Special-Purpose Financial Information

Brazilian Biodiversity Fund – FUNBIO

For the period from January 1 to December 31, 2025
Accompanied by the Independent Auditor's Report
on the Special-Purpose Financial Information of the "REDD+
results-based payments for outcomes achieved by Brazil in the
Amazon biome in 2014 and 2015 – Floresta+ Amazônia"

Brazilian Biodiversity Fund – FUNBIO

The Special-Purpose Financial Information of the "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia" Project

For the period from January 1 to December 31, 2025

Index

(A free translation of the original in Portuguese)

Report of the independent auditor on the special-purpose financial information

To the Executive Secretariat and the Deliberative Council of the
Brazilian Fund for Biodiversity - FUNBIO
REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia

Opinion

We have audited the accompanying financial statements from the Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia" ("Project"), managed by the Brazilian Fund for Biodiversity - FUNBIO ("Entity"), financed with resources established in partnership between the Ministry of Environment and Climate Change (MMA) and the United Nations Development Programme (UNDP), with funds from the Green Climate Fund (GCF) ("Financed"), for the period from January 1st, 2025 to December 31, 2025, as well as the corresponding explanatory notes, including the material accounting policies (together referred to as "Project's special purpose financial information").

In our opinion, the Project's special purpose financial information for the period January 1st, 2025 to December 31, 2025, referred to above, has been prepared, in all material respects, in accordance with the accounting basis of receipts and payments described in Note 2.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are 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 ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis - Basis for the preparation of the Project's special purpose financial information and restriction on distribution or use

We call attention to Note 2 to the specific purpose financial information of the Project, which describes its basis for its preparation. This special purpose financial information has been prepared for the specific purpose of meeting the requirements of the contract signed between the Entity and the Project Funder.

PricewaterhouseCoopers Auditores Independentes Ltda.
Rua do Russel, 804, 7º, Ed. Manchete,
Rio de Janeiro, RJ, Brasil, 22210-907
T: +55 (11) 4004-8000

Consequently, the Project's special purpose financial information may not be suitable for other purposes. Such special purpose financial information, therefore, does not represent a complete financial statement in accordance with the accounting practices adopted in Brazil, or with other general purpose accounting practices.

In this context, our report is intended solely for the use of the Entity's management and the Project Funder, who are familiar with such specific purposes and criteria and should not be distributed or used by parties other than those mentioned. Our opinion is not qualified in relation to this matter.

Management and governance responsibilities for the Project's special-purpose financial information

The Entity's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and the accounting basis of receipts and payments described in Note 2. This includes determining that the accounting basis of receipts and payments is an acceptable basis for the preparation of the special purpose financial information in the circumstances, as well as for the internal controls that it has determined are necessary to enable the preparation of special purpose financial information free from material misstatement, regardless of whether caused by fraud or error.

In preparing the Project's special purpose financial information, management is responsible for assessing the Entity's ability to continue operating and disclosing where applicable matters relating to its business continuity and the use of that accounting basis in the preparation of Project special purpose financial information, unless management intends to liquidate the Entity or cease operations or has no realistic alternative to avoid shutting down operations.

Those responsible for the governance of the Entity are those responsible for overseeing the process of preparing the Project's special-purpose financial information.

Responsibilities for auditing project special-purpose financial information

Our objectives are to obtain reasonable assurance that the Project's special purpose financial information, taken together, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude 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 Project’s special purpose 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.

We communicate with those charged with governance about, among other things, the scope and timing of planned audit engagements and significant audit findings, including significant deficiencies in internal controls that may have been identified during our engagements.

Rio de Janeiro, May 29, 2026

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Auditores Independentes Ltda.
CRC 2SP000160/F-5

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Daniel Naves Marteletto
Assinado por: DANIEL NAVES MARTELETTO:06260972660
CPF: 06260972660
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Emissor: AC Certisign RFB G5

Daniel Naves Marteletto
Accountant CRC 1MG105346/O-2

(In Brazilian reais, unless otherwise stated)

The movement of funds for the Floresta+ Amazônia Project for the period from January 1 to December 31, 2025 is presented below:

	Notes	Amount in R$ 2025
Project Balance at the Beginning of the Period		-
Funds received	4	55,604,179.92
Financial expenses	3	(9,409.40)
Funds disbursed	5	(45,264,726.75)
Reimbursements of advances (*)	4	(10,332,380.49)
Other transfers (**)	3	2,336.72
Project Balance at the End of the Period		**-**

(*) The returns of advances refer to funds previously disbursed in advance that were not used within the period of up to 90 days from the date of the request and which, in accordance with contractual provisions, must be returned to the donor. New advances may be requested when applicable.
(**) R$2,336.72 – amount to be reimbursed by the project to Funbio, referring to expenses incurred.

The accompanying notes are an integral part of this special-purpose financial information.

1. Operational context

The Brazilian Biodiversity Fund (FUNBIO) is a private, national, non-profit organization that has been active since 1996. It was created with support from the Global Environment Facility (GEF) and the federal government to help implement the Convention on Biological Diversity.

FUNBIO partners with government agencies, the private sector, and civil society to channel strategic and financial resources into effective biodiversity conservation. With three decades of experience, it manages projects and funding from international cooperation, private-sector donations, and legally mandated contributions from Brazilian companies - without relying on public budget funds. Since its founding, more than one hundred donors have supported over 700 projects across Brazil.

FUNBIO's core work includes managing project finances and funding mechanisms, developing new financial tools, and identifying innovative sources of conservation financing, along with overseeing the procurement of goods and services. The organization is accredited as an implementing agency of both the Global Environment Facility (GEF) and the Green Climate Fund (GCF). Its headquarters are located at Rua Voluntários da Pátria 286, 5th and 6th floors, in Botafogo, Rio de Janeiro, with an additional office in Brasília at ST SC/N Quadra 4, Bloco B, room 401, Asa Norte.

The Floresta+ Amazonia Project aims to support priority municipalities in preventing, monitoring, controlling, and reducing deforestation and forest degradation in the biome, rewarding municipalities for avoided deforestation. In doing so, it contributes to reducing greenhouse gas emissions and promoting the sustainable development of the Legal Amazon. The Project is the result of a partnership between the Ministry of the Environment and Climate Change (MMA) and the United Nations Development Programme (UNDP), with resources from the Green Climate Fund (GCF), and focuses on a payment-for-environmental-services strategy. The Responsible Party Agreement (RPA) was signed between FUNBIO and UNDP on March 20, 2025, in the amount of BRL 61 million.

2. Material Accounting Practices

Basis for development and general information

The Project's special-purpose financial information was prepared on a cash-basis accounting framework, with revenues recorded upon the receipt of funds and expenses recognized when they effectively represent cash disbursements, financed with resources from the United Nations Development Programme (UNDP) and Funbio as the initiative's managing partner. This accounting practice differs from the accounting principles adopted in Brazil, under which transactions must be recorded when they are incurred, rather than when they are paid.

Management of the Entity approved the issuance of this special-purpose financial information on May 29, 2026.

Available Funds

Available funds primarily consist of checking account balances and other investments allocated to meet the project's cash flow requirements.

Monetary Unit

This special-purpose financial information is presented in Brazilian reais, which is FUNBIO's functional currency. All financial information presented in thousands of reais has been rounded to the nearest thousand, unless otherwise stated.

Funds Disbursement

Expenses are recognized at cost when incurred.

3. Funds available

For the period from January 1 to December 31, 2025, there is no remaining balance in the bank account, as shown below:

Description	Type	12/31/2025
Banco do Brasil - 29640-6	Checking account	-
		-

For the period from January 1 to December 31, 2025, financial expenses totaled R$ 9,409.40.

The agreement with the donor does not allow financial investments.

4. Funds inflow

The total funds contributed during the period from January 1 to December 31, 2025, were as follows:

Project	Fund inflow	Deposit date
1st advance	3,423,086.58	04/23/2025
2nd advance	32,935,205.62	06/24/2025
3rd advance	19,245,887.72	09/30/2025
Total	**55,604,179.92**	

(In Brazilian reais, unless otherwise stated)

The total amount of funds returned during the period from January 1 to December 31, 2025 is presented below:

Returns of advances	Outflow of funds	Deposit date
Return of the balance of the 1st advance	(7.,816.65)	08/01/2025
Return of the balance of the 2nd advance	(2,517,434.91)	11/07/2025
Return of the balance of the 3rd advance	(7,807,128.93)	12/26/2025
	(10,332,380.49)	

5. Funds disbursement

The disbursement of funds for the Floresta+ Amazônia Project, for the period from January 1 to December 31, 2025, is presented below:

	12/31/2025
OE1 - Plan the activities to be carried out	**(217,398.84)**
72115-Contracting of Legal Entities	(217,398.84)
OE2 - Structure the physical capacity and implement governance offices	**(35,762,258.13)**
71610-Airfare	(23,199.38)
71620-Daily allowances	(12,600.00)
72115- Contracting of Legal Entities	(667,172.21)
72215-Purchase of vehicles	(24,666,873.79)
72399-Other materials and goods	(815,562.62)
72410-IT and A/V equipment	(6,714,191.40)
72505-Office supplies	(1,246.70)
74505–General insurance	(700,859.57)
74510-Fees and taxes	(272,842.46)
74525-Other expense items	(206,347.30)
74725-Transportation	(1,681,362.70)
OE3 - Strengthen municipal technical capacity for monitoring deforestation and forest fires	**(3,010,319.83)**
71620-Daily allowances	(474,000.00)
72115-Contracting of Legal Entities	(2,536,319.83)
Funbio Management and Administration	**(6,274,749.95)**
71610-Airfare	(33,335.83)
71620-Daily allowances	(12,794.39)
71810- Contracting of Individuals	(6,052,120.00)
72115- Contracting of Legal Entities	(156,975.41)
74525-Other expense items	(11,441.43)
74725-Transportation	(8,082.89)
Total Disbursed	**(45,264,726.75)**

(A free translation of the original in Portuguese)

Brazilian Biodiversity Fund - FUNBIO

Memorandum on the compliance of contractual clauses of accounting and financial nature for Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia"
On December 31, 2025

(A free translation of the original in Portuguese)

Memorandum on the compliance of contractual clauses of accounting and financial nature

To the Executive Secretariat and the Deliberative Council of the
Brazilian Fund for Biodiversity – FUNBIO
Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia"

We have audited the financial statements for the period from January 1st, 2025 to December 31, 2025 of Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia" ("Project"), managed by Brazilian Biodiversity Fund – FUNBIO ("Entity"), financed with resources established in partnership between the Ministry of Environment and Climate Change (MMA) and the United Nations Development Programme (UNDP), with funds from the Green Climate Fund (GCF) ("Financed") and we have issued our report corresponding to it, dated May 29, 2026.

We conducted our audit in accordance with International auditing standards and the requirements of the contract entered into between the Entity, managed by the Brazilian Biodiversity Fund – FUNBIO ("Entity") and financed with resources established in partnership between the Ministry of Environment and Climate Change (MMA) and the United Nations Development Programme (UNDP), with funds from the Green Climate Fund (GCF). These standards require appropriate planning and performance of the audit to ensure we can reasonably ascertain whether FUNBIO complied with the relevant clauses of the contract between the Entity and the Project. The audit includes a sample-based examination of the evidence we consider appropriate. Thererfore, we consider that our audit provides a reasonable basis for our opinion.

Based on the procedures carried out for the period from January 1st, 2025 to December 31, 2025, we are not aware of any situations that lead us to believe that FUNBIO has not complied with the applicable contractual clauses, of an accounting and financial nature, of the contract entered into between the Brazilian Biodiversity Fund – FUNBIO ("Entity") and financed with resources established in partnership between the Ministry of Environment and Climate Change (MMA) and the United Nations Development Programme (UNDP), with funds from the Green Climate Fund (GCF).

Rio de Janeiro, May 29, 2026

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Auditores Independentes Ltda.
CRC 2SP000160/F-5

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Daniel Naves Marteletto
Assinado por: DANIEL NAVES MARTELETTO:06260972660
CPF: 06260972660
Data/Hora da Assinatura: 26 de junho de 2026 | 21:36 BRT
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Daniel Naves Marteletto
Accountant CRC 1MG105346/O-2

PricewaterhouseCoopers Auditores Independentes Ltda.
Rua do Russel, 804, 7º, Ed. Manchete,
Rio de Janeiro, RJ, Brasil, 22210-907
T: +55 (11) 4004-8000

www.pwc.com.br

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Brazilian Biodiversity Fund - FUNBIO

Report of recommendations for improvement of internal controls prepared in connection with the special purpose financial information of the Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia"
On December 31, 2025

(A free translation of the original in Portuguese)

May 29, 2026

To the Executive Secretariat and the Deliberative Council of the
Brazilian Fund for Biodiversity – FUNBIO
Project “REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia”
Rio de Janeiro - RJ

This report is complementary to our report on the Project “REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia”.

Dear Sirs,

In connection with the examination of the special-purpose financial information of the Project “REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia” (“Project”) on December 31, 2025, conducted in accordance with the accounting practices adopted in Brazil and for the purpose of expressing an opinion on such financial information, we present our report with recommendations for the improvement of internal controls.

In our examination, we selected audit procedures for the purpose of obtaining evidence regarding the amounts and disclosures presented in the special purpose financial information. Among these procedures, we obtained an understanding of the entity and its environment, which includes the internal control of the Brazilian Biodiversity Fund - FUNBIO ("Entity"), for the identification and assessment of the risks of material misstatement in financial information, regardless of whether caused by fraud or error. In assessing these risks, under the auditing standards, the auditor considers the internal controls relevant to the preparation and proper presentation of financial information, for the purpose of planning the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these internal controls of the Entity. Thus, although we do not express an opinion or conclusion about the Entity's internal controls, we present recommendations for the improvement of internal controls resulting from the findings made in the course of our work.

The Management of the Entity is responsible for the internal controls determined by it as necessary to enable the preparation of financial information without material misstatement, regardless of whether caused by fraud or error. In fulfilling this responsibility, the Management makes estimates and makes decisions to determine the costs and the corresponding expected benefits with the implementation of internal control procedures.

PricewaterhouseCoopers Auditores Independentes Ltda.
Rua do Russel, 804, 7º, Ed. Manchete,
Rio de Janeiro, RJ, Brasil, 22210-907
T: +55 (11) 4004-8000

May 29, 2026
Brazilian Biodiversity Fund - FUNBIO
Project "REDD+ results-based payments for outcomes achieved by Brazil in the Amazon biome in 2014 and 2015 – Floresta+ Amazônia"

Internal governance in the context of auditing standards is defined as the process planned, implemented and maintained by those responsible for governance, management and other employees to provide reasonable assurance as to the achievement of the Entity's objectives with respect to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. Internal control deficiency exists when:
(i) the control is planned, implemented or operated in such a way that it fails to prevent, or detect and correct in a timely manner, misstatements in financial information; or
(ii) it lacks a control necessary to prevent, or detect and correct in a timely manner, misstatements in financial information.

The audit procedures have been performed on a test basis, for the sole purpose mentioned in the first paragraph, and therefore these do not necessarily allow us to disclose all significant deficiencies in the Entity's internal controls. In the course of our work carried out on a test basis, we did not identify the need for improvements that should be made to the revised in the accounting or internal control systems. New evaluations or studies, in connection with future specific and detailed examinations or revisions, may eventually reveal other aspects that can be improved.

This report is intended solely for the information and use of the Management and others authorized by the Entity and has not been prepared for use or presented to third parties outside the organization.

We take this opportunity to express our gratitude for the cooperation given to us by the Management and by employees of the Entity during the period of our work.

Best regards,

PricewaterhouseCoopers

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/F-5

DocuSigned by
Daniel Naves Marteletto
Assinado por: DANIEL NAVES MARTELETTO:06260972660
CPF: 06260972660
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Daniel Naves Marteletto
Accountant CRC 1MG105346/O-2

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