

Financial Statements

Fundo Brasileiro para a Biodiversidade - FUNBIO

December 31, 2023
with Independent Auditor's Report

Fundo Brasileiro para a Biodiversidade - FUNBIO

Financial statements

December 31, 2023 and 2022

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A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency, in accordance with the accounting practices adopted in Brazil applicable to not-for-profit entities (ITG 2002 (R1))

Independent auditor's report on the financial statements

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

Opinion

We have audited the financial statements of Fundo Brasileiro para a Biodiversidade - FUNBIO (the "Entity" or "FUNBIO"), which comprise the statement of financial position as at December 31, 2023, and the statements of surplus or deficit, of comprehensive surplus (deficit), of changes in net asset value, and of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Entity's financial position as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil applicable to not-for-profit entities (ITG 2002 (R1)).

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, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to not-for-profit entities (ITG 2002 (R1)), and for such internal control as management 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, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's 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 the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Entity to cease to continue as a going concern.



- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rio de Janeiro, April 25, 2024.

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

A handwritten signature in blue ink, appearing to read 'Felipe Saint Anna Vergete'.

Felipe Saint Anna Vergete
Accountant CRC-RJ106842/O

Fundo Brasileiro para a Biodiversidade - FUNBIO

Statement of financial position
December 31, 2023 and 2022
(In thousands of reais)

	Notes	12/31/2023	12/31/2022
Assets			
Current assets			
Cash and cash equivalents	4.a	3,613	5,693
Funds related to projects - Funds	4.e	597,967	569,213
Funds related to the GEF Agency	4.c and 7	27,912	15,698
Project-related advances - GEF Agency	7	-	4,903
Funds related to GCF Agency	4.d and 8	2,752	1,869
Amounts in transit		789	652
Other		4,636	5,241
		637,669	603,269
Noncurrent assets			
Funds related to projects - Funds	4.f	716,701	739,341
FUNBIO Resources Fund (FRF)	4.b and 9	44,017	40,821
Property and equipment		8,536	1,437
		769,254	781,599
Total assets		1,406,923	1,384,868
Liabilities and net asset value			
Current liabilities			
Trade accounts payable		1,191	1,264
Payroll and related charges	5	4,187	3,369
Taxes and charges		303	163
Funds related to projects - Funds	6	597,967	568,764
Funds related to the GEF Agency	7	27,912	20,601
Funds related to GCF Agency	8	2,752	1,869
Other accounts payable		233	358
Other receivables		1,178	1,208
		635,723	597,596
Noncurrent liabilities			
Funds related to projects - Funds	6	716,701	739,341
		716,701	739,341
Net asset value			
FUNBIO Resources Fund (FRF)	9	44,017	40,821
Accumulated surplus		10,482	7,110
Total net asset value		54,499	47,931
Total liabilities and net asset value		1,406,923	1,384,868

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Statement of surplus or deficit
December 31, 2023 and 2022
(In thousands of reais)

	Note	12/31/2023	12/31/2022
Operating revenues			
GEF Agency	7	720	720
GCF Agency	8	59	18
Project reimbursement - Funds	10	7,971	10,846
Recovery of costs	11	24,145	17,514
Total operating revenues		<u>32,895</u>	29,098
Services rendered	12	474	-
Total service revenue		<u>474</u>	-
Gross income		<u>33,369</u>	29,098
Other operating income (expenses)			
General and administrative expenses	13	(31,641)	(24,226)
Write-off of property and equipment		(4)	(9)
Investment of funds	9	2,000	-
Total other operating expenses, net		<u>(29,645)</u>	(24,235)
Operating income before finance income (costs)		<u>3,724</u>	4,863
Finance income (costs)	14		
Finance costs		(3,468)	(5,702)
Finance income		9,315	7,258
Total finance income		<u>5,847</u>	1,556
Operating income (costs)		<u>9,571</u>	6,419
Surplus (deficit) from projects			
Rendering of accounts approved	6	236,227	174,031
Disbursement to partners		(111,346)	(62,305)
Funds executed		(126,132)	(113,043)
Provision in execution		1,251	1,317
GEF Agency – rendering of accounts approved	7	6,436	17
GEF Agency - funds executed	7	(6,436)	(17)
GCF Agency - rendering of accounts approved	8	47	-
GCF Agency - funds executed	8	(47)	-
Total surplus (deficit) from projects		<u>-</u>	-
Surplus for the year		<u>9,571</u>	6,419

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Statement of changes in net asset value
December 31, 2023 and 2022
(In thousands of reais)

	Note	FUNBIO Resources Fund (FRF)	Accumulated surplus	Surplus for the year	Total net asset value
Balances at December 31, 2021		37,418	4,594	-	42,012
Surplus for the year		-	-	6,419	6,419
Transfer to accumulated surplus		-	6,419	(6,419)	-
Allocation of surplus for the year	9	903	(903)	-	-
Contribution - FUNBIO Resources Fund (FRF)	9	3,000	(3,000)	-	-
Transfer of funds to FUNBIO Scholarship Project	9	(500)	-	-	(500)
Balances at December 31, 2022		40,821	7,110	-	47,931
Surplus for the year		-	-	9,571	9,571
Transfer to accumulated surplus		-	9,571	(9,571)	-
Allocation of surplus for the year	9	5,196	(5,196)	-	-
Contribution - FUNBIO Resources Fund (FRF)	9	500	(500)	-	-
Transfer of funds to administrative account	9	(2,000)	-	-	(2,000)
Transfer of funds to FUNBIO Scholarship Project	9	(500)	-	-	(500)
Allocation of surplus – Future revenues		-	(503)	-	(503)
Balances at December 31, 2023		44,017	10,482	-	54,499

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Statement of cash flows
December 31, 2023 and 2022
(In thousands of reais)

	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating activities		
Surplus for the year	<u>9,571</u>	<u>6,419</u>
Adjustments of surplus to cash and cash equivalents from / (used in) operating activities		
Depreciation and amortization	338	35
Finance income - FRF	(5,196)	(903)
Other	(503)	-
Decrease in current assets		
Other assets	468	(2,567)
Increase (decrease) in current liabilities		
Trade accounts payable	(73)	1,023
Payroll and labor obligations	818	540
Taxes and charges	140	(77)
Other accounts payable	(125)	134
Other receivables	(30)	(1,483)
Net cash flows from operating activities	<u>5,408</u>	<u>3,121</u>
Investing activities		
Contribution - FRF	-	(2,500)
Acquisition of property and equipment	(7,437)	(22)
Net cash flows from (used in) investing activities	<u>(7,437)</u>	<u>(2,522)</u>
Financing activities		
Funds received	171,605	144,849
Financial investment yields	243,698	276,069
Foreign exchange gains (losses)	(36,970)	(50,771)
Finance costs	(102,157)	(353,259)
Funds executed	(267,803)	(199,629)
Other transfers	(1,810)	(25,861)
Increase (decrease) in funds related to projects	(6,114)	211,202
Transfer of funds to FUNBIO Scholarship Project	(500)	(500)
Net cash flows used in financing activities	<u>(51)</u>	<u>2,100</u>
Increase (decrease) in cash and cash equivalents	<u>(2,080)</u>	<u>2,699</u>
Balance of cash and cash equivalents at beginning of year	5,693	2,994
Balance of cash and cash equivalents at end of year	3,613	5,693
Increase (decrease) in cash and cash equivalents	<u>(2,080)</u>	<u>2,699</u>

See accompanying notes.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

1. Operations

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

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

Funds executed in 2023 amounted to R\$255,738 (R\$177,638 in 2022), an increase of 44%, with R\$236,227 (R\$174,031 in 2022) used by FUNBIO in the projects listed in Note 6; R\$19,464 (R\$3,590 in 2022) linked to GEF, according to Note 7; and R\$47 (R\$17 in 2022) from GCF, as shown in Note 8.

The funds allocated to the execution of projects and those used by the Entity to achieve its purposes under its charter are segregated and may be identified in this report.

At the end of the current year, FUNBIO's AUM amount to R\$1,406,923 (R\$1,384,868 at December 31, 2022), an increase of 2%, of which approximately 54% are related to long-term actions and projects organized in long-term investment funds.

FUNBIO's governance is led by the Board of Directors, which is composed of 16 members from academic institutions, environmental agencies, civil society, business and government sectors, and is responsible for defining the organization's strategy and overall direction. The Board of Directors evaluates the strategic directions and institutional management, establishes a general policy, sets goals and priorities, which are transformed into actions by the Executive Secretariat. The Board members participate as volunteers, bringing their experience and knowledge. The Board of Directors is organized into Committees that address specific issues, such as the Management, Project Techniques, Finance and Audit and Asset Management Committees.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies

2.1. Statement of compliance

The Entity's financial statements for the year ended December 31, 2023 have been prepared in accordance with the accounting practices adopted in Brazil applicable to not-for-profit entities, which comprise the General Technical Interpretation (ITG 2002 (R1)) approved by CFC Resolution No. 1409/2012, and also with the standards issued by the International Accounting Standards Board (IASB) and pronouncements issued by Brazil's Financial Accounting Standards Board (CPC), approved by Brazil's National Association of State Boards of Accountancy (CFC).

These financial statements were authorized for issue by the Board of Directors on April 25, 2024.

2.2. Functional and presentation currency

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

2.3. Foreign currency translation

Transactions in foreign currencies are translated into the functional currency at the spot rates of exchange at the transaction dates. Exchange gains and losses arising on settlement of these transactions and on translation of monetary assets and liabilities denominated in foreign currency at the spot rates of exchange at year end are recognized in the statement of surplus or deficit.

2.4. Cash and cash equivalents, funds related to projects, FRF and financial investments

Cash and cash equivalents include cash on hand, bank deposits, other highly liquid short-term investments maturing within three months and with insignificant risk of changes in value.

The funds received to be exclusively used in projects are treated as short- and long-term assets, depending on the availability for use, and are not classified as cash and cash equivalents.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

The investments of FUNBIO Resources Fund (FRF), i.e., funds managed by FUNBIO, through the Asset Managers Pragma Gestão de Patrimônio Ltda. and Julius Bär Investment Bank, are diversified short- and long-term investments, ranging from 1 to 8 years, with liquidity ranging from D+1 to D+180 days. These funds are invested in Government Securities – National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge Funds, Low Vol fixed income, and fixed income/inflation-indexed securities.

The investments follow the investment policies of each fund and the guidelines of FUNBIO's Asset Management Committee, and are not presented as cash and cash equivalents.

2.5. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

a) *Classification and measurement*

The measurement of FUNBIO's financial assets is detailed in the table below:

<u>Financial assets</u>	<u>FUNBIO's FS</u>	<u>Asset category</u>
Cash and cash equivalents	Cash and cash equivalents	Amortized cost
Financial investments	Financial investments	Fair value through profit or loss
Funds related to projects	Financial investments	Fair value through profit or loss
Funds related to agency	Financial investments	Fair value through profit or loss
Restricted amounts abroad	Financial investments	Fair value through profit or loss
Advances related to projects	Advances to suppliers	Amortized cost

b) *Impairment*

The carrying amount of financial assets is directly reduced by impairment for all financial assets, with the exception of accounts receivable, in which case the carrying amount is reduced through the recognition of a provision.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.5. Financial instruments (Continued)

Financial assets (Continued)

c) *Derecognition (write-off)*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- FUNBIO has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control over the asset.

When FUNBIO has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset, an asset is recognized to the extent of the Entity’s continuing involvement.

Financial liabilities

a) *Classification and measurement*

The effective interest method is used to calculate the amortized cost of a financial liability and to allocate interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts the estimated future cash flows over the expected life of the financial liability or (where appropriate) over a shorter period, for the net carrying amount at initial recognition.

The Entity’s financial liabilities include trade accounts payable, other accounts payable, funds related to projects and other receivables. These liabilities were classified as “other financial liabilities” and were initially measured at fair value, net of transaction costs.

These financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expenses recognized at the effective rate.

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Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.5. Financial instruments (Continued)

Financial liabilities (Continued)

b) *Derecognition (write-off)*

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Financial instruments - net presentation

Financial assets and financial liabilities are presented net in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.6. Property and equipment

Property and equipment items are measured at their historical cost, less accumulated depreciation and accumulated impairment losses, when applicable. The historical cost includes expenditures directly attributable to the acquisition of assets, including financing costs related to the acquisition of qualifying assets.

Depreciation of property and equipment items is recorded over their useful lives, as follows:

	<u>Years</u>
Leasehold improvements	3 to 25
IT equipment	5
Furniture and fixtures	10
Machinery and equipment	10

Residual values and useful lives of assets are reviewed and adjusted, as appropriate, at each year end.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.7. Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be fully recoverable. The carrying amount of an asset is reduced to its estimated recoverable amount when the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.8. Provisions

Provisions are recognized when the Entity has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The Entity is party to labor, tax and civil proceedings in progress, and is discussing these matters both at administrative and legal levels, which are backed by judicial deposits. The provisions for losses, if any, arising from these proceedings are estimated and restated by management, supported by the opinion of its external legal advisors.

2.9. Third-party funds related to projects

Deposits made into FUNBIO accounts intended for implementation of projects and based on contractual instruments are recognized as an obligation of the Entity to donors and/or partners. At the time that projects are implemented, these obligations are matched against "Rendering of accounts approved" in the statement of surplus or deficit for the year.

2.10. Revenue recognition

Revenue comprises the fair value of the reimbursement of expenses with projects, recovery of costs and service rendering, if any, in the ordinary course of the Entity's business.

The revenue from reimbursement of projects is recognized in the statement of surplus or deficit when FUNBIO is reimbursed for the management and implementation of projects, according to the purposes stated in its Charter. These revenues are provided for in the project budgets that are an integral part of the contractual arrangements.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Revenue recognition (Continued)

The revenue from recovery of costs is calculated based on a variable percentage according to the implementation of projects, and these amounts are provided for in contractual instruments and budgets prepared to achieve the objectives of projects, and does not constitute free resources for the Entity. This is recognized in the statement of surplus or deficit upon rendering of the accounts of projects to donors.

Revenue from services rendered is recognized in the statement of surplus or deficit when it can be reliably estimated, associated with the transaction by reference and the stage of completion of its services, to the extent that contractual obligations are satisfied.

Finance income

Finance income is recognized using the effective interest method.

2.11. Recognition of expenses related to projects

Expenses incurred in relation to projects are recognized in the statement of surplus or deficit for the year, as incurred.

2.12. Tax obligations

2.12.1. Income and social contribution taxes

Requirements set forth by Law No. 9790/99

As a not-for-profit entity, FUNBIO is exempt from payment of income and social contribution taxes, as provided for in article 15 of Law No. 9532/97, provided that the requirements set forth in letters “a” to “h” of paragraph 2 of article 12 of referred to Law are met, namely:

- Not compensate, in any way, its managing officers for the services provided except in the case of not-for-profit associations, foundations or public interest organizations, whose managing officers may be compensated, provided that they play an active executive management role and the requirements set out in articles 3 and 16 of Law No. 9790 of March 23, 1999, are met, and provided that the compensation amount does not exceed the maximum amounts paid by the market in the region corresponding to their area of operation, which will be set by the Entity’s higher decision-making board, recorded in minutes of meetings, and communicated to the Federal Prosecution Office, in the case of foundations;

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Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.12. Tax obligations (Continued)

2.12.1. Income and social contributions taxes (Continued)

- Invest all the Institution's funds in the maintenance and development of its business purposes;
- Maintain bookkeeping of all its revenues and expenses in proper books that ensure their accuracy; properly keep, over a five-year period from the issue date, documents that prove the source of the Entity's revenues and support expenses incurred as well as the performance of any other actions or operations that may change its financial position;

Requirements set forth by Law No. 9790/99 (Continued)

- Annually submit its Income Tax Returns according to the provisions established by the Brazilian Internal Revenue Service (RFB);
- Pay the taxes withheld on earnings paid or credited, and the social security contribution relating to employees as well as comply with accessory obligations arising therefrom; and
- Ensure that its net asset value is allocated to another entity that satisfies the conditions for enjoying immunity, in case of merger, consolidation, spin-off or discontinuance of activities, or to a governmental body.

The Entity has complied with the requirements of Law No. 9532/97 in order to benefit from the aforementioned exemptions.

2.12.2. Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)

According to article 13 of Provisional Executive Order (MP) No. 2158-35/2001, not-for-profit entities that hire employees, as defined by the Labor Law, are required to pay PIS contribution at a fixed rate of 1% on monthly payroll. These entities are exempt from paying PIS on revenues, under the terms of paragraph 1 of article 14 of MP No. 2158-35/01, provided that these meet the requirements of article 12 of Law No. 9532/97.

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Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.12. Tax obligations (Continued)

2.12.2. Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) (Continued)

Regarding COFINS, item X of article 14 of MP No. 2158-35/2001 establishes that not-for-profit institutions are exempt from paying COFINS on revenues. Also in this case, enjoying the exemption is contingent upon the compliance with the requirements of article 12 of Law No. 9532/97.

The Entity has complied with the requirements of Law No. 9532/97 in order to benefit from the aforementioned exemptions.

2.13. New or amended pronouncements applied for the first time in 2023

Definition of accounting estimates - Amendments to IAS 8

The amendments to IAS 8 (equivalent to CPC 23 - Accounting policies, changes in accounting estimates and errors) clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments did not impact the Entity's financial statements.

Disclosure of accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 (equivalent to CPC 26 (R1) - Presentation of financial statements) and IFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had an impact on the Entity's accounting policy disclosures, but not on the measurement, recognition or presentation of items in the Entity's financial statements.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

2. Presentation of the financial statements and accounting policies (Continued)

2.14. Standards issued but not yet effective

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 (equivalent to CPC 26 (R1) – Presentation of financial statements) to specify the requirements for classifying liabilities as current or noncurrent.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Entity does not expect material impacts arising from these amendments.

3. Financial risk management

The Entity is exposed to the following risks arising from the use of financial instruments: market risk, currency risk and liquidity risk.

Below is information on the Entity's exposure to each of the foregoing risks, as well as its objectives, policies and processes for measuring and managing such risks, as well as for capital management. Additional quantitative disclosures are included in these financial statements.

Market risk

Market risk is the risk that changes in market prices, such as interest rates of financial investments of the Entity, will impact the gains on its portfolio or the amount of its financial instruments.

For short-term investments (CDB and fixed income funds held in Banco do Brasil), the Entity manages market risks through investments in low market risk funds with low financial leverage, always operating with prime financial institutions. In this regard, the currency risk is the main market risk arising from projects, which are financed by foreign entities.

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Notes to financial statements (Continued)
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3. Financial risk management (Continued)

Market risk (Continued)

For investments in funds managed by FUNBIO, through Pragma Patrimônio and Banco Julius Bär (FUNBIO Asset Managers), the market risk considers the investment policies of each fund, investing in different assets to minimize volatility and obtain the expected returns of each investment policy. The classes of assets are subject to the market value; the objective of a medium and long-term portfolio that includes different assets is to mitigate the market risk. For funds whose investment policies maintain a percentage invested abroad, the main risk is the currency risk.

Currency risk

This risk arises from the possibility of the Entity incurring losses due to foreign exchange fluctuations, which reduce nominal amounts invoiced or increase funds raised in the market.

Projects are implemented and budgeted in Brazilian reais (R\$), and any unallocated balances present in the rendering of accounts of projects are restated by the prevailing exchange rate. Reconciliations of unallocated portions with the goals defined for the project are made from time to time, and in case of significant variations a project replanning is performed.

Liquidity risk

This is the risk of the Entity not having sufficient net funds to meet its financial commitments, as a result of mismatching of term or volume between expected receivables and payables.

In order to manage cash liquidity, assumptions of future disbursements and receipts are set up and monitored by the Treasury department. This control is performed by the Entity for each project.

Credit risk

The Entity's credit risk may be attributed mainly to its cash and cash equivalent balances and financial investments.

The Entity invests its cash surplus in government securities and corporate bonds in accordance with the standards approved by the Board of Directors, which follow the Entity's policy for concentration of credit risk. Investments with private credit risk are made only at prime financial institutions.

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Notes to financial statements (Continued)
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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF)

Description	Note	12/31/2023	12/31/2022
Cash and cash equivalents	4.a	3,613	5,693
FUNBIO Resources Fund (FRF)	4.b	44,017	40,821
Total own funds		47,630	46,514
Funds related to the GEF Agency	4.c	27,912	15,698
Funds related to the GCF Agency	4.d	2,752	1,869
Funds related to projects - current funds	4.e	597,967	569,213
Funds related to projects - noncurrent funds	4.f	716,701	739,341
Total funds related to projects		1,345,332	1,326,121

4.a) Breakdown of cash and cash equivalent balances - own funds

Description	12/31/2023	12/31/2022
<i>Banks in Brazil</i>		
Banco do Brasil - Administrative	-	2
Banco do Brasil – Administrative – Savings account	95	-
Total banks in Brazil	95	2
<i>Financial investments in Brazil</i>		
Banco do Brasil CDB - Administrative	2,325	3,948
Banco do Brasil RF LP Corporate - Administrative	834	1,294
Itaú AUTOM INVEST MAIS – Administrative	41	15
Total financial investments in Brazil	3,200	5,257
<i>Foreign investments and banks</i>		
Banco do Brasil NY - Administrative	10	10
Banco do Brasil NY - Invest. ALLO - Administrative	308	424
Total foreign investments and banks	318	434
Total cash and cash equivalents	3,613	5,693

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.b) Breakdown of the balances of FUNBIO Resources Fund (FRF)

Description	12/31/2023	12/31/2022
<i><u>Banks in Brazil</u></i>		
Itaú Private – FRF	3	1
Total banks in Brazil	3	1
<i><u>Financial investments in Brazil - Asset manager ⁽¹⁾</u></i>		
Itaú Pragma LIBER - FRF	14,492	13,885
Itaú Pragma ARES - FRF	8,906	8,303
Itaú Private EFFICAX - FRF	4,394	4,637
Itaú Pragma HONOR - FRF	8,155	6,692
BNP Paribas - Osmosis Global - FRF	3,341	2,969
Itaú Pragma LYNX MM - FRF	3,321	2,957
Itaú CDB DI – FRF	312	284
BTG Pactual GAMA BW - FRF	1,093	1,093
Total financial investments in Brazil - Asset Manager	44,014	40,820
Total FUNBIO Resources Fund (FRF)	44,017	40,821

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

(1) The investments of the Funds 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 Securities - National Treasury Notes (NTN-Bs), local and international variable income, equities, hedge funds, low vol fixed income, and fixed income/inflation-indexed securities. In 2023, the FRF had an average yield of 14.1%, below the benchmark of 15.3%. Below are the investments broken down according to type:

Local portfolio:	Low Vol fixed income	18.25%
	Fixed income	32.94%
	Hedge Fund	20.24%
	Variable income	18.53%
	Variable income OFF	7.59%
	Hybrids	2.48%
	Accounts payable/receivable	(0.03%)

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.c) Breakdown of the balances of funds related to the GEF Agency

Description	12/31/2023	12/31/2022
<i>Banks in Brazil</i>		
GEF Agency Pro-species Grant	-	2
GEF Agency - PPG Baru	-	3
Total banks in Brazil	-	5
<i>Financial investments in Brazil</i>		
Banco do Brasil RF LP - GEF Agency Pro-species Grant	21,868	14,641
Banco do Brasil RF LP - GEF Agency FUNBIO	344	911
Banco do Brasil CDB - GEF Agency PPG BARU	3,851	141
Banco do Brasil CDB - GEF Agency Funbio	1,340	-
Banco do Brasil CDB - GEF Agency PPG Territories	509	-
Total financial investments in Brazil	27,912	15,693
Total funds related to the GEF Agency	27,912	15,698

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

4.d) Breakdown of the balances of funds related to the GCF Agency

Description	12/31/2023	12/31/2022
<i>Financial investments in Brazil</i>		
Banco do Brasil CDB - GEF GCF Agency - Readiness	1,347	1,195
Banco do Brasil CDB - GEF GCF Agency – Readiness AND	646	674
Banco do Brasil CDB - GEF GCF Agency – Readiness Oceans	759	-
Total funds related to the GCF Agency	2,752	1,869

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.e) Breakdown of the balances of funds related to projects in current assets

Description	12/31/2023	12/31/2022
<i>Banks in Brazil</i>		
Banco do Brasil - FAO ICS	-	318
Banco do Brasil – Living Forest - Eneva	-	1,000
Banco do Brasil – Living Forest – Xingu Public Notice	502	-
Banco do Brasil – Amazônia Viva – Facilitator Fund – ECF	3,000	-
Banco do Brasil – Other projects	153	233
Total funds available in banks in Brazil	3,655	1,551
<i>Short-term investment in Brazil - Bank Deposit Certificate (CDB)</i>		
Itaú CDB - Fauna (Fauna Portfolio)	729	607
Banco do Brasil CDB - Atlantic Forest III ⁽²⁾	1,042	876
Banco do Brasil CDB – TAJ Paranaguá Mod. III ⁽²⁾	6,013	6,253
Banco do Brasil CDB - TAC Frade - Fishing and Marine Research ⁽²⁾	349	6,087
Banco do Brasil CDB - TAC Frade - Porpoise Conservation ⁽²⁾	-	68
Banco do Brasil CDB – Kayapó ⁽²⁾	179	287
Banco do Brasil CDB – RVS Rio da Prata ⁽²⁾	735	653
Banco do Brasil CDB – TAC Frade - Cons. of Protected Areas (UCs) RJ ⁽²⁾	2,591	4,842
Banco do Brasil CDB - TAC Frade - Environmental Education ⁽²⁾	201	3,859
Banco do Brasil CDB – Rock in Rio ⁽²⁾	-	359
Banco do Brasil CDB – Probio MMA Balance ⁽²⁾	33	30
Banco do Brasil CDB – TAC Frade - Conservation of UCs Phase II ⁽²⁾	5,732	6,739
Banco do Brasil CDB - TAC Frade - Environmental Education Phase II ⁽²⁾	7,759	7,490
Banco do Brasil CDB – FUNBIO Scholarship ⁽²⁾	650	606
Banco do Brasil CDB - GEF SEA - Petrobras ⁽²⁾	19,013	28,752
Banco do Brasil CDB – GEF Land ⁽²⁾	18,352	3,165
Banco do Brasil CDB – REM Mato Grosso ⁽²⁾	2,123	-
Banco do Brasil CDB – FT Operational ⁽²⁾	8,212	2,940
Banco do Brasil CDB – Exxon Mobill ⁽²⁾	317	428
Banco do Brasil CDB – Porto Sul ⁽²⁾	991	325
Banco do Brasil CDB – Copaiabas ⁽²⁾	4,743	370
Banco do Brasil CDB – Amazon Tradition and Future ⁽²⁾	-	1,189
Banco do Brasil CDB - Abrolhos Land and Sea Fund – Operational ⁽²⁾	829	29
Banco do Brasil CDB – ICS – Support for the Amazon Consortium ⁽²⁾	-	4
Banco do Brasil CDB – TAC Underwater Warehouse ⁽²⁾	222	330
Banco do Brasil CDB – Amazon Consortium - French Embassy ⁽²⁾	96	86
Banco do Brasil CDB – TAJ Paranaguá Mod. IA ⁽²⁾	1,308	5,008
Banco do Brasil CDB – Amapa Fund – Operational ⁽²⁾	285	405
Banco do Brasil CDB - ICS FAO ⁽²⁾	182	95
Banco do Brasil CDB - TAC Coral Sol ⁽²⁾	11,143	7,449
Banco do Brasil CDB – Rewild ⁽²⁾	34	5
Sub-total - financial investments in Brazil - Bank Deposit Certificate (CDB)	93,863	89,336

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.e) Breakdown of the balances of funds related to projects in noncurrent assets (Continued)

Description	12/31/2023	12/31/2022
Sub-total - Financial investments in Brazil - Bank Deposit Certificate (CDB) (Continued)	93,863	89,336
<i>Financial investments in Brazil - Bank Deposit Certificate (CDB) (Continued)</i>		
Banco do Brasil CDB - PEMALM II ⁽²⁾	274	737
Banco do Brasil CDB - TAC JBS FAO ⁽²⁾	529	2,561
Banco do Brasil CDB - TAE Imerys PA ⁽²⁾	2,021	2,044
Banco do Brasil CDB - AG. GFCR PPG Corais ⁽²⁾	243	551
Banco do Brasil CDB - GCF Task Force III ⁽²⁾	-	232
Banco do Brasil CDB – Living Forest – BNDES ⁽²⁾	7,530	16,121
Banco do Brasil CDB – Living Forest – Petrobras ⁽²⁾	7	5,010
Banco do Brasil CDB - MOORE FAO ⁽²⁾	13,288	6,949
Banco do Brasil CDB - Probio Opportunity Fund ⁽²⁾	1	-
Banco do Brasil CDB – Living Forest - ENEVA Amazonas Public Notice ⁽²⁾	4,121	-
Banco do Brasil CDB – Living Forest - Heineken Promotion ⁽²⁾	720	-
Banco do Brasil CDB - RENOVA - Rio Doce ⁽²⁾	6,888	-
Banco do Brasil CDB - GEF SEA Petrobras II ⁽²⁾	5,662	-
Banco do Brasil CDB - CITINOVA II ⁽²⁾	2,658	-
Banco do Brasil CDB – Living Forest – Xingu Public Notice ⁽²⁾	3,475	-
Banco do Brasil CDB - POP SMC OSF ⁽²⁾	3,075	-
Banco do Brasil CDB - POP ICMBio Protection Re:wild ⁽²⁾	3,810	-
Banco do Brasil CDB - POP RAMSAR Sites Re:wild ⁽²⁾	651	-
Banco do Brasil CDB – Living Forest – Mangroves Public Notice ⁽²⁾	4,511	-
Banco do Brasil CDB - POP ICMBio Protection Moore ⁽²⁾	5,135	-
Banco do Brasil CDB - POP CLUA IBAMA ⁽²⁾	33	-
Banco do Brasil CDB – TNC Amazon Consortium ⁽²⁾	83	-
Total financial investments in Brazil - Bank Deposit Certificate (CDB)	158,578	123,541
<i>Financial investments in Brazil - Fixed income</i>		
Banco do Brasil RF DI VIP - PROBIO Opportunity Fund	2,021	2,467
Banco do Brasil RF LP CORPORATE - REM ⁽³⁾	60,760	118,035
Banco do Brasil RF LP CORPORATE - Copaibas ⁽³⁾	27,437	28,072
Banco do Brasil RF LP CORPORATE - Porto Sul ⁽³⁾	14,245	7,979
Banco do Brasil RF LP CORPORATE - Probio Opportunity Fund ⁽³⁾	-	59
Banco do Brasil RF LP CORPORATE – Future revenues ⁽³⁾	-	449
Banco do Brasil RF LP CORPORATE - TAC Underwater Warehouse ⁽³⁾	11,644	16,285
Banco do Brasil RF LP CORPORATE - TAC Frade Marine Research ⁽³⁾	9,924	9,390
Banco do Brasil RF LP CORPORATE - TAC Frade Environmental ⁽³⁾	7,611	15,328
Banco do Brasil RF LP CORPORATE - TAJ Paranaguá I ⁽³⁾	68,684	61,855
Banco do Brasil RF LP CORPORATE - TAJ Paranaguá II ⁽³⁾	57,255	51,563
Banco do Brasil RF LP CORPORATE - TAC Frade UCs RJ ⁽³⁾	5,038	4,537
Banco do Brasil RF LP CORPORATE - GEF Land ⁽³⁾	-	10,190
Banco do Brasil RF LP CORPORATE - TAC JBS FAO ⁽³⁾	3,027	2,726
Banco do Brasil RF LP CORPORATE - TAE Imerys PA ⁽³⁾	3,592	3,235
Banco do Brasil RF LP CORPORATE - GEF SEA Petrobras II ⁽³⁾	34,892	16,140
Subtotal - Financial investments in Brazil - Fixed income	306,130	348,310

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.e) Breakdown of the balances of funds related to projects in noncurrent assets (Continued)

Description	12/31/2023	12/31/2022
Subtotal - Financial investments in Brazil - Fixed income (Continued)	306,130	348,310
<i>Financial investments in Brazil - Fixed income</i> (Continued)		
Banco do Brasil RF LP CORPORATE – Living Forest – Petrobras ⁽³⁾	5,100	5,011
Banco do Brasil RF LP CORPORATE - MOORE FAO ⁽³⁾	7,729	6,950
Banco do Brasil RF LP CORPORATE – Living Forest - Heineken Promotion ⁽³⁾	716	-
Caixa Econômica - FMA Agreement CA CCA Portfolio ⁽¹⁾	23,161	21,004
Caixa Econômica - FMA Ib) Agreement Federal CA Portfolio ⁽¹⁾	4,243	3,848
Caixa Econômica - FMA Ic) Agreement Land Regularization ⁽¹⁾	11,629	10,546
Caixa Econômica - FMA III) Agreement Inst. Trust Financing ⁽¹⁾	38,961	35,333
Caixa Econômica - FMA I. O. R. Forest Agreement ⁽¹⁾	26,950	3,026
Caixa Econômica - FMA Agreement Instr. TAC ⁽¹⁾	2,974	2,697
Caixa Econômica - FMA Agreement Oper. Instr. Other Sources ⁽¹⁾	7,900	7,164
Total financial investments in Brazil - Fixed income	435,493	443,889
<i>Other financial investments in Brazil</i>		
Itaú PRIV EXCLUSIVE FIC - Fauna Fund Portfolio	182	165
Itaú AUTOM INVEST MAIS - Fauna Fund Portfolio	-	56
Total other financial investments in Brazil	182	221
<i>Foreign investments and banks</i>		
Banco do Brasil London – Atlantic Forest III	59	11
Total foreign investments and banks	59	11
Total funds related to projects in current assets	597,967	569,213

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

- (1) In September 2022, the funds invested were transferred to Brazil's Federal Savings and Loans Bank (Caixa Econômica Federal), invested in the FI RF Fund. The profitability for the year was 12.97% (2.54% in 2022). Cooperation Agreement No. 04/2016, clause three - intervention - paragraph two, defines that "the Operational Manager (FUNBIO) is exempt from any type of responsibility for the financial management of the resources, related investments and income".
- (2) These project funds were invested in CDBs acquired from Banco do Brasil S/A traded at the rate from 96% to 101% of the CDI.
- (3) These project funds were invested in Fixed Income LP Corporate in Banco do Brasil. The performance fee is equivalent to 20% based on the Fund's surplus (deficit), on profitability that exceeds the interbank deposit (DI) daily average rate of one day, according to the regulation of the Banco do Brasil Fund. Profitability for the year was 13.08% (12.96% in 2022).

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.f) Breakdown of the balances of funds related to projects in noncurrent assets

Description	12/31/2023	12/31/2022
<i><u>Banks in Brazil</u></i>		
Itaú Private - Kayapó Fund ⁽¹⁾	4	1
Itaú Private - Transition Fund - FT ⁽²⁾	-	2
Itaú Private - Abrolhos Fund ⁽³⁾	4	1
Itaú Private - Amapá Fund (4)	3	1
Itaú Private - Marine Fund (5)	3	1
Total funds available in banks in Brazil	14	6
<i><u>Financial investments in Brazil - Asset Manager</u></i>		
Itaú Pragma LIBER MM - Kayapó Fund ⁽¹⁾	4,120	3,613
Itaú Pragma LYNX MM – Kayapó Fund ⁽¹⁾	2,329	2,703
Itaú Pragma HONOR - Kayapó Fund ⁽¹⁾	1,420	1,176
Itaú Private EFFICAX - Kayapó Fund ⁽¹⁾	11,366	10,671
Itaú Pragma HONOR – Transition Fund – FT ⁽²⁾	10,407	8,341
Itaú Pragma LIBER – Transition Fund – FT ⁽²⁾	9,024	7,927
Itaú Pragma SUMAUMA – Transition Fund – FT ⁽²⁾	111,749	98,665
Itaú Private EFFICAX - Transition Fund - FT ⁽²⁾	31,858	29,003
BNP Paribas – Osmosis Global – Abrolhos Fund ⁽³⁾	441	392
Itaú Pragma LIBER - Abrolhos Fund ⁽³⁾	1,426	1,251
Itaú Pragma HONOR - Abrolhos Fund ⁽³⁾	1,620	1,324
Itaú Pragma ARES - Abrolhos Fund ⁽³⁾	929	867
Itaú EFFICAX - Abrolhos Fund ⁽³⁾	236	232
BTG Pactual - GAMA BW - Abrolhos Fund ⁽³⁾	112	112
Itaú Pragma LIBER - Amapá Fund ⁽⁴⁾	2,050	1,798
Itaú Pragma ARES – Amapá Fund ⁽⁴⁾	1,328	1,238
Itaú Pragma HONOR – Amapá Fund ⁽⁴⁾	2,319	1,886
Itaú Private EFFICAX– Amapá Fund ⁽⁴⁾	314	317
BNP Paribas – Osmosis Global – Amapá Fund ⁽⁴⁾	620	551
BTG Pactual - GAMA BW – Amapá Fund ⁽⁴⁾	186	186
Itaú Soberano - Marine Fund ⁽⁵⁾	4,619	4,163
Itaú Pragma LYNX MM - Marine Fund ⁽⁵⁾	4,779	5,240
Itaú Pragma LIBER MM - Marine Fund ⁽⁵⁾	15,358	13,470
Itaú Pragma HONOR - Marine Fund ⁽⁵⁾	5,099	4,133
Itaú Pragma ARES - Marine Fund ⁽⁵⁾	7,521	7,012
Itaú Private EFFICAX – Marine Fund ⁽⁵⁾	5,503	4,085
BNP Paribas – Osmosis Global – Marine Fund ⁽⁵⁾	1,500	1,333
BTG Pactual - GAMA BW – Marine Fund ⁽⁵⁾	1,069	1,069
Total financial investments in Brazil	239,302	212,758

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.f) Breakdown of the balances of funds related to projects in noncurrent assets (Continued)

Description	12/31/2023	12/31/2022
<i>Foreign financial investments</i>		
Julius Bär – Transition Fund ⁽²⁾	444,678	511,640
Julius Bär - Abrolhos Fund ⁽³⁾	5,402	6,399
Julius Bär - Amapá Fund ⁽⁴⁾	8,903	8,538
Total foreign financial investments	458,983	526,577
<i>Foreign financial investments in transit ⁽⁵⁾</i>		
Julius Bär – Transition Fund	18,402	-
Total foreign financial investments in transit	18,402	-
Total funds related to projects in noncurrent assets	716,701	739,341

All checking accounts and financial investments (local and abroad) are carefully invested in prime financial institutions.

Asset Manager and types of investment:

(1) Kayapó Fund:

Local portfolio:	Low Vol fixed income	71.3%
	Fixed income	21.4%
	Variable income	7.4%
	Accounts payable/receivable	-0.1%

(2) Transition Fund:

Local portfolio:	Low Vol fixed income	34.36%
	Fixed income	36.01%
	Hedge Funds	17.38%
	Variable income	11.77%
	Variable income OFF	3.56%
	Hybrids	2.30%
	Accounts payable/receivable	-5.37%
OFF portfolio:	Cash CHF	-1.63%
	Cash EUR	-12.12%
	Cash USD	15.65%
	Fixed income	29.06%
	Variable income - Equities	66.61%
	Alternative investments	2.43%

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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.f) Breakdown of the balances of funds related to projects in noncurrent assets (Continued)

Asset Manager and types of investment (Continued)

(3) Abrolhos Land and Sea Fund (ATM Fund)

Local portfolio:	Low Vol fixed income	5.0%
	Fixed income	29.9%
	Hedge Fund	19.5%
	Variable income	34.0%
	Variable income OFF	9.3%
	Hybrids	2.3%
OFF portfolio:	Cash CHF	0.33%
	Cash DKK	1.14%
	Cash EUR	-11.20%
	Cash GBP	0.03%
	Cash USD	15.14%
	Fixed income	37.63%
	Variable income - Equities	55.08%
	Alternative investments	1.85%

(4) Amapá Fund

Local portfolio:	Low Vol fixed income	5%
	Fixed income	30%
	Hedge Fund	19%
	Variable income	34%
	Variable income OFF	9%
	Hybrids	3%
OFF portfolio:	Cash CHF	0.22%
	Cash DKK	1.44%
	Cash EUR	-11.41%
	Cash GBP	0.03%
	Cash USD	15.22%
	Fixed income	37.62%
	Variable income - Equities	55.06%
	Alternative investments	1.82%

(5) Marine Fund

Local portfolio:	Low Vol fixed income	32.80%
	Fixed income	33.80%
	Hedge Fund	16.55%
	Variable income	11.22%
	Variable income OFF	3.30%
	Hybrids	2.33%

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Notes to financial statements (Continued)
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4. Cash and cash equivalents, FUNBIO Resources Fund (FRF), funds related to projects, Global Environment Facility (GEF) and Green Climate Fund (GCF) (Continued)

4.f) Breakdown of the balances of funds related to projects in noncurrent assets (Continued)

The amounts stated as cash, banks in Brazil, foreign banks and short-term investments represent the Entity's own balances, which are intended for operational and administrative purposes, and these amounts are readily convertible into cash and subject to insignificant risk of changes in value. Short-term investments consist of Funds and Bank Deposit Certificates (CDBs) acquired at rates ranging from 96% to 101.50% (96% to 101.50% at December 31, 2022) of the Interbank Deposit Certificate (CDI) rate, and are recorded at the invested amount, plus income earned up to the reporting date.

Cash and cash equivalents related to projects and the GEF Agency represent the amounts transferred by various sponsors to the Entity, which are held in individual checking accounts for each project, and short-term investments held in investment funds, repurchase agreements and Bank Deposit Certificates (CDBs), whose liquidity is below 90 days, with insignificant risk of decrease in value.

These investments are recorded at the invested amount, plus income earned through to the reporting date.

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

5. Payroll and related charges

	<u>12/31/2023</u>	<u>12/31/2022</u>
Accrued vacation pay and related charges	2,205	1,905
Salaries payable	769	636
Withholding Income Tax (IRRF) payable	577	396
Social Security Tax (INSS) payable	461	289
Unemployment Compensation Fund (FGTS) payable	124	105
Contribution Tax on Gross Revenue for Social Integration Program (PIS) payable	20	13
Other	31	25
Total	<u>4,187</u>	<u>3,369</u>

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Notes to financial statements (Continued)

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(In thousands of reais)

6. Third-party funds related to projects

Changes in balances of projects for 2023

	12/31/2022	Funds received	Financial investment yields	Finance costs	Foreign exchange differences	Funds executed ⁽¹⁾	Transfers (FUNBIO revenue) ⁽²⁾	Redemptions - Funds/Internal transfer	Other transfers	12/31/2023	Note
ARPA 3 rd Phase - Transition Fund - Operational	3,027	-	556	(519)	-	(53,359)	(7,460)	66,663	(687)	8,221	6,1
FMA Agreement - Instr. I-A Envir. Compensation	21,004	-	2,703	(546)	-	-	-	-	-	23,161	6,2,1
FMA Agreement - Instr. I-B CA Federal	3,848	-	495	(100)	-	-	-	-	-	4,243	6,2,1
FMA Agreement - Instr. I-C Land Reg. Res.	10,546	-	1,357	(274)	-	-	-	-	-	11,629	6,2,1
FMA Agreement - Instr. III - A - Trust Financing	35,333	-	4,546	(918)	-	-	-	-	-	38,961	6,2,2
FMA Agreement - Instr. IV - Forest Rest.	3,026	22,500	1,728	(304)	-	-	-	-	-	26,950	6,2,3
FMA Agreement - Instr. V - TAC	2,697	-	347	(70)	-	-	-	-	-	2,974	6,2,4
FMA Agreement - Instr. VI - OP. Other Sources	7,164	-	922	(186)	-	-	-	-	-	7,900	6,2,5
Kayapó Operational	287	-	26	(3)	-	(1,244)	-	1,115	-	181	6,3
Adoption of parks	654	-	82	-	-	-	-	-	-	736	6,4
Opportunity Fund – Probio II	2,526	-	268	(43)	-	(494)	(235)	-	-	2,022	6,5
Fauna Fund Portfolio	828	-	104	(21)	-	-	-	-	-	911	6,6
GEF Sea - Petrobras	28,778	-	2,963	(459)	-	(9,994)	(2,231)	-	(37)	19,020	6,7
GEF Sea – Petrobras II	16,141	24,000	4,523	(692)	-	(3,065)	(419)	-	67	40,555	6,7
TAC Frade - Fishing and Marine Research	15,489	-	1,580	(367)	-	(6,054)	(393)	-	37	10,292	6,8,1
TAC Frade - Porpoise Conservation	68	-	3	(4)	-	(67)	-	-	-	-	6,8,2
TAC Frade - Environmental Education	19,268	-	1,679	(417)	-	(12,413)	(299)	-	(6)	7,812	6,8,3
TAC Frade - Environmental Education - Phase II	7,490	-	909	(127)	-	(450)	(69)	-	6	7,759	6,8,4
TAC Frade - Conservation of Protected Areas	9,379	-	1,036	(182)	-	(2,465)	(129)	-	(11)	7,628	6,8,5
TAC Frade - Conservation of Protected Areas - Phase II	6,739	-	769	(79)	-	(1,658)	(33)	-	(6)	5,732	6,8,6
Amazon Live - Rock in Rio	359	38	24	(9)	-	-	(12)	-	(400)	-	6,9
Atlantic Forest III	888	11,800	59	(75)	(262)	(11,253)	(52)	-	2	1,107	6,10
Cooperation Agreement between FUNBIO and MMA - Probio II	30	-	4	-	-	-	-	-	-	34	6,11
FUNBIO Scholarships - Preserving the Future	606	1,000	25	(6)	-	(975)	-	-	-	650	6,12
GEF land	13,355	24,635	735	(254)	-	(17,959)	(2,091)	-	(64)	18,357	6,13
REDD Early Movers Mato Grosso - REM MT	118,038	-	11,690	(2,032)	-	(58,372)	(6,446)	-	5	62,883	6,14
Exxon Mobil - AMLD	429	1,100	41	(10)	-	(1,076)	(165)	-	-	319	6,15
Copaibas	28,443	27,251	3,174	(754)	-	(21,149)	(4,764)	-	(21)	32,180	6,16
Porto Sul	8,313	11,159	2,066	(321)	-	(4,868)	(1,116)	-	7	15,240	6,17
Tradition and Future of the Amazon	1,191	1,559	81	(30)	-	(2,499)	(372)	-	76	6	6,18
Abrolhos Land and Sea Fund (ATM Fund)	29	-	95	(9)	-	(373)	(183)	1,269	-	828	6,19
TAC Underwater Warehouses	16,616	-	1,795	(305)	-	(5,531)	(702)	-	(7)	11,866	6,20
GCF TASK Force III	233	626	34	(13)	-	(274)	(82)	-	(524)	-	6,21
Amazon Consortium - ICS	4	220	1	(2)	-	-	(23)	-	(200)	-	6,22,1
Amazon Consortium - Embassy of France – Phase II	86	-	11	(2)	-	-	-	-	-	95	6,22,2
Amazon Consortium - TNC	-	73	-	-	-	(65)	-	-	75	83	6,22,3
TAJ Paranaguá Mod. IA	56,571	-	7,072	(1,131)	-	(3,479)	(464)	-	(4)	58,565	6,23,1
TAJ Paranaguá Mod. III	68,109	-	8,767	(1,243)	-	(359)	(568)	-	(10)	74,696	6,23,2
REWILD	5	1,130	15	(10)	-	(857)	(248)	-	-	35	6,24
Subtotal	507,597	127,091	62,285	(11,517)	(262)	(220,352)	(28,556)	69,047	(1,702)	503,631	

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Notes to financial statements (Continued)

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(In thousands of reais)

6. Third-party funds related to projects (Continued)

Changes in balances of projects for 2023 (Continued)

	12/31/2022	Funds received	Financial investment yields	Finance costs	Foreign exchange differences	Funds executed ⁽¹⁾	Transfers (FUNBIO revenue) ⁽²⁾	Redemptions – Funds/ Internal transfer	Other transfers	12/31/2023	Note
Subtotal	507,597	127,091	62,285	(11,517)	(262)	(220,352)	(28,556)	69,047	(1,702)	503,631	
TAC Coral Sol	7,449	2,927	1,157	(12)	-	(65)	(312)	-	(2)	11,142	6,25
PEMALM II	737	293	62	(18)	-	(616)	(185)	-	-	273	6,26
FAO - TAC JBS	5,287	-	560	(118)	-	(1,798)	(375)	-	-	3,556	6,27,1
FAO - TAE IMERYS PA	5,279	-	663	(71)	-	(125)	(134)	-	-	5,612	6,27,2
FAO – ICS	414	-	27	(3)	-	(74)	(75)	-	(106)	183	6,27,3
FAO - MOORE	13,899	5,815	1,812	(154)	-	(114)	(240)	-	-	21,018	6,27,4
Amapá Fund - Operational	408	-	37	(5)	-	(188)	34	-	-	286	6,28
GFCR Agency	551	-	50	(8)	-	(205)	(144)	-	-	244	6,29
Living Forest - BNDES	16,122	-	1,720	(217)	-	(57)	(696)	(9,341)	-	7,531	6,30,1
Living Forest - Petrobras	10,021	-	1,117	(190)	-	-	-	(5,841)	-	5,107	6,30,2
Living Forest - ENEVA Amazon Public Notice	1,000	1,000	202	(2)	-	(16)	(63)	2,000	-	4,121	6,30,3
Living Forest – HEINEKEN Promotion	-	1,300	147	(11)	-	-	-	-	-	1,436	6,30,4
Living Forest – Petrobrás – Mangroves Public Notice	-	-	267	(37)	-	(7,209)	(158)	11,682	-	4,545	6,30,5
Living Forest – Xingu Public Notice	-	2,500	86	(1)	-	(20)	(88)	1,500	-	3,977	6,30,6
Rio Doce Biodiversity - Renova	-	9,554	193	(13)	-	(2,299)	(529)	-	-	6,906	6,31
CITINOVA II	-	2,698	144	(13)	-	(170)	-	-	-	2,659	6,32
POP ICMBio Rewild Protection	-	3,710	115	(15)	-	-	-	-	-	3,810	6,33,1
POP ICMBio Moore Protection	-	7,568	141	(40)	-	(2,499)	-	-	-	5,170	6,33,1
POP SMC OSF	-	3,006	80	(12)	-	-	-	-	-	3,074	6,33,2
POP RAMSAR Sites Rewild	-	636	18	(3)	-	-	-	-	-	651	6,33,3
POP IBAMA CLUA	-	507	7	(4)	-	(420)	(55)	-	-	35	6,33,4
Living Amazon – Facilitator Fund - ECF	-	3,000	-	-	-	-	-	-	-	3,000	6,34
Subtotal	568,764	171,605	70,890	(12,464)	(262)	(236,227)	(31,576)	69,047	(1,810)	597,967	
Transition Fund	655,578	-	156,355	(83,488)	(35,663)	-	-	(66,663)	-	626,119	6,1
Kayapó Fund	18,163	-	2,908	(718)	-	-	-	(1,115)	-	19,238	6,3
Amapá Fund	14,516	-	3,725	(1,859)	(659)	-	-	-	-	15,723	6,28
Abrolhos Land and Sea Fund (ATM Fund)	10,577	-	2,410	(1,163)	(386)	-	-	(1,269)	-	10,169	6,19
Marine Fund	40,507	-	7,410	(2,465)	-	-	-	-	-	45,452	6,7
Subtotal	739,341	-	172,808	(89,693)	(36,708)	-	-	(69,047)	-	716,701	
Total	1,308,105	171,605	243,698	(102,157)	(36,970)	(236,227)	(31,576)	-	(1,810)	1,314,668	
Current	568,764	-	-	-	-	-	-	-	-	597,967	
Noncurrent	739,341	-	-	-	-	-	-	-	-	716,701	

1) Of the total funds executed of R\$236,227, R\$111,346 refers to disbursements made to other institutions (indirect execution) engaged by FUNBIO to perform the projects' operating activities, R\$126,132 was executed directly by FUNBIO through contracts and purchases, and (R\$1,251) refers to rendering of accounts in progress.

2) Of the total amount presented as Transfers (FUNBIO revenue) of R\$31,576, R\$R\$7,880 refers to Project Reimbursement – as shown in Note 10 – plus R\$91 relating to the donation of equipment received from the Boticário Foundation, totaling R\$7,971 - as shown in Note 10, and R\$23,696 refers to Recovery of Costs – as shown in Note 11 – plus R\$449 relating to an advance received from the REDD Early Movers Mato Grosso - REM MT project in 2023, thus totaling R\$24,145 - as shown in Note 11.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)

December 31, 2023 and 2022

(In thousands of reais)

6. Third-party funds related to projects (Continued)

Changes in balances of projects for 2022

	12/31/2021	Funds received	Financial investment yields	Finance costs	Foreign exchange differences	Funds executed ⁽¹⁾	Provisions in execution	Transfers (FUNBIO revenue) ⁽²⁾	Redemptions - Funds/Internal transfer	Other transfers	12/31/2022	Note
ARPA 3 rd Phase - Transition Fund - Operational	2,139	-	608	(611)	-	(48,947)	(918)	(4,386)	54,560	582	3,027	6,1
FMA Agreement - Instr. I-A Envir. Compensation	42,703	383	5,163	(1,745)	-	-	-	-	-	(25,500)	21,004	6,2,1
FMA Agreement - Instr. I-B CA Federal	3,512	-	495	(159)	-	-	-	-	-	-	3,848	6,2,1
FMA Agreement - Instr. I-C Land Reg. Res.	9,640	-	1,272	(366)	-	-	-	-	-	-	10,546	6,2,1
FMA Agreement - Instr. III - A - Trust Financing	32,222	-	4,493	(1,382)	-	-	-	-	-	-	35,333	6,2,2
FMA Agreement - Instr. IV - Forest Rest.	2,757	-	385	(116)	-	-	-	-	-	-	3,026	6,2,3
FMA Agreement - Instr. V - TAC	2,465	-	324	(92)	-	-	-	-	-	-	2,697	6,2,4
FMA Agreement - Instr. VI - OP. Other Sources	6,588	-	789	(213)	-	-	-	-	-	-	7,164	6,2,5
Kayapó Operational	604	-	124	(75)	-	(1,391)	-	(131)	1,156	-	287	6,3
Adoption of parks	584	-	90	(20)	-	-	-	-	-	-	654	6,4
Opportunity Fund – Probio II	2,518	-	306	(57)	-	-	-	(241)	-	-	2,526	6,5
Fauna Fund Portfolio	745	-	95	(12)	-	-	-	-	-	-	828	6,6
GEF Sea - Petrobras	35,704	-	5,883	(2,750)	-	(9,207)	(42)	(803)	-	(7)	28,778	6,7
GEF Sea – Petrobras II	-	16,000	142	(1)	-	-	-	-	-	-	16,141	6,7
TAC Frade - Fishing and Marine Research	21,068	-	2,606	(775)	-	(6,974)	(4)	(397)	-	(35)	15,489	6,8,1
TAC Frade - Porpoise Conservation	217	-	109	(103)	-	(82)	-	(86)	-	13	68	6,8,2
TAC Frade - Environmental Education	23,111	-	3,919	(1,748)	-	(5,716)	(16)	(298)	-	16	19,268	6,8,3
TAC Frade - Environmental Education - Phase II	8,288	-	1,043	(204)	-	(1,510)	-	(122)	-	(5)	7,490	6,8,4
TAC Frade - Conservation of Protected Areas	8,987	-	1,380	(397)	-	(403)	(11)	(187)	-	10	9,379	6,8,5
TAC Frade - Conservation of Protected Areas - Phase II	6,837	-	861	(124)	-	(698)	(9)	(119)	-	(9)	6,739	6,8,6
Amazon Live - Rock in Rio	35	319	28	(6)	-	(10)	-	(7)	-	-	359	6,9
Atlantic Forest III	3,510	8,843	193	(157)	(218)	(8,964)	-	(2,317)	-	(2)	888	6,10
Cooperation Agreement between FUNBIO and MMA - Probio II	26	-	4	-	-	-	-	-	-	-	30	6,11
FUNBIO Scholarships - Preserving the Future	717	1,000	36	(24)	-	(1,121)	-	-	-	(2)	606	6,12
GEF land	2,717	25,768	729	(355)	-	(13,365)	(65)	(2,139)	-	65	13,355	6,13
REDD Early Movers Mato Grosso - REM MT	152,198	-	17,555	(3,447)	-	(44,877)	(154)	(3,358)	-	121	118,038	6,14
Exxon Mobil - AMLD	543	1,000	46	(10)	-	(1,000)	-	(150)	-	-	429	6,15
Copaibas	16,985	28,782	1,709	(635)	-	(11,887)	(53)	(6,423)	-	(35)	28,443	6,16
Porto Sul	14,584	-	1,446	(366)	-	(6,753)	-	(586)	-	(12)	8,313	6,17
Tradition and Future of the Amazon	1,177	1,652	220	(100)	-	(1,461)	(27)	(294)	-	24	1,191	6,18
Abrolhos Land and Sea Fund (ATM Fund)	477	-	46	(38)	-	(456)	-	-	-	-	29	6,19
TAC Underwater Warehouses	20,207	-	2,738	(768)	-	(4,860)	(7)	(702)	-	8	16,616	6,20
Subtotal	423,865	83,747	54,837	(16,856)	(218)	(169,682)	(1,306)	(22,746)	55,716	(24,768)	382,589	

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Notes to financial statements (Continued)

December 31, 2023 and 2022

(In thousands of reais)

6. Third-party funds related to projects (Continued)

Changes in balances of projects for 2022 (Continued)

	12/31/2021	Funds received	Financial investment yields	Finance costs	Foreign exchange differences	Funds executed ⁽¹⁾	Provisions in execution	Transfers (FUNBIO revenue) ⁽²⁾	Redemptions – Funds/ Internal transfer	Other transfers	12/31/2022	Note
Subtotal	423,865	83,747	54,837	(16,856)	(218)	(169,682)	(1,306)	(22,746)	55,716	(24,768)	382,589	
GCF Task Force	7	1,129	13	(14)	-	(438)	-	(75)	-	(622)	-	6,21,1
GCF TASK Force III	-	-	13	(4)	-	(300)	-	-	-	524	233	6,21,2
Amazon Consortium - ICS	311	-	47	(29)	-	(480)	-	(45)	-	200	4	6,22,1
Amazon Consortium - Embassy of France	120	-	8	(7)	-	(121)	-	-	-	-	-	
Amazon Consortium - Embassy of France – Phase II	-	85	1	-	-	-	-	-	-	-	86	6,22,2
TAJ Paranaçu Mod. IA	51,603	-	6,625	(938)	-	(286)	-	(437)	-	4	56,571	6,23,1
TAJ Paranaçu Mod. III	61,904	-	7,950	(1,120)	-	(94)	(7)	(534)	-	10	68,109	6,23,2
REWILD	2,530	-	172	(84)	-	(2,038)	-	(575)	-	-	5	6,24
TAC Coral Sol	420	6,963	682	(9)	-	(15)	(1)	(592)	-	1	7,449	6,25
PEMALM II	-	1,210	60	(17)	-	(315)	-	(201)	-	-	737	6,26
FAO - TAC JBS	-	5,000	501	(38)	-	(9)	-	(167)	-	-	5,287	6,27,1
FAO - TAE IMERYS PA	-	5,000	436	(37)	-	(1)	-	(119)	-	-	5,279	6,27,2
FAO - ICS	-	334	2	-	-	(26)	(3)	-	-	107	414	6,27,3
FAO - MOORE	-	13,939	14	(54)	-	-	-	-	-	-	13,899	6,27,4
Amapá Fund - Operational	-	-	26	(1)	-	(224)	-	(107)	714	-	408	6,28
GFCR Agency	-	536	17	(2)	-	-	-	-	-	-	551	6,29
Living Forest - BNDES	-	15,906	218	-	-	(2)	-	-	-	-	16,122	6,30,1
Living Forest - Petrobras	-	10,000	21	-	-	-	-	-	-	-	10,021	6,30,2
Living Forest - ENEVA Amazon Public Notice	-	1,000	-	-	-	-	-	-	-	-	1,000	6,30,3
Subtotal	540,760	144,849	71,643	(19,210)	(218)	(174,031)	(1,317)	(25,598)	56,430	(24,544)	568,764	
Transition Fund	888,996	-	181,913	311,478	(49,293)	-	-	-	(54,560)	-	655,578	6,1
Kayapó Fund	17,928	-	3,131	(1,740)	-	-	-	-	(1,156)	-	18,163	6,3
Amapá Fund	17,867	-	5,897	(7,815)	(719)	-	-	-	(714)	-	14,516	6,28
Abrolhos Land and Sea Fund (ATM Fund)	12,490	-	4,775	(6,147)	(541)	-	-	-	-	-	10,577	6,19
Marine Fund	38,666	-	8,710	(6,869)	-	-	-	-	-	-	40,507	6,7
Subtotal	975,947	-	204,426	334,049	(50,553)	-	-	-	(56,430)	-	739,341	
Total	1,516,707	144,849	276,069	353,259	(50,771)	(174,031)	(1,317)	(25,598)	-	(24,544)	1,308,105	
Current	540,760	-	-	-	-	-	-	-	-	-	568,764	
Noncurrent	975,947	-	-	-	-	-	-	-	-	-	739,341	

1) Of the total funds executed of R\$174,031, R\$62,305 refers to disbursements made to other institutions (indirect execution) engaged by FUNBIO to perform the projects' operating activities, and R\$111,726 was executed directly by FUNBIO through contracts and purchases.

2) Of the total amount presented as Transfers (FUNBIO revenue) of R\$25,598, R\$10,826 refers to Project Reimbursement – as shown in Note 10 – plus R\$20 relating to the donation of equipment received from the Kayapó - Tradition and Future of the Amazon project and GCF Agency totaling R\$10,846 - as shown in the Note 10, and R\$14,772 refers to Recovery of Costs – as shown in the Note 11 – plus R\$2,742 relating to an advance received from the REDD Early Movers Mato Grosso - REM MT project in 2022, thus totaling R\$17,514 - as shown in the Note 11.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.1. Amazon Region Protected Areas (ARPA) Program

ARPA program is the largest tropical forest protection initiative in the world. The Transition Fund (FT) emerged from Arpa for Life initiative, marking the beginning of the Arpa Program Phase III. The Transition Fund is an extinguishable fund designed and developed as an alternative for the consolidation of Protected Areas supported by the ARPA Program, through investments of donations from international cooperation, private donations and government funds represented by non-financial consideration.

FUNBIO is the program's financial manager, and conducts the procurement and engagement activities for the Protected Areas, and the Fund's asset management, which ensures the program's sustainability in the long term. The Transition Fund incorporated funds from the Amazon Region Protected Areas Fund ("FAP"), organized in the program's first phase.

The valued portfolio of the Transition Fund recorded financial investment yields of R\$156,355 (R\$181,913 in 2022), finance costs of R\$83,488 (R\$311,478 in 2022), foreign exchange differences of R\$35,663 (R\$49,293 in 2022), transfer between fund and the operating account of R\$66,663 (R\$54,560 in 2022), and year-end balance of R\$626,119, (R\$655,578 in 2022), a reduction of 4%.

In 2023, the project's operating account recorded financial investment yields of R\$556 (R\$608 in 2022), finance costs of R\$519 (R\$611 in 2022), executed R\$60,819 (R\$53,333 in 2022), received transfer from the fund amounting to R\$66,663 (R\$54,560 in 2022), and other changes in the amount of R\$687 (R\$336 in 2022), and year-end balance of R\$8,221 (R\$3,027 in 2022).

6.2. Rio de Janeiro Atlantic Forest Fund (FMA) - Cooperation Agreement No. 04/2016

The Rio de Janeiro Atlantic Forest Fund (FMA) was created in 2016, under the Cooperation Agreement No. 04/2016, which received all the remaining funds of the SEA Agreement No. 003/2009, terminated on November 14, 2016.

This fund is originally composed of six (6) operational instruments, five (5) of which are in effect, created in accordance with State Law No. 6572 of October 31, 2013, as amended by State Law No. 7061 of September 25, 2015, pursuant to the conditions and procedures stipulated in the Public Hearing notice No. 01/16, in the FMA Management Manual (to be agreed by the parties), as well as in SEA Resolution No. 491/15, as amended by Resolution No. 503/16.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
December 31, 2023 and 2022
(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.2. Rio de Janeiro Atlantic Forest Fund (FMA) - Cooperation Agreement No. 04/2016 (Continued)

In 2023, there were changes in yields from funds related to the six (6) operational instruments, since the Agreements are suspended until the approval of new projects by the relevant bodies of the State Department of Environment and Sustainability of the State of Rio de Janeiro (SEAS/RJ). The instruments are listed below:

6.2.1. Operational Instrument for Environmental Compensation - Brazil's National System of Protected Areas (SNUC)

Mechanism for projects relating to environmental compensation funds, established in accordance with article 36 of Federal Law No. 9985/00, in which business entrepreneurs, after authorization by the State Environmental Institute (INEA), choose to deposit the funds in a specific account of the FMA Financial Manager for the implementation of projects approved by the Environmental Compensation Chamber of the State of Rio de Janeiro (CCA/RJ), subdivided into three types:

a) *Portfolio of projects approved by the Environmental Compensation Chamber of the State of Rio de Janeiro (CCA/RJ)*

Intended for the implementation of projects presented by municipal, state and federal environmental agencies, as well as those intended for the management of Private Natural Heritage Reserves (RPPN), and approved by CCA/RJ, whose purpose is to support the implementation and maintenance of one or more Protected Areas under full protection.

In 2023, this project recorded financial investment yields of R\$2,703 (R\$5,163 in 2022), finance costs of R\$546 (R\$1,745 in 2022), and the year-end balance was R\$23,161 (R\$21,004 in 2022).

b) *Portfolio of projects arising from federal environmental compensation*

Instrument intended for the implementation of projects at Protected Areas, presented by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), whose purpose is to support the implementation and maintenance of one or more state Protected Areas.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.2. Rio de Janeiro Atlantic Forest Fund (FMA) - Cooperation Agreement No. 04/2016 (Continued)

6.2.1. Operational Instrument for Environmental Compensation - Brazil's National System of Protected Areas (SNUC) (Continued)

b) *Portfolio of projects arising from federal environmental compensation* (Continued)

In 2023, this project recorded financial investment yields of R\$495 (R\$495 in 2022), finance costs of R\$100 (R\$159 in 2022), and the year-end balance was R\$4,243 (R\$3,848 in 2022).

c) *Land Regularization Reserve*

Aimed specifically at land regularization of protected areas established by the Rio de Janeiro State Government, which were expropriated and became public land, with the landowner being compensated through legal or administrative agreements.

In 2023, this project recorded financial investment yields of R\$1,357 (R\$1,272 in 2022), finance costs of R\$274 (R\$366 in 2022), and the year-end balance was R\$11,629 (R\$10,546 in 2022).

6.2.2. Trust Financial Instrument

Financial mechanism intended to raise funds, the principal of which, whenever possible, should be preserved to ensure the management of protected areas created by the State Government, especially its current expenses, aiming at its financial sustainability on a permanent basis.

In 2023, this project recorded financial investment yields of R\$4,546 (R\$4,493 in 2022), finance costs of R\$918 (R\$1,382 in 2022), and the year-end balance was R\$38,961 (R\$35,333 in 2022).

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6. Third-party funds related to projects (Continued)

6.2. Rio de Janeiro Atlantic Forest Fund (FMA) - Cooperation Agreement No. 04/2016 (Continued)

6.2.3. Forest Restoration Operational Instrument

Mechanism for projects relating to the forest replacement obligation provided for in Federal Law No. 11428/2007, due to cutting or removal of primary or secondary vegetation in the middle or advanced stages of regeneration of the Atlantic Forest Biome, authorized by INEA, as well as other obligations consisting of forest restoration.

In 2023, this project received resources totaling R\$22,500, recorded financial investment yields of R\$1,728 (R\$385 in 2022) and finance costs of R\$304 (R\$116 in 2022), and the year-end balance was R\$26,950 (R\$3,026 in 2022).

6.2.4. Consent Decree ("TAC")

Mechanism for environmental projects relating to TACs entered into between the environmental agency and individuals or legal entities, in order to adjust their conduct in relation to environmental damages caused by them.

In 2023, this project recorded financial investment yields of R\$347 (R\$324 in 2022), finance costs of R\$70 (R\$92 in 2022), and the year-end balance was R\$2,974 (R\$2,697 in 2022).

6.2.5. Operational Instrument from Other Sources

Mechanism for state environmental protection programs not relating to the assumptions of instruments I, II, III, IV and V described above.

In 2023, this project recorded financial investment yields of R\$922 (R\$789 in 2022), finance costs of R\$186 (R\$213 in 2022), and the year-end balance was R\$7,900 (R\$7,164 in 2022).

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.3. Kayapó Fund (FK)

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

In 2023, Kayapó Fund recorded financial investment yields of R\$2,908 (R\$3,131 in 2022), finance costs of R\$718 (R\$1,740 in 2022), transfers between the fund and the operating account of R\$1,115 (R\$1,156 in 2022), and the year-end balance was R\$19,238 (R\$18,163 in 2022).

In 2023, the Operating Account recorded financial investment yields of R\$26 (R\$124 in 2022), finance costs of R\$3 (R\$75 in 2022), executed the amount of R\$1,244 (R\$1,522 in 2022), transfers between the Fund and the operating account of R\$1,115 (R\$1,156 in 2022), and the year-end balance was R\$181 (R\$287 in 2022).

6.4. Adoption of parks

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

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

In 2023, this project recorded financial investment yields of R\$82 (R\$90 in 2022), no finance costs (R\$20 in 2022), and the year-end balance was R\$736 (R\$654 in 2022).

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6. Third-party funds related to projects (Continued)

6.5. Opportunity Fund of Probio II Project - National Project of Integrated Public Private Actions for Biodiversity

This initiative aims at encouraging production sectors to adopt principles and practices of conservation and sustainable use of biodiversity in their businesses. To support and continue to support the Subprojects, Probio II established the Opportunity Fund, a financial mechanism that enables adding biodiversity conservation to private sector initiatives. Through the Opportunity Fund, the subprojects receive funds for works in production chains, as well as for monitoring actions to assess the results achieved.

FUNBIO promotes private sector engagement actions, aiming to boost the transformation of the production, consumption and occupation models in the national territory.

In 2023, the Opportunity Fund received no funds, recorded financial investment yields of R\$268 (R\$306 in 2022), finance costs of R\$43 (R\$57 in 2022), executed the amount of R\$729 (R\$241 in 2022), and the year-end balance was R\$2,022 (R\$2,526 in 2022).

6.6. Fauna Brasil 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. The result of a partnership with Ibama, ICMBio and the Federal Public Prosecutor's Office, its objective is to finance programs and projects for the conservation of endangered Brazilian fauna.

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.

In 2023, this project recorded financial investment yields of R\$104 (R\$95 in 2022), finance costs of R\$21 (R\$12 in 2022), and the year-end balance was R\$911 (R\$828 in 2022).

6.7. Protected Marine Areas Project - GEF SEA

This Project is intended to support the creation and implementation of a representative and effective system for marine and coastal protected areas (AMCPs) to reduce biodiversity losses. It is a comprehensive action plan, where multiple agendas may be integrated in support of marine and coastal conservation.

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6. Third-party funds related to projects (Continued)

6.7. Protected Marine Areas Project - GEF SEA (Continued)

This is an initiative by FUNBIO together with the Brazilian Ministry of Environment (MMA) and Chico Mendes Institute for Biodiversity Conservation (ICMbio), funded by the Global Environment Facility (GEF) through the World Bank. From 2019, it also received funds from the non-refundable commitment agreement between IBAMA and Petrobras, as part of the environmental compensation relating to the adjustment of the company's offshore production platforms for the appropriate disposal of production water, IBAMA proceeding No. 02001.000128/2019-26. Part of GEF's funds were allocated to a fund called the Marine Fund and will be executed as an endowment. This Fund is managed by FUNBIO.

In 2023, Marine Fund recorded financial investment yields of R\$7,410 (R\$8,710 in 2022), finance costs of R\$2,465 (R\$6,869 in 2022), and the year-end balance was R\$45,452 (R\$40,507 in 2022).

In 2023, GEF SEA - Petrobras I Project recorded financial investment yields of R\$2,963 (R\$5,883 in 2022), finance costs of R\$459 (R\$2,750 in 2022), executed R\$12,225 (R\$10,010 in 2022), other changes totaled R\$37 (R\$49 in 2022), and the year-end balance was R\$19,020 (R\$28,778 in 2022).

In 2023, the Project entered into between Petrobras and Funbio, named GEF SEA - Petrobras II, received the amount of R\$24,000 (R\$16,000 in 2022), recorded financial investment yields of R\$4,523 (R\$142 in 2022) and finance costs of R\$692 (R\$1 in 2022), executed the amount of R\$3,484, other changes totaled R\$67, and the year-end balance was R\$40,555 (R\$16,141 in 2022).

6.8. Consent Decree (TAC) Implementation Agreement - Frade

The Consent Decree (TAC) between Chevron Brasil and the Federal Public Prosecutor's Office, with the intermediation of Brazil's National Petroleum Agency (ANP) and the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), was entered into in March 2019, when Chevron sold its share in Frade Oil Field to PetroRio O&G Exploração e Produção de Petróleo Ltda. (PetroRio) and, consequently, all dealings on the implementation of this compensatory measure have also become the responsibility of this company. The funds from this TAC gave rise to eight projects aimed at the conservation of the marine-coastal environment in the states of Rio de Janeiro, Espírito Santo and São Paulo, as follows:

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6. Third-party funds related to projects (Continued)

6.8. Consent Decree (TAC) Implementation Agreement - Frade (Continued)

6.8.1. Project to Support Marine and Fishing Research in Rio de Janeiro

This project is intended to support the generation and dissemination of scientific knowledge about the biology, ecology and population dynamics of species targeted by fishing activities; the status of fish stocks; fisheries unloading; and nutritional aspects of target species, in order to subsidize the sustainable use of fishery resources in the state of Rio de Janeiro, as well as to contribute to the recovery and sustainable use of true sardines through the implementation of actions proposed in this species' Management Plan, focusing on the state of Rio de Janeiro.

In 2023, the project recorded financial investment yields of R\$1,580 (R\$2,606 in 2022), finance costs of R\$367 (R\$775 in 2022), executed the amount of R\$6,447 (R\$7,371 in 2022), other changes totaled R\$37 (R\$39 in 2022), and the year-end balance was approximately R\$10,292 (R\$15,489 in 2022).

6.8.2. Porpoise Conservation in Management Area I (Franciscana Management Area I – FMA I)

The second project is intended to foster the porpoise conservation by generating knowledge about the biology, ecology and population viability of the species in the Management Area I (FMA I), and by disseminating the knowledge acquired through studies that technically and scientifically support the actions proposed for the National Action Plan (PAN) aimed at porpoises. The focus is on three goals of the Porpoise Management Plan: support for actions contributing to the generation of inputs to assess the population viability in Management Area I (FMA I); proposal and implementation of fishing management measures for driftnet fishing, suitable for the porpoise conservation; and increasing the biological and ecological knowledge about the porpoise.

In 2023, this project recorded financial investment yields of R\$3 (R\$109 in 2022), finance costs of R\$4 (R\$103 in 2022), executed the amount of R\$67 (R\$168 in 2022), and recorded no changes (R\$13 in 2022) or year-end balance R\$67 (R\$68 in 2022).

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.8. Consent Decree (TAC) Implementation Agreement - Frade (Continued)

6.8.3. Implementation of Environmental Education Projects and Income Generation for Fishing Communities of the state of Rio de Janeiro

The project Implementation of Environmental Education Projects and Income Generation for Fishing Communities aim to promote the biodiversity conservation in the coastal and marine zone of the state of Rio de Janeiro, the sustainable use of fisheries resources in that State, and the strengthening of artisanal fishing as a long-term strategy to contribute to the environmental, social and economic sustainability of the activity, by implementing environmental education and income generation projects.

In 2023, the project recorded financial investment yields of R\$1,679 (R\$3,919 in 2022), finance costs of R\$417 (R\$1,748 in 2022), executed the amount of R\$12,712 (R\$6,014 in 2022), recorded other changes totaling R\$6, and the year-end balance was R\$7,812 (R\$19,268 in 2022).

6.8.4. Implementation of Environmental Education Projects focused on the environmental quality of fishing communities of the state of Rio de Janeiro (Phase II)

This project aims to promote the biodiversity conservation in the coastal and marine zones of the state of Rio de Janeiro, as well as the sustainable use of fishery resources in the state and strengthening of artisanal fishing as a long-term strategy to contribute to the environmental, social and economic sustainability of the activity, through the implementation of education projects and improvement of the quality of the environment.

In 2023, the project recorded financial investment yields of R\$909 (R\$1,043 in 2022), finance costs of R\$127 (R\$204 in 2022), executed the amount of R\$519 (R\$1,632 in 2022), other changes amounted to R\$6 (R45 in 2022), and the year-end balance was of R\$7,759 (R\$7,490 in 2022).

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.8. Consent Decree (TAC) Implementation Agreement - Frade (Continued)

6.8.5. Biodiversity Conservation and Sustainable Use in the Federal Coastal Protected Areas

The Biodiversity Conservation and Sustainable Use in Federal Coastal Protected Areas project aims to promote the biodiversity conservation in the coastal and marine zone of the state of Rio de Janeiro, as well as the sustainable use of fisheries resources and the strengthening of artisanal fishing, by strengthening and supporting the biodiversity conservation and sustainable use in the Federal coastal and estuarine Protected Areas of the state of Rio de Janeiro.

In 2023, the project recorded financial investment yields of R\$1,036 (R\$1,380 in 2022), finance costs of R\$182 (R\$397 in 2022), executed the amount of R\$2,594 (R\$590 in 2022), other changes amounted to R\$11 (R\$1 in 2022), and the year-end balance was of R\$7,628 (R\$9,379 in 2022).

6.8.6. Biodiversity Conservation and Sustainable Use in five Federal Coastal and Estuarine Protected Areas of the states of Rio de Janeiro and São Paulo

This project aims to promote the biodiversity conservation in the coastal and marine zone of the states of Rio de Janeiro and São Paulo, as well as the sustainable use of fisheries resources as a long-term strategy to contribute to the environmental, social and economic sustainability of the activity, by strengthening and supporting the conservation and the sustainable use of biodiversity in five coastal and estuarine Protected Areas of the states of Rio de Janeiro and São Paulo:

- (i) Natural Monument (MONA) in Cagarras Islands;
- (ii) Environmental Protection Area (APA) in Cairuçu;
- (iii) National Park (PARNA) in Serra da Bocaina;
- (iv) Guanabara Ecological Station (ESEC); and
- (v) Tupinambás Ecological Station (ESEC).

In 2023, the project recorded financial investment yields of R\$769 (R\$861 in 2022), finance costs of R\$79 (R\$124 in 2022), executed the amount of R\$1,691 (R\$817 in 2022), other changes amounted to R\$6 (R\$18 in 2022), and the year-end balance was of approximately R\$5,732 (R\$6,739 in 2022).

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6. Third-party funds related to projects (Continued)

6.9. Amazon Live - Rock in Rio

This was a Rock World S.A. initiative, which promotes the Rock in Rio event, and FUNBIO was selected for the financial management of resources from an initial cooperation whose goal is to plant trees at the Xingu River headwaters in the state of Mato Grosso. The Instituto Socioambiental (ISA) and the Xingu Seeds Network were considered the ideal partners to achieve the proposed goal, through a planting technique known as “muvuca”, which ensures a variety of species in the same territory.

In addition to the initial donation, Rock in Rio, through the Amazon Live Project, is making efforts to raise funds through voluntary donations in crowdfunding websites, donations of assets for auctions, donations from sponsors, aiming at increasing the amount of trees to be planted. On August 24, 2023, the Technical and Financial Collaboration Agreement was signed between Rock World and Instituto Socioambiental, which becomes the financial manager, authorizing the transfer of the project balance to the new manager.

In 2023, the project received funds amounting to R\$38 (R\$319 in 2022), financial investment yields amounted to R\$24 (R\$28 in 2022), finance costs amounted to R\$9 (R\$6 in 2022), funds executed amounted to R\$12 (R\$17 in 2022), other changes totaled R\$400 (R\$0 in 2022), and there was no year-end balance (R\$359 in 2022).

6.10. Atlantic Forest III

Project funded by Bundesministerium für Umwelt (BMU, the German Ministry of Environment) through the German Development Bank (KfW), intended to contribute to the Atlantic Forest’s biodiversity conservation and ecological restoration, focusing on the protected area mosaics, such as the Extreme South of Bahia Mosaic (Bahia State), Central Rio de Janeiro Atlantic Forest Mosaic (Rio de Janeiro State) and Lagamar Mosaic (São Paulo and Paraná States), contributing to the mitigation and adaptation to climate changes in this biome.

FUNBIO is the Financial Manager of the program and, after entering into a Cooperation Agreement with BMU on December 23, 2020, gave a new design to the Project, with the strategy of launching a Call for Projects for the selection of initiatives for the recovery of native vegetation in the Lagamar Mosaic, Central Rio de Janeiro Atlantic Forest Mosaic (MCF), and Extreme South of Bahia Mosaic (MAPES).

In 2023, the project received funds amounting to R\$11,800 (R\$8,843 in 2022), financial investment yields amounted to R\$59 (R\$193 in 2022), finance costs amounted to R\$75 (R\$157 in 2022), foreign exchange differences totaled R\$262 (R\$218 in 2022), funds executed amounted to R\$11,305 (R\$11,281 in 2022), other changes totaled R\$2 (R\$2 in 2022), and the year-end balance was R\$1,107 (R\$888 in 2022).

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6. Third-party funds related to projects (Continued)

6.11. Cooperation Agreement between FUNBIO and MMA - Probio II

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

In 2023, this project recorded financial investment yield of R\$4 (R\$4 in 2022) and the year-end balance was R\$34 (R\$30 in 2022).

6.12. 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.

In 2023, the project received funds amounting to R\$1,000 (R\$1,000 in 2022), financial investment yields amounted to R\$25 (R\$36 in 2022), finance costs amounted to R\$6 (R\$24 in 2022), funds executed amounted to R\$975 (R\$1,121 in 2022), there were no other changes (R\$2 in 2022), and the year-end balance was of R\$650 (R\$606 in 2022).

6.13. Conservation, Restoration and Management Strategies for the Biodiversity of Caatinga, Pampa and Pantanal Project (GEF LAND)

Conservation, Restoration and Management Strategies for the Biodiversity of Caatinga, Pampa and Pantanal Project: GEF Land aims to promote the conservation of the biodiversity of Caatinga, Pampa and Pantanal through three main strategies:

- Expansion and consolidation of Brazil's National System of Protected Areas (SNUC), including the creation of new Protected Areas, and enhancement of the effective conservation of existing areas;
- Restoration of native vegetation; and
- National Action Plans for endangered species.

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6. Third-party funds related to projects (Continued)

6.13. Conservation, Restoration and Management Strategies for the Biodiversity of Caatinga, Pampa and Pantanal Project (GEF LAND) (Continued)

The project has been implemented in partnership with the Chico Mendes Institute for Biodiversity Conservation (ICMBio), the Botanical Gardens of Rio de Janeiro (JBRJ), and state environmental agencies, under the technical coordination of the Ministry of the Environment. FUNBIO is in charge of implementing it. The Inter-American Development Bank (IDB) is the agency in charge of implementing the donations from the Global Environment Facility Trust Fund (GEF), to be executed throughout 5 years from the contract date, which was entered into in May 2018.

In 2023, the project received funds from BID amounting to R\$24,635 (R\$25,768 in 2022), financial investment yields amounted to R\$735 (R\$729 in 2022), finance costs amounted to R\$254 (R\$355 in 2022), funds executed amounted to R\$20,050 (R\$15,504 in 2022), other changes totaled R\$64 (R\$0 in 2022), and the year-end balance was R\$18,357 (R\$13,355 in 2022).

6.14. REDD Early Movers Mato Grosso - REM MT

This Project consists of remuneration on results (ex-post) of reductions in greenhouse gases emissions from deforestation. The main purpose of the Project is to significantly reduce the emissions from deforestation and environmental degradation in the state of Mato Grosso and in Brazil. The funds for the Program are provided by the German Government, through the German Development Bank (KfW), and by the Government of the United Kingdom, through the Department for Business, Energy & Industrial Strategy (BEIS).

In 2023, the project recorded financial investment yields of R\$11,690 (R\$17,555 in 2022), finance costs of R\$2,032 (R\$3,447 in 2022), executed the amount of R\$64,818 (R\$48,235 in 2022), other changes totaled R\$5 (R\$33 in 2022), and the year-end balance was R\$62,883 (R\$118,038 in 2022).

6.15. Exxon Mobil - AMLD

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

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6. Third-party funds related to projects (Continued)

6.15. Exxon Mobil – AMLD (Continued)

In 2023, the project received funds amounting to R\$1,100 (R\$1,000 in 2022), financial investment yields amounted to R\$41 (R\$46 in 2022), finance costs amounted to R\$10 (R\$10 in 2022), funds executed amounted to R\$1,241 (R\$1,150 in 2022), and the year-end balance was R\$319 (R\$429 in 2022).

6.16. COPAIBAS - Community, Protected Areas and Indigenous Peoples Project in the Brazilian Amazon and Cerrado Savannah

Copaibas is a FUNBIO project enabled by resources from the Norwegian Ministry of Foreign Affairs (MFA). The project started on June 5, 2020, lasts for six (6) years, with the first year allocated to the preparation of initiatives that will be carried out in the subsequent five years. Copaibas aims to reduce the deforestation rate in the Brazilian Amazon and Cerrado.

In 2023, the project received funds amounting to R\$27,251 (R\$28,782 in 2022), financial investment yields amounted to R\$3,174 (R\$1,709 in 2022), finance costs amounted to R\$754 (R\$635 in 2022), funds executed amounted to R\$25,913 (R\$18,310 in 2022), other changes totaled R\$21 (R\$88 in 2022), and the year-end balance was of approximately R\$32,180 (R\$28,443 in 2022).

6.17. TCSA Porto Sul

Porto Sul Social and Environmental Agreement (“TCSA Porto Sul”) is a legal instrument relating to the environmental licensing granted to Bahia Mineração S/A (BAMIN) for the construction of venture Porto Sul, in the Aritaguá Region. TCSA Porto Sul, executed by the Federal Prosecutor’s Office and the Bahia State Prosecutor’s Office, was approved on October 17, 2019 and entered into with the State of Bahia (represented by the Bahia State Department of the Environment (SEMA-BA) and the Office of the Chief of Staff), the mining company BAMIN, the State Environmental and Water Resources Institute (INEMA) and the city of Ilhéus, Bahia State.

The Agreement aims to ensure the sustainable development, environmental integrity, ecological functions and ecosystem services in the region surrounding Porto Sul, through integrated actions intended to prevent landscape-scale avoidable environmental damage and mitigate unavoidable impacts resulting from the implementation of the venture.

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6. Third-party funds related to projects (Continued)

6.17. TCSA Porto Sul (Continued)

In 2023, the project received funds totaling R\$11,159, financial investment yields amounted to R\$2,066 (R\$1,446 in 2022), finance costs amounted to R\$321 (R\$366 in 2022), funds executed amounted to R\$5,984 (R\$7,339 in 2022), other changes totaled R\$7 (R\$12 in 2022), and the year-end balance was of approximately R\$15,240 (R\$8,313 in 2022).

6.18. Tradition and Future in the Amazon

The project is supported by the Petrobras Social and Environmental Program and aims to contribute to the territorial and environmental management of TI Menkragnoti, by promoting the maintenance of vegetation cover, of carbon stock, and of the biodiversity, and by valuing the knowledge of the Kayapó people (Mêbêngôkre). Executed by FUNBIO in partnership with Conservation International Brazil (CI-Brazil), Instituto Kabu (IK), Instituto Raoni (IR) and Associação Floresta Protegida (AFP).

In 2023, the project received funds amounting to R\$1,559 (R\$1,652 in 2022), recorded financial investment yields of R\$81 (R\$220 in 2022), finance costs of R\$30 (R\$100 in 2022), executed the amount of R\$2,871 (R\$1,755 in 2022), other changes amounted to R\$76 (R\$3 in 2022), and the year-end balance was approximately R\$6 (R\$1,191 in 2022).

6.19. Abrolhos Land and Sea Fund (ATM Fund)

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

In 2023, the Abrolhos Land and Sea Fund (ATM Fund) recorded financial investment yields of R\$2,410 (R\$4,775 in 2022), finance costs of R\$1,163 (R\$6,147 in 2022), foreign exchange differences of R\$386 (R\$541 in 2022), transfer between the fund and the operating account of R\$1,269 (R\$0 in 2022), and year-end balance was of R\$10,169 (R\$10,577 in 2022).

In 2023, the operating account recorded financial investment yields of R\$95 (R\$46 in 2022), finance costs of R\$9 (R\$38 in 2022), executed the amount of R\$556 (R\$456 in 2022), transfers between the Fund and the operating account of R\$1,269, and the year-end balance was R\$828 (R\$29 in 2022).

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.20. TAC Underwater Warehouses

The Project TAC Underwater Warehouses (TAC ALSUB) is related to the compensatory measure established in the Consent Decree entered into on March 25, 2021 between the Federal Prosecutor's Office (MPF) and Petróleo Brasileiro S.A. - PETROBRAS, in connection with Civil Investigation No. 1.30.001.000486/2019-08 (Annex 1). The estimated execution term is four (4) years. The three general objectives of the project are:

- (i) Support for federal or state marine and coastal Protected Areas located in the State of Rio de Janeiro;
- (ii) Support for the sustainable production, income generation and improvement of the quality of life in artisanal fishing and mariculture communities, considering the social and economic impacts of the Covid-19 pandemic;
- (iii) Support for scientific research in the fields of oceanography, marine biodiversity, marine pollution control, climate change, and other related fields.

In 2023, the project recorded financial investment yields of R\$1,795 (R\$2,738 in 2022), finance costs of R\$305 (R\$768 in 2022), executed the amount of R\$6,233 (R\$5,562 in 2022), other changes amounted to R\$7 (R\$1 in 2022), and the year-end balance was of R\$11,866 (R\$16,616 in 2022).

6.21. GCF Task Force

The project GCF Task Force is part of an international program intended to enhance discussions on climate and forest issues. In Brazil, the Governors' Climate and Forests Task Force (GCF Task Force) aims to support the Forum of Environmental Secretaries, with representatives of the 9 states in the Legal Amazon, in the development of a state cooperation mechanism for the design and implementation of initiatives and actions intended to reduce carbon emissions. The actions are coordinated by the University of Colorado (USA), which is responsible for the Global Secretariat.

6.21.1. GCF TASK Force III

The third phase of the GCF Task Force was signed with the University of California on November 29, 2022 and ended on December 14, 2023 with reimbursement of the expenses of the last rendering of accounts.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.21. GCF TASK Force (Continued)

6.21.1. GCF TASK Force III (Continued)

In 2023, the project received funds amounting to 626 (R\$0 in 2022), financial investment yields amounted to R\$34 (R\$13 in 2022), finance costs amounted to R\$13 (R\$4 in 2022), funds executed amounted to R\$356 (R\$300 in 2022), other changes totaled R\$524 (R\$524 in 2022), and there was no year-end balance (R\$233 in 2022).

6.22. Amazon Consortium

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

6.22.1. Amazon Consortium - ICS

In 2023, the project received funds amounting to R\$220, financial investment yields amounted to R\$1 (R\$47 in 2022), finance costs amounted to R\$2 (R\$29 in 2022), funds executed amounted to R\$23 (R\$525 in 2022), other changes totaled R\$200 (R\$200 in 2022), and there was no year-end balance (R\$4 in 2022) as the project was terminated.

6.22.2. Amazon Consortium - Embassy of France - Phase II

In 2023 there was no inflow of funds (R\$85 in 2022), financial investment yields amounted to R\$11 (R\$1 in 2022), finance costs totaled R\$2, and the year-end balance was of R\$95 (R\$86 in 2022).

6.22.3. Amazon Consortium – TNC

In 2023, the project received funds in the amount of R\$73, executed a total of R\$65, presented other changes of R\$75, and the year-end balance was of R\$83.

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Notes to financial statements (Continued)
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(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.23. TAJ Paranaguá

The Settlement entered into between the Federal Prosecutor's Office, the Paraná State Prosecutor's Office and Petrobras, with the intermediation of Fundo Brasileiro para a Biodiversidade (FUNBIO) and the Chico Mendes Institute for Biodiversity Conservation (ICMBio), in connection with sentences No. 5001333-55.2012.4.04.7008 and No. 5001337-92.2012.4.04.7008, provided for the creation of the Biodiversity Conservation Program for the Paraná State Coast, hereinafter called the Program, through a private financial and operational mechanism managed by FUNBIO.

The compensation funds (compensation and equivalent relief) were deposited in two separate accounts, namely:

6.23.1. Type IA

Account related to Type IA (Payment of Judgment No. 50011333-55.2012.404.7008) concerning ICMBio.

In 2023, the project recorded financial investment yields of R\$7,072 (R\$6,625 in 2022), finance costs of R\$1,131 (R\$938 in 2022), executed the amount of R\$3,943 (R\$723 in 2022), other changes amounted to R\$4 (R\$4 in 2022), and the year-end balance was of R\$58,565 (R\$56,571 in 2022).

6.23.2. Type III

Account related to Type III (Payment of Judgment No. 50011337- 92.2012.404.7008) referring to the State and Federal Prosecutor's Office, with funds that can be used in the Federal, State and Municipal Protected Areas.

In 2023, the project recorded financial investment yields of R\$8,767 (R\$7,950 in 2022), finance costs of R\$1,243 (R\$1,120 in 2022), executed the amount of R\$927 (R\$628 in 2022), other changes amounted to R\$10 (R\$3 in 2022), and the year-end balance was of approximately R\$74,696 (R\$68,109 in 2022).

6.24. REWILD

The project Articulated strategy to face ethno-environmental emergency in the Brazilian Amazon is an initiative funded by the international environmental organization Re:Wild, 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. FUNBIO is the project's financial manager.

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Notes to financial statements (Continued)
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(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.24. REWILD (Continued)

In 2023, the project received funds totaling R\$1,130, financial investment yields amounted to R\$15 (R\$172 in 2022), finance costs amounted to R\$10 (R\$84 in 2022), funds executed amounted to R\$1,105 (R\$2,613 in 2022), and the year-end balance was of R\$35 (R\$5 in 2022).

6.25. TAC Coral Sol

The purpose of the “TAC Coral-sol” Program is to analyze and monitor the biodiversity associated with consolidated natural substrates of Ilha Grande Bay, especially in the Federal Protected Area called Tamoios Ecological Station, evaluate management strategies and implement early detection procedures for sun coral (*Tubastraea* spp.), investigate the interspecific ecological relationships between native and invasive species, and develop a hydrodynamic model for the region.

The funds to implement this activity will come from compensatory obligations agreed through a Consent Decree (TAC) initiated due to the absence of measures to mitigate and control biological invasion. The Consent Decree (TAC) was entered into by the Federal Prosecutor’s Office and five companies (Petróleo Brasileiro S.A., Petrobras Transporte S/A, Estaleiro Brasfels Ltda., Vale S.A. and Technip Operadora Portuária S/A), with FUNBIO as one of the intermediaries and as the financial and operational manager of the Projects.

In 2023, the project received funds of R\$2,927 (R\$6,963 in 2022), recorded financial investment yields of R\$1,157 (R\$682 in 2022), finance costs of R\$12 (R\$9 in 2022), executed the amount of R\$377 (R\$607 in 2022), other changes amounted to R\$2, and the year-end balance was R\$11,142 (R\$7,449 in 2022).

6.26. Marine Litter Monitoring and Evaluation Strategic Plan (PEMALM) II

Project “Fostering science-based and participatory governance processes to face marine litter in Brazil” is carried out through a partnership between Fundo Brasileiro para a Biodiversidade (FUNBIO), Cátedra UNESCO para Sustentabilidade do Oceano, Brazilian Institute for Advanced Studies (IEA) and Instituto Oceanográfico (IOUSP) of University of São Paulo and State Department of Infrastructure and Environment of São Paulo (SIMA). Its objective is to expand the impact of the Marine Litter Monitoring and Evaluation Strategic Plan of São Paulo state (PEMALM) published in January 2021 and built in a participatory way based on project “Building knowledge to combat litter in the sea: marine litter monitoring and evaluation plan in São Paulo state, Brazil”, carried out by the same partners of this project.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.26. Marine Litter Monitoring and Evaluation Strategic Plan (PEMALM) II (Continued)

In 2023, the project received funds of R\$293 (R\$1,210 in 2022), recorded financial investment yields of R\$62 (R\$60 in 2022), finance costs of R\$18 (R\$17 in 2022), executed the amount of R\$801 (R\$516 in 2022), and the year-end balance was R\$273 (R\$737 in 2022).

6.27. Eastern Amazon Fund (“FAO”)

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

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

6.27.1. FAO - TAC JBS

Consent Decree entered into on February 14, 2022 between the Federal Prosecutor's Office (MPF) and JBS, with the intermediation of the State Department of Environment and Sustainability of Pará (SEMAS/PA) and Fundo Brasileiro para a Biodiversidade (Funbio), which provided for the allocation of R\$5 million reais to FAO, through FUNBIO, the manager.

In 2023, the project received no funds (R\$5,000 in 2022), recorded financial investment yields of R\$560 (R\$501 in 2022), finance costs of R\$118 (R\$38 in 2022), executed the amount of R\$2,173 (R\$176 in 2022), and the year-end balance was R\$3,556 (R\$5,287 in 2022).

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.27. Eastern Amazon Fund (“FAO”) (Continued)

6.27.2. FAO - TAE IMERYYS PA

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

In 2023, the project received no funds (R\$5,000 in 2022), recorded financial investment yields of R\$663 (R\$436 in 2022), finance costs of R\$71 (R\$37 in 2022), executed the amount of R\$259 (R\$120 in 2022), and the year-end balance was R\$5,612 (R\$5,279 in 2022).

6.27.3. FAO - ICS

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

In 2023, the project received no funds (R\$334 in 2022), recorded financial investment yield of R\$27 (R\$2 in 2022), finance costs of R\$3 (R\$149 in 2022), executed the amount of R\$149 (R\$26 in 2022), other changes amounted to R\$106 (R\$104 in 2022), and the year-end balance was R\$183 (R\$414 in 2022).

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
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(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.27. Eastern Amazon Fund (“FAO”) (Continued)

6.27.4. FAO - MOORE

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

In 2023, the project received funds of R\$5,815 (R\$13,939 in 2022), recorded financial investment yields of R\$1,812 (R\$14 in 2022), finance costs of R\$154 (R\$54 in 2022), executed the amount of R\$354, and the year-end balance was R\$21,018 (R\$13,899 in 2022).

6.28. Amapá Fund

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

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

In 2022, the fund recorded financial investment yield of R\$5,897 (R\$3,836 in 2021), financial costs of R\$7,815 (R\$2,777 in 2021), foreign exchanges differences of R\$719 (R\$743 in 2021), transfer between fund and the operating account of R\$714, and the year-end balance was close to R\$14,516 (R\$17,867 in 2021).

In 2023, the operating account recorded financial investment yields of R\$37 (R\$26 in 2022), finance costs of R\$5 (R\$1 in 2022), executed the amount of R\$154 (R\$331 in 2022), there was no receipt of resources from transfers between the fund and the operating account (R\$714 in 2022), and the year-end balance was R\$286 (R\$408 in 2022).

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Notes to financial statements (Continued)
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(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.29. GFCR Agency

In 2022, the United Nations Development Programme (UNDP), a subsidiary body of the United Nations established by the United Nations General Assembly, and Funbio, entered into the Financing Agreement. The purpose of the Our Coral Program is to recover and conserve the unique formations of Brazilian coral reefs, so that they continue to provide ecosystem services to the communities that depend on them. This will be achieved through the mobilization of financial resources, multi-stakeholder coordination, system research and monitoring, and a new vision that strengthens the economic benefits of coral reef conservation.

In 2023, the project received no funds (R\$536 in 2022), recorded financial investment yields of R\$50 (R\$17 in 2022), finance costs of R\$8 (R\$2 in 2022), executed the amount of R\$349, and the year-end balance was R\$244 (R\$551 in 2022).

6.30. Floresta Viva (Living Forest)

Living Forest has the general objective of contributing to investments in ecological restoration in Brazilian biomes, with the consequent obtainment of benefits related to biodiversity conservation, availability of water resources, reduction of erosion, improvement of the microclimate, removal of carbon dioxide from the atmosphere and job and income generation.

FUNBIO acts as the managing partner of the initiative and is charged with the operationalization and management of Living Forest resources, in close coordination with BNDES and the supporting institutions.

6.30.1. Living Forest - BNDES

The initiative operates under the principle of combining resources from the National Bank for Economic and Social Development (BNDES) with resources from supporting institutions. The contract for the application of non-refundable resources was entered into between Funbio and BNDES on September 28, 2022, in the amount of R\$77,206. On December 30, 2022, the second contract related to the BNDES supplementation was executed, in the amount of R\$100,000, and on October 10, 2023, the third contract was signed in the amount of R\$72,794.

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.30. Living Forest (Continued)

6.30.1. Living Forest – BNDES (Continued)

In 2023, the project received no funds (R\$15,906 in 2022), recorded financial investment yields of R\$1,720 (R\$218 in 2022), finance costs of R\$217, executed the amount of R\$753 (R\$2 in 2022), transfer of funds totaled R\$9,341, of which R\$2,000 to ENEVA Amazonas Public Notice, R\$5,841 to Mangroves Public Notice, and R\$1,500 to Xingu Public Notice, and the year-end balance was R\$7,531 (R\$16,122 in 2022).

6.30.2. Living Forest - Petrobras

Petrobras, as a supporting institution of Living Forest, entered into an agreement with Funbio on October 14, 2022, in the amount of R\$50,000. The purpose of this agreement is to co-finance, together with the funds contributed by the BNDES, the publication of two Notices to support restoration projects.

In 2023, the project received no funds (R\$10,000 in 2022), recorded financial investment yields of R\$1,117 (R\$21 in 2022), finance costs of R\$190, transferred resources to Mangroves Public Notice of R\$5,841, and the year-end balance was R\$5,107 (R\$10,021 in 2022).

6.30.3. Living Forest - ENEVA Amazon Public Notice

On December 22, 2022, Eneva, as a supporting institution of Living Forest, entered into a non-refundable financial contribution agreement with Funbio in the amount of R\$5,000 to support restoration projects.

In 2023, the project received funds of R\$1,000 (R\$1,000 in 2022), recorded financial investment yields of R\$202, finance costs of R\$2, executed the amount of R\$79, resources received of R\$2,000 from BNDES were transferred, and the year-end balance was R\$4,121 (R\$1,000 in 2022).

Fundo Brasileiro para a Biodiversidade - FUNBIO

Notes to financial statements (Continued)
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(In thousands of reais)

6. Third-party funds related to projects (Continued)

6.30. Living Forest (Continued)

6.30.4. Living Forest – HEINEKEN Promotion

Living Forest – Heineken Promotion aims to support ecological restoration projects in river basins. The public notice is the result of the BNDES and Heineken matchfunding, with FUNBIO as the managing partner.

Heineken's contribution of funds was formalized through a Non-Refundable Financial Contribution Agreement signed in January 2023 between Heineken and FUNBIO, in the amount of R\$5,000.

In 2023, the project received funds amounting to R\$1,300, recorded financial investment yields of R\$147, finance costs of R\$11, and the year-end balance was R\$1,436.

6.30.5. Living Forest – Petrobras - Mangroves Public Notice

Living Forest – Mangroves of Brazil Public Notice aims to support ecological restoration projects in mangroves, sandbanks and their contributing basins in the Brazilian territory. The public notice is the result of the BNDES and Petrobras matchfunding, with FUNBIO as the managing partner.

In 2023, the project received resources transferred from BNDES and Petrobras amounting to R\$11,682, recorded financial investment yields of R\$267, finance costs of R\$37, and the year-end balance was R\$4,545.

6.30.6. Living Forest – Xingu Public Notice

The Living Forest - Xingu River Basin Public Notice aims to support ecological restoration projects and strengthen the production chains associated with restoration in the Xingu River basin. The public notice is the result of the BNDES, Energisa, Fundo Vale, and Norte Energia matchfunding, with FUNBIO as the managing partner.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.30. Living Forest (Continued)

6.30.6. Living Forest – Xingu Public Notice (Continued)

The contribution of BNDES resources was formalized through a contract for the application of non-refundable resources on 09/28/2022. Energisa's contribution of funds was formalized through a non-refundable financial contribution agreement signed in June 2023 with FUNBIO. The contribution of resources from Fundo Vale was formalized through the Donation Term signed in September 2023 with FUNBIO and the contribution of resources from Norte Energia was formalized through a contract signed in December 2022 with FUNBIO.

In 2023, the project received resources amounting to R\$2,500, recorded financial investment yields of R\$86, finance costs of R\$1, executed the amount of R\$108, received resources transferred from BNDES of R\$1,500, and the year-end balance was R\$3,977.

6.31. Rio Doce Biodiversity - RENOVA

The Doce River Biodiversity Project was created from the partnership between FUNBIO and the Renova Foundation and its main objective is to increase the knowledge of the target species of the Doce River basin, through scientific research that will support the recovery and conservation actions provided for in the Action Plans for the Conservation of Land and Water Biodiversity in the Doce River basin, conducted by the Renova Foundation. The timeframe allocated for these actions is five years, as of February 2023.

In 2023, the project received funds amounting to R\$9,554, recorded financial investment yields of R\$193, finance costs of R\$13, executed the amount of R\$2,828, and the year-end balance was R\$6,906.

6.32. CITINOVA II

The CITinova II Project – Promoting integrated metropolitan planning and investments in innovative urban technology in Brazil – aims to reduce greenhouse gas emissions, conserve biodiversity, and achieve economic, social, and environmental benefits in Brazilian metropolitan regions through an integrated urban planning approach. The project targets the Metropolitan Region of Belém, the Metropolitan Region of Florianópolis and the Integrated Development Region (RIDE) of Teresina. This is an initiative of the Ministry of Science, Technology and Innovation (MCTI), funded by the Global Environment Facility (GEF) via UNEP in the amount of US\$11,219.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.32. CITINOVA II (Continued)

In 2023, the project received funds amounting to R\$2,698, recorded financial investment yields of R\$144, finance costs of R\$13, executed the amount of R\$170, and the year-end balance was R\$2,659.

6.33. POP

The Protecting Our Planet Challenge (POP) Program is a private funding initiative announced in September 2021 that aims to protect and preserve part of the most important land, freshwater, and marine ecosystems for biodiversity by 2030.

6.33.1. POP ICMBio Rewild Protection and POP ICMBio Moore Protection

POP ICMBio Protection is a project that aims to improve the availability of data to combat deforestation and increase ICMBio's institutional presence in the BR-163 region, where most of the deforestation took place in the Amazon Conservation Units.

To this end, the amount of US\$3,000 from the Gordon and Betty Moore Foundation and RE:Wild is being invested, with equal contributions. The project will involve the contracting of goods and services, structuring a situation room at ICMBio to monitor deforestation alerts, and reinforcing the operationalization of field teams for an effective response to the alerts generated.

In 2023, ICMBio Rewild Protection project received funds amounting to R\$3,710, recorded financial investment yields of R\$115, finance costs of R\$15, and the year-end balance was R\$3,810.

The ICMBio Moore Protection project received funds amounting to R\$3,710, recorded financial investment yields of R\$141, finance costs of R\$40, executed the amount of R\$2,499, and the year-end balance was R\$5,170.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.33. POP (Continued)

6.33.2. POP SMC OSF

The project aims to analyze climatic, environmental, social and demographic factors that characterize the main climate risks throughout the Brazilian territory and define the critical municipalities at the moment. In a second stage of the project, the analysis of future impacts will be carried out from an economic stance with estimates of the cost of adaptation versus non-adaptation, also allowing analyses of locations and social groups that tend to be more impacted by climate change in Brazil.

The project will play a strategic role in supporting the National Bioeconomy Secretariat to expand its capacities and carry out activities that accelerate the preparation and implementation of the new necessary Policies, with priority to the National Bioeconomy Policy.

This is an initiative of FUNBIO in conjunction with the Ministry of Environment and Climate Change, through the National Secretariat for Climate Change and the National Secretariat for Bioeconomy. This project was funded by the Open Society Foundations ("OSF") through the agreement signed on March 11, 2023.

In 2023, the project received funds amounting to R\$3,006, recorded financial investment yields of R\$80, finance costs of R\$13, and the year-end balance was R\$3,074.

6.33.3. POP RAMSAR Sites Rewild

The project aims to establish a social governance system for Amazonian mangroves and their Ramsar through the engagement of local institutions and traditional communities, particularly local artisanal fishers. With an execution period of two years and resources donated by Bloomberg Philanthropies / Re:wild, the main executing partners are the Ministry of Environment and Climate Change (MMA) and ICMBio.

In 2023, the project received funds amounting to R\$636, recorded financial investment yields of R\$18, finance costs of R\$13, and the year-end balance was R\$651.

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Notes to financial statements (Continued)
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6. Third-party funds related to projects (Continued)

6.33.4. POP IBAMA CLUA

Its objective is the development of an institutional diagnosis project and the compilation of recommendations and suggestions for actions aimed at the strategic planning of the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) in order to strengthen IBAMA for the fulfillment of its institutional mission.

This is an initiative of FUNBIO in conjunction with IBAMA, funded by the Climate and Land Use Alliance ("CLUA") in the amount of US\$101 through the agreement signed on December 9, 2023.

In 2023, the project received funds amounting to R\$507, recorded financial investment yields of R\$7, finance costs of R\$4, executed the amount of R\$475, and the year-end balance was R\$35.

6.34. **Amazônia Viva – Facilitator Fund - ECF**

This Facilitator Fund is a non-reimbursable philanthropic fund with the purpose of making structuring investments in the qualification of cooperatives and associations, in conservation initiatives and other topics that strengthen the socio-biodiversity chains and the territories where they are present, especially young people and women.

Amazônia Viva is a blended finance mechanism composed of a credit vehicle and a non-reimbursable investment fund aligned under the same governance process.

In 2023, the project received funds in the amount of R\$3,000 and the year-end balance was R\$3,000.

7. Funds and advances related to projects - GEF Agency

	Note	12/31/2023	12/31/2022
Funds related to the GEF Agency - FUNBIO	7.a	1,684	912
Funds related to the GEF Agency – Pro-species Grant	7.b	21,868	14,642
Funds related to the GEF Agency - PPG BARU	7.c	3,851	144
Funds related to the GEF Agency - PPG Territories	7.d	509	-
Funds related to the GEF Agency		27,912	15,698
Project-related advances – Pro-species Grant	7.b	-	4,768
Project-related advances - PPG BARU	7.c	-	135
Project-related advances - GEF Agency		-	4,903
Total		27,912	20,601

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7. Funds and advances related to projects - GEF Agency (Continued)

The Worldwide Fund for Nature (GEF) was created in 1991 as an offshoot of the Convention on Biological Diversity signed in Rio-92, had a pilot phase as a World Bank program and became independent in 1994.

The funds related to GEF Agency are available to developing countries and countries with economies in transition to meet the objectives of international environmental conventions and agreements and are passed on through GEF-accredited Agencies. FUNBIO is the only national agency in Brazil accredited by GEF and one of three under this condition worldwide.

The tables below segregate the funds intended for advances to FUNBIO for preparation of proposals and the Entity's administrative costs, funds that should be directly allocated to the projects approved.

7.a) Funds related to the GEF Agency - FUNBIO

Description	12/31/2022	Cash inflow / Contributions for project preparation	FUNBIO transfer (allocation)	Costs/Other transfers FUNBIO	Financial investment yield	Finance costs	12/31/2023
GEF Agency - FUNBIO	912	1,546	(720)	(151)	117	(20)	1,684

The creation of GEF agency within FUNBIO makes it possible to support interested institutions, mainly the Ministries of the Environment and of Science, Technology, Innovation and Communication in preparing and adapting projects to be submitted to GEF.

7.b) Funds related to the GEF Agency – Pro-species Grant

Advances related to projects

Contract	12/31/2022	Advance Project preparation	Rendering of accounts	12/31/2023
Advance – Pro-species Grant project	4,768	7,990	(12,758)	-

Pro-species Grant project

Contract	12/31/2022	Cash inflow - Projects approved	Advance - Project	Funds executed	Financial investment yield	Finance costs	Transf. between accounts ⁽¹⁾	12/31/2023
Pro-species Grant	14,642	20,341	(7,990)	(4,581)	1,115	(259)	(1,400)	21,868

(1) The approximate balance of R\$1,400 refers to the return of income to the donor, according to the contract, as follows:

- US\$179,170.67 at the quotation of R\$5.2510, totaling the approximate amount of R\$940,825.19 realized on 03/14/2023 for the period from July to December 2022;
- US\$92,246.00 at the quotation of R\$4.9595, totaling the approximate amount of R\$457,494.04 realized on 09/13/2023 for the period from January to June 2023; and
- US\$300.00 at the quotation of R\$4.9955, totaling the approximate amount of R\$1,498.65 realized on 09/28/2023 for the period from January to June 2023.

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7. Funds and advances related to projects - GEF Agency (Continued)

7.b) Funds related to the GEF Agency – Pro-species Grant (Continued)

Pro-species Grant project (Continued)

This Project started in August 2018 and the Project activities and progress towards its goals have been supervised and verified. The conclusion reached is that although there are some activities delayed in relation to the planning, there is a greater number of advanced activities and the Project is currently at a satisfactory level of implementation.

7.c) Funds related to the GEF Agency - PPG BARU

Advances related to projects

Contract	12/31/2022	Advance Project preparation	Rendering of accounts	Reclassification of accounts	12/31/2023
Advance - PPG BARU Project	135	270	(270)	(135)	-

PPG BARU Project

Contract	12/31/2022	Cash inflow - Projects approved	Advance - Project	Funds executed	Financial investment yields	Finance costs	Transf. between accounts	12/31/2023
PPG BARU	144	5,623	(270)	(1,855)	97	(14)	126	3,851

The project was approved in May 2022 and aims to promote the baru nut as an element of conservation and income in the Cerrado (Brazilian Savannah). It will strengthen the network of producers, as well as the empowerment of traditional people and communities that have the species as a source of work and income, supporting the construction of a fair and solidary market, ensuring a sustainable management for the baru nut, with less environmental impact and increased income generation.

7.d) Funds related to the GEF Agency - PPG Territories

Contract	12/31/2022	Cash inflow / Contribution for project preparation	Financial investment yields	12/31/2023
PPG TERRITORIES	-	492	17	509

The Biodiversity Territories project was approved in June 2023 and is in the preparation phase. The project aims to enhance biodiversity conservation in integrated/marine landscapes. The project will be implemented in the most critical areas for the conservation of species in Brazil, based on the Red List of Endangered Species, and will focus on non-Amazonian biomes, as they concentrate most of the threatened species in the country.

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8. Funds related to GCF Agency

	12/31/2023	12/31/2022
Funds related to the GCF Agency - Readiness Project	1,346	1,195
Funds related to the GCF Agency - Readiness Project - AND	646	674
Funds related to GCF Agency - Readiness Project - Oceans	760	-
Total funds related to the GCF Agency	2,752	1,869

The purpose of Green Climate Fund (GCF) is to support developing countries to implement actions to adapt and mitigate global climate changes. The Fund works with entities that go through an accreditation process. These entities must follow the GCF policies and procedures.

8.1. Funds related to GCF Agency - Readiness

Description	12/31/2022	Financial investment yields	12/31/2023
Readiness Project	1,195	151	1,346

The project “Strengthening Brazilian DAEs and executors for the implementation and execution of GCF projects” aims to support all three national entities accredited by the GCF to improve their ability to operate with this fund. The improvement opportunities addressed by this project are issues related to environmental and social safeguards, gender issues and project monitoring.

Readiness PC is a credit facility from the Green Climate Fund (GCF) that makes donations to the signatory countries of the United Nations Framework Convention on Climate Change (UNFCCC) and is managed by Fundo Brasileiro para a Biodiversidade (FUNBIO), funded by means of the agreement entered into with the United Nations Office for Project Services (UNOPS).

8.2. Funds related to GCF Agency - Readiness AND

Description	12/31/2022	Execution of projects	FUNBIO transfer (allocation)	Financial investment yields	Finance costs	12/31/2023
Readiness Project AND	674	(47)	(59)	80	(2)	646

Readiness AND aims to promote the strengthening of the technical, managerial and coordination capacities of the Brazilian NDA, as well as of other stakeholders on climate-related issues, and to create tools and procedures to make the most of the country’s diverse possibilities for design project. It aims to strengthen the NDA’s capacity in the face of different GCF financing models, instruments and eligibility criteria for innovative mitigation and adaptation projects, as well as to improve the NDA’s work and coordination system.

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8. Funds related to the GCF Agency (Continued)

8.3. Funds related to the GCF Agency - Readiness Project - Oceans

Description	12/31/2022	Cash inflows	Financial investment yields	Finance costs	12/31/2023
Readiness Project - Oceans	-	725	39	(4)	760

The Readiness Project – Oceans 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 ocean-related projects and programs. The initiative will fill the gap of project concepts that have an impact on the stakeholders' public, such as policy makers, NGOs and the private sector. This proposal seeks to identify and develop such potential projects to the point where they can be ranked and prioritized according to various investment criteria, including GCF.

9. FUNBIO Resources Fund (FRF)

The FUNBIO Resources Fund (FRF) recognizes a capital reserve for payment of the Entity's fixed expenses, in case it does not receive funds from third parties. However, the strategic direction of the Board of Directors is to reduce the Entity's dependence on the FRF, by raising funds from third parties.

In 2023, as decided by management and approved by the Finance and Audit Committee, the amount of R\$2,000 was transferred to FUNBIO's administrative account to supplement cash. The amount of R\$500 was transferred to the FRF account and then transferred to the FUNBIO Scholarship Project, sponsored by the FRF. The FRF's asset management is conducted by Pragma Gestão de Patrimônio and overseen by FUNBIO's Asset Management Committee.

	12/31/2023	12/31/2022
Balance at January 1	40,821	37,418
Allocation of surplus arising from finance income ⁽¹⁾	5,196	903
Contribution - FUNBIO Resources Fund (FRF) ⁽²⁾	500	3,000
Transfer of funds to administrative account ⁽³⁾	(2,000)	-
Transfer of funds to FUNBIO Scholarship Project ⁽⁴⁾	(500)	(500)
Balance at December 31	44,017	40,821

(1) Allocation of surplus for the year proportionally to finance income from the FRF's assets (net of provision for income tax and funds from the fund management) managed by Pragma. In 2023, R\$5,196 (R\$903 in 2022) was allocated from surplus for the year.

(2) In 2023, R\$500 were transferred to the FRF account.

(3) In 2023, the transfer of R\$2,000 to the administrative account was approved for cash supplementation purposes.

(4) In 2023, the transfer of R\$500 to the FUNBIO Scholarship Project was approved by the Finance and Audit Commission (R\$500 in 2022).

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10. Reimbursement of projects

Project	12/31/2023	12/31/2022
Arpa 3 rd Phase - Transition Fund	-	3,846
TAC Frade - Support to Federal Coastal and Estuarine Protected Areas of Rio de Janeiro	129	187
TAC Frade - Support to Federal Coastal and Estuarine Protected Areas of Rio de Janeiro - Phase II	33	119
TAC Frade - Porpoise Conservation	-	86
TAC Frade - Fishing and Marine Research	393	397
TAC Frade - Environmental Education Project	299	298
TAC Frade - Environmental Education Project - Phase II	69	122
Kayapó	-	131
Probio/Opportunity Fund	235	241
Amazon Live - Rock in Rio	12	7
GEF land	464	459
Copaibas	3,464	3,638
Kayapó - Tradition and Future of Amazon	372	298
TAC Underwater Warehouses	201	201
Amazon Consortium	23	45
GCF Task Force	41	39
PEMALM II	145	141
GCF Agency	-	16
Rewild	163	575
Living Forest - BNDES	696	-
Living Forest - Petrobras	158	-
Living Forest - ENEVA	63	-
Living Forest – Xingu Public Notice	88	-
Rio Doce Renova	529	-
Agency GFCR PPG Corais	123	-
MOORE - FAO	125	-
POP CLUA IBAMA	55	-
Boticário Foundation	91	-
Total	7,971	10,846

This account of the revenue group includes the project funds used in the reimbursement of expenses incurred by FUNBIO as the executing entity for the initiative. Most of them refer to personnel, commuting and administrative expenses absolutely necessary to carry out the work. Therefore, the revenue presented herein consists of direct project costs.

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11. Recovery of costs

Projects	12/31/2023	12/31/2022
Atlantic Forest III	52	2,317
GEF Sea Petrobras	2,231	803
GEF land	1,627	1,680
REDD Early Movers Mato Grosso - REM MT	6,896	6,100
Exxon Mobil - AMLD	165	150
Copaíbas	1,300	2,785
TCSA Porto Sul	1,116	586
TAC Underwater Warehouses	501	501
GCF Task Force	41	36
TAJ Paranaguá - Mod. IA	464	437
TAJ Paranaguá - Mod. III	568	534
PEMALM II	39	60
Amapá Fund - Operational ⁽¹⁾	(34)	107
TAC Coral Sol	312	592
TAC JBS - FAO	375	167
TAE IMERYS - FAO	134	119
Arpa 3 rd Phase - Transition Fund	7,460	540
ICS – FAO	75	-
Rewild	85	-
Agency GFCR PPG Corais	21	-
MOORE - FAO	115	-
GEF Sea Petrobras II	419	-
Abrolhos Fund – Operational	183	-
Total	24,145	17,514

(1) On 10/06/2023 the amount recovered was returned due to cost reduction of the 1st cycle of the Amapá Fund project.

This account of the revenue group records the amounts transferred by the projects to cover indirect costs incurred by FUNBIO in carrying out the activities provided for in the budget for the initiative. The funds transferred to FUNBIO for this purpose do not constitute compensation for services rendered, but rather cooperation to be used for the common purpose set out in the project budget.

12. Services rendered

Project	12/31/2023	12/31/2022
Ambiental Vale Institute	350	-
Natura Cosmético S/A	124	-
Total	474	-

The entries related to services rendered - such as consulting - that involve the issue of a local tax document and when requested by the Entity's partners, are posted to this revenue group account. This does not change the Entity's classification as a non-profit organization.

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13. General and administrative expenses

	<u>12/31/2023</u>	<u>12/31/2022</u>
Salaries and related charges	(23,313)	(18,572)
Third-party services	(5,637)	(3,814)
Lease and maintenance	(1,009)	(896)
Travel expenses	(856)	(496)
General expenses	(826)	(448)
	<u>(31,641)</u>	<u>(24,226)</u>

14. Finance income (costs)

	<u>12/31/2023</u>	<u>12/31/2022</u>
Finance income		
Foreign exchange gains	39	80
Financial investment yield	9,276	7,178
Total finance income	<u>9,315</u>	<u>7,258</u>
Finance costs		
Foreign exchange losses	(68)	(121)
Bank expenses	(3,400)	(5,581)
Total finance costs	<u>(3,468)</u>	<u>(5,702)</u>
	<u>5,847</u>	<u>1,556</u>

15. Provision for tax, civil and labor contingencies

The Entity is party to lawsuits and administrative proceedings before various courts and government agencies, arising from the ordinary course of its activities, involving labor, tax and civil matters.

At December 31, 2023 and 2021, there were no contingencies assessed as probable loss.

At December 31, 2023 and 2022, the Entity has the following lawsuits, whose likelihood of loss was assessed as possible by the legal advisors:

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15. Provision for tax, civil and labor contingencies (Continued)

	<u>12/31/2023</u>	<u>12/31/2022</u>
Nature of lawsuits:		
Civil ⁽¹⁾	-	1,980

- (1) The mechanism for the Biodiversity Conservation in the state of Rio de Janeiro is known as Atlantic Forest Fund (FMA/RJ), and is carried through a partnership with the Rio de Janeiro State Department of the Environment (SEA-RJ). FUNBIO manages the FMA/RJ funds from environmental impact compensation by production enterprises, whose payment is regulated by Brazil's National System of Protected Areas ("SNUC"), and funds from other sources.

FMA/RJ/RJ was supported by Agreement No. 003/2009 entered into between the state of Rio de Janeiro, through the State Department of the Environment ("SEA"), and FUNBIO, facilitated by the State Environmental Institute (INEA), aiming at the operation, maintenance and control of the mechanism, which remained effective until 2015. Currently, the Project is supported by Cooperation Agreement No. 04/2016, entered into by and between FUNBIO and the State Department of the Environment (SEA) and State Environmental Institute (INEA). Under the referred to Agreement No. 003/2009, the Public Prosecutor's Office of the State of Rio de Janeiro initiated a Civil Class Action against the state of Rio de Janeiro, INEA and FUNBIO at the 15th Public Finance Court of the Capital City of Rio de Janeiro State, in which it challenges the validity of the legal mechanism of environmental compensation in relation to Parque Estadual da Costa do Sol (PECS). Currently, an appeal was filed and has been examined by the High Court of Justice ("STJ"). As such, according to these same lawyers, the expectation of loss on this lawsuit was classified as remote in the year ended December 31, 2023 (possible, in the amount of R\$1,980 as of December 31, 2022).

16. Insurance coverage

The Entity's policy is to take out insurance coverage on assets subject to risks at amounts deemed sufficient to cover losses, if any, considering the nature of its activity.

At December 31, 2023, the Entity had the following main insurance policies taken out from third parties:

<u>Type</u>	<u>Amount insured</u>
Property and equipment items - effective from 12/2023 to 12/2024	2,876
Sundry perils - effective from 12/2023 to 12/2024	100
General Civil Liability - effective from 12/2023 to 12/2024	160
Civil Liability of Directors & Officers - D&O - effective from 06/2023 to 06/2024	10,000