
Financial Information

Fundo Brasileiro para Biodiversidade - FUNBIO

Period from April 5, 2023 to June 30, 2024 with Independent Auditor's Report on the financial information of Project "GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil - Readiness Ocean-climate"



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A free translation from Portuguese into English of Independent Auditor's Report on Financial Information prepared in Brazilian currency

Independent auditor's report on the financial information of Project "Readiness Ocean-climate"

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

Opinion

We have audited the financial information of Project "GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil" ("Project" or "Readiness Ocean-climate"), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO ("Entity"), funded by the Green Climate Fund ("GCF"), for the period from April 5, 2023, to June 30, 2024. This financial information comprises the statement of cash receipts and payments and the statement of comparison between budget and actual amounts, 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 April 5, 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 1.

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 1 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 1, 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.

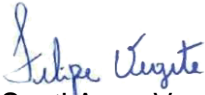
Auditor's responsibilities for the audit of the financial information--Continued

- 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 “Readiness Ocean-climate”

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

The Statement of cash receipts and payments of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Statement of cash receipts and payments

	Notes	04/05/2023 to 06/30/2024	04/05/2022 to 04/04/2023
		(in thousands of R\$)	(in thousands of R\$)
Receipts			
Funds received from GCF	3	725	-
Yields earned	2	60	-
Total receipts		<u>785</u>	-
Payments			
Project activities			
		<u>(21)</u>	-
		(21)	-
Project Management			
Audit	5	-	-
Local Individual Advisory Services	5	(18)	-
Bank Fees and Charges	2	<u>(4)</u>	-
Total payments		<u>(43)</u>	-
Net increase (decrease) in cash		742	-
Opening cash balance		-	-
Foreign exchange adjustment		-	-
Closing cash balance	2	<u>742</u>	-

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project “Readiness Ocean-climate”
 Period from April 5, 2023 to June 30, 2024
 (In thousands of reais, unless otherwise stated)

The Statement of comparison of budget and actual amounts of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Statement of comparison of budget and actual amounts

Notes	Budget (in thousands of USD)	Actual		Accumulated (*) (in thousands of USD)	Difference (in thousands of USD)	
		04/05/2023 to 06/30/2024 (in thousands of R\$)	04/05/2022 to 04/04/2023 (in thousands of R\$)			
Project activities	249	21	-	21	4	245
Local Individual Advisory Services	57	21	-	21	4	53
Professional services	176	-	-	-	-	176
Audio, Visual, & Printing	6	-	-	-	-	6
Local travel	10	-	-	-	-	10
Project Management	18	18	-	18	4	14
Audit	2	-	-	-	-	2
Local Individual Advisory Services	16	18	-	18	4	12
Contingency	10	-	-	-	-	10
Implementing Partner Fee - Funbio	23	-	-	-	-	23
Total budget and actual amounts	300	39	-	39	8	292

(*) The accumulated amount refers to the period from April 5, 2023 to June 30, 2024.

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project “Readiness Ocean-climate”
 Period from April 5, 2023 to June 30, 2024
 (In thousands of reais, unless otherwise stated)

The Supplementary encouraged statement of the Certificate of Cash Position of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Supplementary encouraged statement of the Certificate of Cash Position

	Notes	04/05/2023 to 06/30/2024		04/05/2022 to 04/04/2023	
		(in thousands of R\$)	(in thousands of USD) (*)	(in thousands of R\$)	(in thousands of USD) (*)
Balance per Bank		742	152	-	-
Designated Account – USD		-	-	-	-
Operating Account – R\$		742	152	-	-
Total cash position	2	742	152	-	-

(*) These amounts were translated into US dollars considering the exchange rate obtained in the exchange contract on the date of internalization of the resource, which occurred on July 5, 2023, in the amount of R\$4.831 and for the values of yields earned and bank fees, we considered the final rate available by the Brazilian Central Bank (BACEN) of R\$5.5583 on June 30, 2024.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project “Readiness Ocean-climate”
 Period from April 5, 2023 to June 30, 2024
 (In thousands of reais, unless otherwise stated)

The Statement of Bank Account Reconciliation of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Statement of Bank Account Reconciliation

	04/05/2023 to 06/30/2024		04/05/2022 to 04/04/2023	
	(in thousands of R\$)	(in thousands of USD)	(in thousands of R\$)	(in thousands of USD)
Opening Balance	-	-	-	-
<u>Add:</u>				
Grant proceeds in the period (**)	725	150	-	-
Yields earned (*)	60	11	-	-
Total addition	785	161	-	-
<u>Deduct:</u>				
Payments made in the period (**)	(39)	(8)	-	-
Bank fees and other charges (*)	(4)	(1)	-	-
Total deduction	(43)	(9)	-	-
Foreign exchange gains (losses)	-	-	-	-
Closing balance (**)	742	152	-	-
As per bank (**)	742	152	-	-

(*) The amounts of yields earned, and bank fees were translated into US dollars considering the final rate available by the Brazilian Central Bank (BACEN) of R\$5.5583 on June 30, 2024.

(**) These amounts were translated into US dollars considering the exchange rate obtained in the exchange contract on the date of internalization of the resource, which occurred on July 5, 2023, in the amount of R\$4.831.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project “Readiness Ocean-climate”

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

The Statement of Annual Budget Performance in thousands of US dollars of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Statement of Annual Budget Performance

Notes	04/05/2023 to 06/30/2024			04/05/2022 to 04/04/2023			Accumulated (*)		
	Budget (in thousands of USD)	Actual (in thousands of USD)	Difference (in thousands of USD)	Budget (in thousands of USD)	Actual (in thousands of USD)	Difference (in thousands of USD)	Budget (in thousands of USD)	Actual (in thousands of USD)	Difference (in thousands of USD)
Project activities	104	4	100	-	-	-	249	4	245
Local Individual Advisory Services	4	35	4	31	-	-	57	4	53
Professional services	4	58	-	58	-	-	176	-	176
Audio, Visual, & Printing	4	6	-	6	-	-	6	-	6
Local travel	4	5	-	5	-	-	10	-	10
Project Management	9	4	5	-	-	-	18	4	14
Audit	4	1	-	1	-	-	2	-	2
Local Individual Advisory Services	4	8	4	4	-	-	16	4	12
Contingency	4	-	-	-	-	-	10	-	10
Implementing Partner Fee - Funbio	4	12	-	12	-	-	23	-	23
TOTAL	125	8	117	-	-	-	300	8	292

(*) The accumulated amount refers to the period from April 5, 2023 to June 30, 2024.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial information of Project “Readiness Ocean-climate”

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

The Statement of Annual Budget Performance in thousands of reais of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil”, for the period from April 5, 2023 to June 30, 2024 is presented below:

Statement of Annual Budget Performance

Notes	04/05/2023 to 06/30/2024			04/05/2022 to 04/04/2023			Accumulated (*)		
	Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)	(in thousands of R\$)
Project activities	523	21	502	-	-	-	1,253	21	1,232
Local Individual Advisory Services	175	21	154	-	-	-	286	21	265
Professional services	293	-	293	-	-	-	887	-	887
Audio, Visual, & Printing	30	-	30	-	-	-	30	-	30
Local travel	25	-	25	-	-	-	50	-	50
Project Management	46	18	28	-	-	-	93	18	75
Audit	5	-	5	-	-	-	11	-	11
Local Individual Advisory Services	41	18	23	-	-	-	82	18	64
Contingency	-	-	-	-	-	-	49	-	49
Implementing Partner Fee - Funbio	59	-	59	-	-	-	119	-	119
TOTAL	628	39	589	-	-	-	1,514	39	1,475

(*) The accumulated amount refers to the period from April 5, 2023 to June 30, 2024.

(**) The budgeted amounts presented above were translated considering the exchange rate of the US dollar to Brazilian reais at the date of the project’s signing - April 5, 2023 - using the rate provided by BACEN, at the value of R\$5.0441.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project “Readiness Ocean-climate”

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

1. Material accounting practices

Reporting scope and reporting entity

This financial information has been prepared for Project *GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil* (“Readiness Ocean-climate”) and not for a specific reporting entity.

Fundo Brasileiro Para a Biodiversidade (FUNBIO), delivery partner/accredited entity, 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, n. 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.

Project GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil “Readiness Ocean-climate” aims to enable the debate on the climate-ocean nexus to increase its importance, be better organized, disseminated among stakeholders, and prepare the future pipeline of projects and programs related to the ocean. The initiative will fill the gap in project concepts that impact the audience of stakeholders, such as policymakers, NGOs, and the private sector. This proposal aims to identify and develop these potential projects to the point where they can be classified and prioritized according to various investment criteria, including those of the GCF.

FUNBIO is responsible for the selection of consultants, procurement of services, and all the recording and financial management of the project in close communication with the technical team of the National Designated Authority, the Ministry of Science, Technology, and Innovation (MCTI). The contract was signed between Funbio and the donor on April 5, 2023 and the first funds received from the GCF was made on July 5, 2023.

Basis of preparation and general information

The Project’s 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.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "Readiness Ocean-climate" (Continued)

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

1. Material accounting practices (Continued)

Control of cash

Cash control is considered by FUNBIO's control system; any cash held in the operating bank account is controlled by it. Receipts and payments made through the bank accounts are reported separately, on a cash basis, as required by the IPSAS.

Goods and Services Received

The project may receive assistance in the form of goods and services from Funbio or third parties. The values of such goods and services are determined based on agreed valuation methodology, or the depreciated historical cost of the physical assets at the time of transfer, or the fair value of the goods and services.

Presentation currency

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

Approved budget information

The approved budget is developed on the same accounting basis (cash basis) as the project financial information. The budget reflects plans agreed with the GCF under the same expenditure classification basis and authorized for spending through FUNBIO's financial management procedures.

Authorization date

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

2. Cash

Cash comprises demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments.

Receipts are deposited into Banco do Brasil S.A, a bank account controlled by FUNBIO. They are transferred directly to the local operating account using the spot exchange rate on the date of the currency exchange.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "Readiness Ocean-climate" (Continued)

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

2. Cash (Continued)

Cash included in the Statement of Cash Receipts and Payments comprise the following amounts:

	04/05/2023 to 06/30/2024 (in thousands of R\$)	04/05/2023 to 06/30/2024 (in thousands of USD)
Balance in Bank	742	152

From April 5, 2023, to June 30, 2024, net income from financial investments totaled R\$60, equivalent to USD 11 thousands; bank fees and charges totaled R\$4, equivalent to USD 1 thousand.

Financial investments in bank deposit certificates (CDBs) are represented by securities that ensure profitability of 96% 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.

3. External Assistance

Sources of funding

There were no instances of noncompliance with the terms and conditions of the agreements that have resulted in cancellation of external assistance, and there were no amounts of external assistance provided during the period.

Goods and Services Received

From April 5, 2023, to June 30, 2024, there was no counterpart contribution.

4. Explanation of Difference

Comparison of budget and actual amounts - accumulated

From April 5, 2023, to June 30, 2024, the cumulative period of the contract, budget and the actual amounts varied as follows:

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to the financial information of Project "Readiness Ocean-climate" (Continued)

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

4. Explanation of Difference (Continued)

Comparison of budget and actual amounts – accumulated (Continued)

	Cumulative		
	Budget (in thousands of USD)	Actual (in thousands of USD)	Difference (in thousands of USD)
Project activities	249	4	245
Local Individual Advisory Services	57	4	53
Professional services	176	-	176
Audio, Visual, & Printing	6	-	6
Local travel	10	-	10
Project Management	18	4	14
Audit	2	-	2
Local Individual Advisory Services	16	4	12
Contingency	10	-	10
Implementing Partner Fee - Funbio	23	-	23
TOTAL	300	8	292

Annual budget performance – in thousands of US dollars

From April 5, 2023, to June 30, 2024, the cumulative period of the contract, budget and the actual amounts varied as follows:

	04/05/2023 to 06/30/2024		
	Budget (in thousands of USD)	Actual (in thousands of USD)	Difference (in thousands of USD)
Project activities	104	4	100
Local Individual Advisory Services	35	4	31
Professional services	58	-	58
Audio, Visual, & Printing	6	-	6
Local travel	5	-	5
Project Management	9	4	5
Audit	1	-	1
Local Individual Advisory Services	8	4	4
Contingency	-	-	-
Implementing Partner Fee - Funbio	12	-	12
TOTAL	125	8	117

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Notes to the financial information of Project “Readiness Ocean-climate” (Continued)

Period from April 5, 2023 to June 30, 2024

(In thousands of reais, unless otherwise stated)

4. Explanation of Difference (Continued)

Annual budget performance – in thousands of reais

	04/05/2023 to 06/30/2024		
	Budget (in thousands of R\$)	Actual (in thousands of R\$)	Difference (in thousands of R\$)
Project activities	1,253	21	1,232
Local Individual Advisory Services	286	21	265
Professional services	887	-	887
Audio, Visual, & Printing	30	-	30
Local travel	50	-	50
Project Management	93	18	75
Audit	11	-	11
Local Individual Advisory Services	82	18	64
Contingency	49	-	49
Implementing Partner Fee - Funbio	119	-	119
TOTAL	1,514	39	1,475

5. Commitments

At June 30, 2024, unpaid commitments total USD 81 (equivalent to R\$ 394). These amounts were translated into US dollars considering the exchange rate obtained in the exchange contract on the date of internalization of the resource, which occurred on July 5, 2023, in the amount of R\$4.831.

The commitments are as follows:

Contract no. / Contract date / Consultant	Commitments (in thousands of R\$)	Paid (in thousands of R\$)	Unpaid (in thousands of R\$)
00005060 / 21/05/2024 / Cíntia de Albuquerque Wanderley Coelho	167	7	160
00004983 / 22/05/2024 / Raquel Renó de Oliveira	123	6	117
00005058 / 16/05/2024 / Raquel Avelina da Conceição dos Santos	123	6	117

Contract no. / Contract date / Consultant	Commitments (in thousands of USD)	Paid (in thousands of USD)	Unpaid (in thousands of USD)
00005060 / 21/05/2024 / Cíntia de Albuquerque Wanderley Coelho	35	2	33
00004983 / 22/05/2024 / Raquel Renó de Oliveira	25	1	24
00005058 / 16/05/2024 / Raquel Avelina da Conceição dos Santos	25	1	24

Independent auditor’s report on the internal control structure of Project “Readiness Ocean-climate”

To the
Executive Office and the Board of Directors of
Fundo Brasileiro para a Biodiversidade – FUNBIO
Project Readiness Ocean-climate
Rio de Janeiro - RJ

This report supplements our report on the financial information of Project “GCF Readiness Ocean-climate Preparatory Support Programme: Exploring the potential for ocean-climate pipeline for mitigation and adaptation in Brazil” (“Project” or “Readiness Ocean-climate”).

The management of Fundo Brasileiro para a Biodiversidade - FUNBIO, manager of Project “Readiness Ocean-climate”, 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 April 5, 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 April 5, 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.



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A significant deficiency is the condition in which the design or operation of one or more elements of the internal control structure does not reduce to a relatively low level the risk that errors or irregularities may occur in amounts that could be significant in relation to the financial information of the 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 that reads 'Felipe Vergete'.

Felipe Sant' Anna Vergete
Accountant CRC-RJ106842/O