of the Project for the period from July 1, 2023 to June 30, 2024 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 *Auditor's responsibilities for the audit of the financial information* 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, 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 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 basis of accounting of this financial information, prepared to assist the Entity in complying with the provisions for preparation of 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 management 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 the preparation of the financial information in accordance with the contracts entered into between the parties and the cash receipt and disbursement basis of accounting described in Note 2, and for such internal control as management 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, 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 management either intends to liquidate the Project, or has no realistic alternative but to do so.

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

## **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 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 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 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.

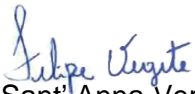
### **Auditor's responsibilities for the audit of the financial information--Continuação**

- 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 Entity'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 auditor's report. However, future events or future conditions may cause the Entity to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represents 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, August 13, 2024.

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



Felipe Sant'Anna Vergete  
Accountant CRC-RJ106842/O

## Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project Copaíbas  
 Period from July 1, 2023 to June 30, 2024  
 (In thousands of reais, unless otherwise stated)

Changes in the funds of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” in the periods from July 1, 2023 to June 30, 2024 and from July 1, 2022 to June 30, 2023 are as follows:

	Notes	07/01/2023 to 06/30/2024	07/01/2022 to 06/30/2023	Accumulated (**)
Project balance at beginning of period		18,620	12,094	-
Cash inflows	4	27,251	28,782	79,484
Net investment income (*)	3	2,497	1,698	5,087
Finance costs	3	(118)	(123)	(247)
Funds executed	5	(32,051)	(23,896)	(68,124)
Other adjustments		24	65	23
<b>Project balance at end of period</b>	3	<b>16,223</b>	18,620	16,223

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

(\*\*) The accumulated amounts refer to the period from June 5, 2020 to June 30, 2024.

See accompanying notes.

# Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "COPAIBAS"

Period from July 1, 2023 to June 30, 2024

(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, 5<sup>th</sup> and 6<sup>th</sup> 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.

Copaíbas is a FUNBIO project enabled by resources from the Norwegian Ministry of Foreign Affairs (MFA). The project started on June 5, 2020 and has a duration of six years, the first of which dedicated to the preparation of the initiatives that will be carried out in the following five years. Copaíbas aims to reduce the deforestation rate in the Brazilian Amazon and *Cerrado*. The project's deadline was extended to December 30, 2027. The first contribution made by the donor took place on July 10, 2020.

## 2. Material accounting practices

### Basis of preparation and general information

The financial information was prepared on a cash receipt and disbursement basis of accounting, whereby revenues are recognized upon receipt of funds (resources) and expenses are recorded 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 as 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 thousands of reais was rounded to the nearest thousand, unless otherwise stated.

This financial information was approved for issue by the Entity's management on August 13, 2024.

## Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "COPAIBAS" (Continued)

Period from July 1, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

### 3. Funds available

From July 1, 2023 to June 30, 2024, the remaining checking account balance is broken down as follows:

Description	Type	06/30/2024	06/30/2023
Banco do Brasil – 25589-0	Checking account	3	-
Banco do Brasil – 25589-0	Financial investment	16,220	18,620
<b>Total</b>		<b>16,223</b>	<b>18,620</b>

In the period from July 1, 2023 to June 30, 2024, net income from financial investments totaled R\$2,497 (R\$1,698 as at June 30, 2023) and finance costs totaled R\$118 (R\$123 as at June 30, 2023).

Financial investments in bank deposit certificates (CDBs) are represented by securities that ensure 96% to 99% of the interbank deposit certificate (CDI) fluctuation, and are redeemable within 60 months with an insignificant risk of decrease in value. Investments are held with first-tier financial institutions.

Financial investments are held in Fundo Renda Fixa LP Corporate, at 106.50% of the CDI. They have no redemption term and are subject to an insignificant risk of decrease in value. Investments are held with first-tier financial institutions.

### 4. Cash inflows

Total funds contributed by the donor for the execution of the Project in the period from July 1, 2023 to June 30, 2024 were as follows:

	Amounts in thousands of NOK	Exchange (*)	Amounts in thousands of R\$	Date of cash inflow
5 <sup>th</sup> Contribution - Royal Norwegian Embassy – BB 25.589-0	59,113	2.1692	27,251	09/18/2023

(\*) This quotation is based on the foreign exchange contract in Reais (R\$) entered into on the cash inflow date according to the contract in Norwegian krone (NOK). The amounts are an approximation, since they were rounded to be presented in thousands of Norwegian kroner and Brazilian reais.

Considering the period from June 5, 2020 to June 30, 2024, total accumulated funds contributed by the donor for the execution of the project were as follows:



## Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "COPAIBAS" (Continued)

Period from July 1, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

### 4. Cash inflows (Continued)

	Funds contributed			Date of cash inflow
	Amounts in NOK (thousands)	Exchange (*)	Amounts in R\$ (thousands)	
1 <sup>st</sup> Contribution - Royal Norwegian Embassy	9,036	1.8034	<b>5,011</b>	07/10/2020
2 <sup>nd</sup> Contribution - Royal Norwegian Embassy	7,673	1.7285	<b>4,439</b>	08/16/2021
3 <sup>rd</sup> Contribution - Royal Norwegian Embassy	21,979	1.5698	<b>14,001</b>	11/26/2021
4 <sup>th</sup> Contribution - Royal Norwegian Embassy	55,297	1.9212	<b>28,782</b>	11/17/2022
5 <sup>th</sup> Contribution - Royal Norwegian Embassy	59,113	2.1692	<b>27,251</b>	09/18/2023
<b>Total</b>	<b>153,098</b>		<b>79,484</b>	

(\*) This quotation is based on the foreign exchange contract in Reais (R\$) entered into on the cash inflow date according to the contract in Norwegian krone (NOK). The amounts are an approximation, since they were rounded to be presented in thousands of Norwegian kroner and Brazilian reais.

### 5. Fund execution

Funds executed of Project "COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro" in the period from July 1, 2023 to June 30, 2024 are as follows:

Components	07/01/2023 to 06/30/2024	07/01/2022 to 06/30/2023	Accumulated (*)
Project startup	-	66	448
Outcome 1- Strengthening the subsystem of protected areas of the <i>Cerrado</i>	<b>10,549</b>	10,081	22,397
Outcome 2 - Strengthening the territorial management of indigenous peoples	<b>5,988</b>	3,852	10,199
Outcome 3 - Communication - climate change and conservation	<b>790</b>	1,101	2,323
Outcome 4 - Value chains and local production arrangements	<b>11,416</b>	2,801	14,339
External audit	<b>185</b>	331	522
Funbio management	<b>2,937</b>	3,436	12,697
Administrative costs	<b>186</b>	2,228	5,199
<b>Grand Total</b>	<b>32,051</b>	<b>23,896</b>	<b>68,124</b>

(\*) The accumulated amounts refer to the period from June 5, 2020 to June 30, 2024.

## Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "COPAIBAS" (Continued)

Period from July 1, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

### 6. Service agreements

From July 1, 2023 to June 30, 2024, the following service agreements were entered into in Brazilian reais:

<b>CEDOC Contract No.</b>	<b>Status</b>	<b>Supplier</b>	<b>Beginning date (Original)</b>	<b>End date (Original)</b>	<b>Amounts in R\$ (thousands)</b>
211/2023	IN EFFECT	Agência Febre Comunicação e Produção Cultural Ltda	10/25/2023	07/24/2026	624
173/2023	IN EFFECT	ALIANÇA DA TERRA	09/20/2023	10/31/2024	380
089/2024	IN EFFECT	AUGUSTO MILAGRES E GOMES (ANDIRA IMAGENS)	05/06/2024	09/06/2024	17
213/2023	COMPLETED	CONTINENTAL SOLUCOES AMBIENTAIS S/S LTDA	11/08/2023	07/17/2024	79
166/2023	IN EFFECT	ECOSOUL	07/31/2023	05/09/2025	1,490
145/2023	IN EFFECT	ECOSUL	06/23/2023	10/15/2024	403
172/2022	IN EFFECT	Fixe Soluções para Eventos	09/16/2022	11/01/2024	362
109/2023	IN EFFECT	Frederico de Sá Senna Prates	05/12/2023	09/23/2024	97
220/2023	IN EFFECT	FS - FUTUROS SUSTENTAVEIS	08/25/2023	03/31/2025	142
224/2023	IN EFFECT	ICOSTA CONSULTORIA LTDA	11/21/2023	12/05/2024	106
244/2022	IN EFFECT	Instituto Intern Educ do Brasil - IIEB	12/01/2022	10/18/2024	647
141/2023	IN EFFECT	Reinaldo Ferreira de Sá	06/20/2023	10/18/2024	15
091/2024	IN EFFECT	Luxdev Design	05/08/2024	08/06/2025	38
038/2024	IN EFFECT	Marcos Roberto Pinheiro	02/27/2024	02/01/2025	82
025/2024	IN EFFECT	Plantuc Consultoria Socioambiental	02/19/2024	12/15/2024	277
195/2023	IN EFFECT	Plantuc Consultoria Socioambiental	09/12/2023	02/13/2025	1,096
024/2024	IN EFFECT	Plantuc Consultoria Socioambiental (Serra Azul)	02/05/2024	02/19/2025	503
048/2023	IN EFFECT	RAIZ INTELIGENCIA AMBIENTAL	02/23/2023	09/23/2024	73
130/2023	IN EFFECT	Remar - Remando Junto com as Comunidades	06/14/2023	02/11/2026	279
093/2024	IN EFFECT	Rogério Fábio Bittencourt Cabral	05/11/2024	08/29/2024	109
173/2022	IN EFFECT	Saberes Populares Ltda	10/07/2022	12/26/2024	141
050/2024	IN EFFECT	SKG Design & Comunicação Ltda	04/08/2024	06/07/2025	18
032/2024	IN EFFECT	STCP - Engenharia de Projetos Ltda	02/26/2024	12/07/2025	882
135/2023	IN EFFECT	STCP - Engenharia de Projetos Ltda	06/23/2023	09/06/2024	498
127/2022	IN EFFECT	Sunny Traduções	08/09/2022	09/30/2024	51
125/2024	IN EFFECT	Thaise Sá Freire Rocha	07/02/2024	10/02/2024	30
					<b>8,439</b>

## **Independent auditor’s report on compliance with the accounting and financial contractual provisions of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro”**

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

We have audited the financial information for the period from July 1, 2023 to June 30, 2024 of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” (“COPAIBAS” or “Project”), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (the “Entity”), funded by the Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Brazil, and issued a report dated August 13, 2024.

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

We conducted our audit in accordance with International standards on Auditing and the requirements of the contract entered into between the Entity and the Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Brazil. These standards require that we plan and perform the audit in order to obtain reasonable certainty that FUNBIO has complied with the provisions in the contract entered into with the Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Brazil. The audit includes review, on a sample 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 July 1, 2023 to June 30, 2024, FUNBIO has complied, in all material respects, with the applicable contractual provisions, of an accounting and financial nature, of the contract entered into with the Norwegian Ministry of Foreign Affairs, represented by the Royal Norwegian Embassy in Brazil.

Rio de Janeiro, August 13, 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 “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro”**

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

This report supplements our report on the financial information of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro” (“COPAIBAS” or “Project”).

The management of Fundo Brasileiro para a Biodiversidade - FUNBIO, manager of Project “COPAIBAS - Projeto Comunitário, Unidades de Conservação e Povos Indígenas na Amazônia e Cerrado Brasileiro”, is responsible for maintaining an internal control structure that is sufficient to mitigate the risks of material misstatement in the financial information and protect the assets under custody of the Project, including the constructed areas and other acquired assets. In order to fulfill this responsibility, management 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 management 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 management’s authorizations and contractual terms, and that they are properly recorded to enable 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 performing our audit of the financial information of the Project for the period from July 1, 2023 to June 30, 2024, we obtained an understanding of the internal control structure and assessed the control risk to determine our audit procedures, in order to express an opinion on the financial information of the Project, and not to issue an opinion on the effectiveness of the internal control structure.

Our audit of the Project for the period from July 1, 2023 to June 30, 2024 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 management’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, August 13, 2024.

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

A handwritten signature in blue ink, reading 'Felipe Vergete', is written over the printed name.

Felipe Sant' Anna Vergete  
Accountant CRC-RJ106842/O