

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

ASSOCIAÇÃO CORREDOR ECOLÓGICO DO
VALE DO PARAÍBA

DECEMBER 31, 2023

ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

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Vac Auditores Independentes
Rua Amália de Noronha, 151 – cj. 402
Pinheiros – São Paulo – SP – CEP 05410-010
Tel: + 55 11 3027-1800
www.vac-audit.com.br

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the shareholders and administrators of
ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA
São Paulo - SP

UNQUALIFIED OPINION

We have audited the financial statements of **ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA** ("Association"), which comprise the balance sheet as of December 31, 2023, and the respective statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, as well as the accompanying notes, including a summary of significant accounting policies.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of **ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA** ("Association") as of December 31, 2023, the results of its operations, and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

BASIS FOR UNQUALIFIED OPINION

Our audit was conducted in accordance with Brazilian and International Auditing Standards. Our responsibilities, in accordance with such standards, are described in the following section entitled "Responsibilities of Independent Auditors for the Audit of Financial Statements". We are independent with respect to the Association, in accordance with the relevant ethical principles outlined in the Professional Code of Ethics for Accountants and professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the Audit evidence obtained is sufficient and appropriate to provide a basis for our unqualified opinion on the financial statements.

OTHER MATTERS

The financial statements for the year ended December 31, 2022, presented for comparative purposes, were examined by other independent auditors, whose report dated September 11, 2023 was issued without modification.

OTHER INFORMATION ACCOMPANYING THE FINANCIAL STATEMENTS AND THE INDEPENDENT AUDITORS' REPORT

The Association's management is responsible for this other information that comprises the Management Report. Our opinion on the Financial Statements does not cover the Management Report and we do not express any form of Audit conclusion on these Reports.

In connection with the Audit of the Financial Statements, our responsibility is to read the Management Report and, in doing so, consider whether that Report is materially inconsistent with the Financial Statements or with our knowledge obtained in the Audit or, otherwise, it appears to be distorted in a relevant way. If, based on the work carried out, we conclude that there are material distortions in the



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Management Report, we are required to communicate this fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Association Administration is responsible for the preparation and proper presentation of these financial statements in accordance with the accounting principles adopted in Brazil and the internal controls that the Administration has determined to be necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the administration is responsible for assessing the Association's ability to continue operating, disclosing, when applicable, matters related to its going-concern and the use of this accounting basis in the preparation of financial statements, unless the administration intends to liquidate the Association or cease its operations, or has no realistic alternative to avoid the cessation of operations.

Those responsible for the governance of the Association are those with responsibility for overseeing the financial statement preparation process.

RESPONSIBILITY OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee, that the audit conducted in accordance with Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may arise from fraud or error and are considered material when, individually or collectively, they could reasonably influence the economic decisions of users based on the aforementioned financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Additionally:

- We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, as well as obtain appropriate and sufficient audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that from error, as fraud may involve the act of circumventing internal controls, collusion, falsification, omission, or intentional misrepresentations.
- We obtain an understanding of the relevant internal controls for the audit to plan appropriate audit procedures under the circumstances, but not with the objective of expressing an opinion on the effectiveness of the Association's internal controls.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.



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- We conclude on the adequacy of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is a material uncertainty regarding events or conditions that may cast significant doubt on the Association's ability to continue as a going concern and its subsidiaries. If we conclude that there is a material uncertainty, we must draw attention in our audit report to the respective disclosures in the financial statements or include a modification in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may lead the Association to no longer continue as a going concern.
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of proper presentation.

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

São José dos Campos, April 18th, 2024.

Verdus Auditores Independentes
CRC 2SP027296/O-2

Ricardo José Patine Filho
Partner
CRC 1SP252050/O-9

Ricardo Augusto de Souza
Director
CRC 1SP258186/O-4

TABLE 1

ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA

BALANCE SHEET AS OF DECEMBER 31, 2023 AND 2022

(Amounts expressed in reais)

	Note	2023	2022		Note	2023	2022
Current assets				Current liabilities			
Cash and cash equivalents	4	2.930.200	2.463.981	Accounts payable	8	52.741	58.509
Credits receivable	5	156.592	16.294	Taxes payable	10	6.586	7.714
Prepaid taxes	-	6.747	10.059	Deferred project advances	11	665.911	419.811
		3.093.539	2.490.334			725.238	486.034
 Non current assets				 Non current liabilities			
Fixed assets	7	11.369	9.198	Salaries and employment taxes payable	9	1.459.072	1.234.430
Project investments	6	72.000	72.000			1.459.072	1.234.430
		83.369	81.198				
				 Association equity			
				Association equity		992.598	851.068
						992.598	851.068
 Total assets		3.176.908	2.571.532	 Total liabilities and association equity		3.176.908	2.571.532

The accompanying notes are an integral part of these financial statements

TABLE 2

ASSOCIAÇÃO CORREDOR ECOLÓGICO DO VALE DO PARAÍBA

INCOME STATEMENT

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in Reais)

	Note	2023	2022
Operating Revenue			
Operating revenue	12	1.939.429	1.146.002
Volunteer services received	18	234.777	150.093
Operating Costs			
Planting, maintenance, and fencing of tree seedings	13	(1.064.395)	(277.464)
Cost of volunteer services		(234.777)	(150.093)
Cross Income		<u>875.034</u>	<u>868.538</u>
Operating Expenses			
Administrative and general	14	(1.046.183)	(1.030.276)
Income before financial revenues (expenses)		<u>(171.149)</u>	<u>(161.738)</u>
Financial expenses	15	(23.107)	(8.171)
Financial income	16	335.575	261.937
Net financial income		<u>312.468</u>	<u>253.766</u>
Surplus (deficit) for the year		<u>141.319</u>	<u>92.028</u>

The accompanying notes are an integral part of these financial statements

TABLE 3

ASSOCIACAO CORREDOR ECOLOGICO DO VALE DO PARAIBA

DEMONSTRATION OF COMPREHENSIVE RESULTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in reais)

	<u>2023</u>	<u>2022</u>
Financial year surplus	<u>141.319</u>	<u>92.028</u>
Total surplus for the year	<u><u>141.319</u></u>	<u><u>92.028</u></u>

The accompanying notes are an integral part of these financial statements

TABLE 4

ASSOCIACAO CORREDOR ECOLOGICO DO VALE DO PARAIBA

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in reais)

	Association equity	Surplus (deficit) for the year	Total
BALANCES AS OF DECEMBER 31, 2021	759.041	-	759.041
Net Income for the year ended December 31, 2022	-	92.027	92.027
Increase of equity for net income	92.027	(92.027)	-
BALANCES AS OF DECEMBER 31, 2022	851.068	-	851.068
Adjustment of previous exercises	211	-	211
Net Income for the year ended December 31, 2022	-	141.319	141.319
Increase of equity for net income	141.319	(141.319)	-
BALANCES AS OF DECEMBER 31, 2023	992.598	-	992.598

The accompanying notes are an integral part of these financial statements

TABLE 5

ASSOCIACAO CORREDOR ECOLOGICO DO VALE DO PARAIBA

CASH FLOW STATEMENT

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in reais)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus (deficit) for the year	141.319	92.027
Adjustments for:		
Depreciation and amortization	4.327	5.053
Changes in assets and liabilities		
Deferred project advances	246.100	242.972
Prepaid taxes	3.312	(6.447)
Credits receivable	(140.298)	(16.294)
Accounts payable	(5.768)	(1.138)
Adjustment of previous exercises	211	-
Salaries and employment taxes payable	224.642	137.833
Taxes payable	(1.128)	3.828
NET CASH INFLOWS FROM OPERATING ACTIVITIES	<u>472.717</u>	<u>457.834</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Investment in remote monitoring projects	-	(60.000)
Acquisition of office equipment	(6.498)	-
LIQUID CASH USED IN INVESTMENT ACTIVITIES	(6.498)	(60.000)
	<u>466.219</u>	<u>397.834</u>
THE VARIATION IN CASH AND CASH EQUIVALENTS IS DEMONSTRATED AS FOLLOWS:		
At the beginning of the period	2.463.981	2.066.147
At the end of the period	<u>2.930.200</u>	<u>2.463.981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>466.219</u>	<u>397.834</u>

The accompanying notes are an integral part of these financial statements

ASSOCIAÇÃO CORREDOR ECOLÓGICO VALE DO PARAÍBA
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
REFERRING TO THE YEARS ENDED ON DECEMBER 31, 2023 AND 2022
(Values expressed in Brazilian Reais)

1. OPERATIONAL CONTEXT

Associação Corredor Ecológico do Vale do Vale do Paraíba, the project's creator, is a non-governmental, non-partisan, non-profit organization born from the union of various organizations from the second and third sectors committed to the sustainability of the planet. Together, they decided to join forces to collectively pursue this goal.

The Association was established in 2009 with the aim of restoring the Paraíba Valley in its São Paulo portion. ACEVP emerged to implement forest restoration actions based on a study called 'Connectivity Lines,' which maps strategic areas for restoration in the region, aiming to optimize interventions and expand ecosystem services related to water and biodiversity.

"Since the beginning of its activities, ACEVP has already restored over 450 hectares of rural properties in the Paraíba Valley, São Paulo. In addition to restoration, the organization engages in rural mobilization projects, institutional articulation, community awareness, public policies, landscape planning, and the organization of spatial databases. It has expertise in territorial planning through Geographic Information Systems (GIS).

The Association carries out its activities through contracts and collaboration agreements with its donors and partners, with the main ongoing projects listed below:

- City Hall of the Municipality of Jacaré - On August 3, 2020, with validity until August 3, 2024, ACEVP and the Municipality of Jacaré signed a Collaboration Agreement for a 4-year project aimed at aligning planting actions of 55.16 hectares with strategic landscape planning for the municipality, compensation management, mobilization of rural producers and the community, as well as coordination among local stakeholders.
- The Nature Conservancy Brazil, contract signed on November 9, 2022.
- Fitesa Não Tecidos S.A., contract signed on June 1, 2022.
- Instituto Malwee, contract signed on September 20, 2022, valid until August 2025.
- Project Fehidro Saúva, contract signed in April 2022, in the amount of R\$ 1,640,398.00 funded by Fehidro (Hydro Resources Fund of the State Government of São Paulo) with a counterpart contribution of R\$ 182,259.04. The objective is to work on soil recovery through the implementation of green fertilization and identification of matrices in rural properties in the municipality of Jacaré. In addition to improving the chances of successful restoration, the project strengthens the restoration chain and initiates the creation of a network of genetically diverse seeds in the region.
- Vale do Paraíba Restoration Master Plan Project in partnership with the Ekos Institute, contract signed in June 2022, aims to strengthen and expand local and regional capacities for the multiplication of forest restoration initiatives in the UGRHI02 integrated with the Basin Plan.

The Entity is qualified as a Civil Society Organization of Public Interest, as determined by Law 9,790/99, and its activity is covered by tax exemption under the terms of Law No. 9,532/97. Its qualification was formalized by Order of the National Secretariat of Justice, an organ integrated into the Ministry of Justice.

2. MAIN ACCOUNTING PRACTICES

The financial statements have been prepared and are being presented in accordance with the applicable provisions of Resolution No. 1,409/12 of the Brazilian Federal Accounting Council, which approved Technical Interpretation ITG 2002 - "Non-Profit Entities," and in accordance with the accounting practices adopted in Brazil.

The issuance of the financial statements was authorized by Management on April 18, 2024.

All relevant information specific to the financial statements, and only such information, is being disclosed and corresponds to that used by Management in its oversight.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value through profit or loss.

2.1 Use of estimates and judgments

The preparation of these financial statements in accordance with the accounting practices adopted in Brazil requires Management to make judgments, estimates, and establish assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

2.2 Functional currency and presentation currency

The items included in the financial statements are measured in the currency of the primary economic environment in which the Association operates ("functional currency"). The financial statements are presented in Brazilian reais, which is both the functional currency of the Association and its presentation currency.

The Association does not have operations in foreign currency.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and other short-term, highly liquid investments with original maturities of up to three months and insignificant risk of value changes.

2.4 Financial instruments

(i) *Initial recognition and measurement*

All other financial assets and liabilities are initially recognized when the Association becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value, plus, for an item not measured at Fair Value Through Profit or Loss (FVPL), the transaction costs that are directly attributable to its acquisition or issuance. The receivables of the Association comprise cash and cash equivalents.

(ii) Classification and subsequent measurement

Upon initial recognition, a financial asset is classified as measured at amortized cost, at Fair Value Through Other Comprehensive Income (FVTOCI) - debt instrument, at Fair Value Through Other Comprehensive Income (FVTOCI) - equity instrument, or at Fair Value Through Profit or Loss (FVPL).

Financial assets are not subsequently reclassified after initial recognition, unless the Association changes its business model for managing financial assets, and in this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Financial assets - Subsequent measurement and gains and losses

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment are recognized in the income statement. Any gain or loss on derecognition is recognized in the income statement.

Financial liabilities - Classification, subsequent measurement and profit and loss

Financial liabilities have been classified as measured at amortized cost or at Fair Value Through Profit or Loss (FVPL).

A financial liability is classified as measured at fair value through profit or loss if designated as such upon initial recognition. Financial liabilities measured at FVPL are measured at fair value, and the net gain or loss, including interest, is recognized in the income statement.

The Association has the following financial liabilities measured at amortized cost: suppliers and other accounts payable.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the income statement.

Any gain or loss on derecognition is also recognized in the income statement.

(iii) Derecognition

Financial assets

The Association derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Association transfers the contractual rights to receive cash flows from a financial asset in a transaction in which substantially all risks and benefits of ownership of the financial asset are transferred, or in which the Association neither transfers nor retains substantially all risks and benefits of ownership of the financial asset and does not retain control over the financial asset.

Financial liabilities

The Association derecognizes a financial liability when its contractual obligation is discharged, canceled, or expires. The Association also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including transferred assets that do not flow through cash or assumed

liabilities) is recognized in the income statement.

(iv) *Offset*

Assets and liabilities are offset, and the net amount is presented in the balance sheet when, and only when, the Association currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) *Derivative financial instruments*

The Association does not have derivative financial instruments.

2.5 Investments/Projects

Investments are shown at historical cost of acquisition or donation, net of any accumulated unrecoverable losses.

2.6 Fixed assets

The fixed assets are presented at historical cost of acquisition or donation, net of depreciation and any accumulated unrecoverable losses.

Depreciation is calculated using the straight-line method for cost allocation, less the residual value over the useful life, which is estimated at 5 years.

A fixed asset is derecognized after disposal or when there are no future economic benefits resulting from its continued use. Gains or losses on sale or disposal are recognized in the income statement when incurred.

2.7 Impairment

Non-financial assets

The carrying amounts of the Association's non-financial assets are reviewed at each balance sheet date to assess for any indication of impairment. If such indication exists, then the recoverable amount of the asset is estimated.

The Management of the Association did not identify any evidence justifying the need for adjustment.

2.8 Accounts payable

Accounts payable represent obligations to pay for goods or services that have been acquired, and they are recognized at the invoice or corresponding contract value. They are classified as current liabilities if payment is due within one year. Otherwise, accounts payable are presented as non-current liabilities.

2.9 Project Advances

Until the requirements for recognition in the income statement are met, the counterpart of the amounts received as contributions for funding recorded in the account Bank - with restriction must be in a specific account in the liability section - Project Advances. The advances received in this way must be recognized as revenue in the income statement over the periods during which the entity recognizes the costs related to the completion of the respective projects.

2.10 Other current liabilities

Demonstrated by known or calculable amounts, increased, when applicable, by the charges and monetary variations incurred.

2.11 Social equity

Comprised of social equity, increased or decreased by the surplus or deficit of each fiscal year and incorporated into the account "Social Equity" at the close of each fiscal year.

In case of the social dissolution of the Association, the remaining net assets shall be allocated to an association or non-profit entity domiciled in the national territory, with proven legal personality, duly registered with the competent public authorities, and preferably having the same social object as the Association, in accordance with Article 4, IV, of Law 9,790/99, as well as Article 33, III, of Law 13,019/2014, according to the General Assembly that decides on the dissolution. In the absence of a similar association or entity in the Municipality, State, Federal District, or Territory, the remaining assets of the Association shall be returned to the Treasury of the State, Federal District, or Union.

2.12 Calculation of surplus or deficit

Income from donations is recognized on an accrual basis, and originates from donations from individuals and legal entities, and is used to fund the Association's activities.

Expenses are recorded on an accrual basis. Financial income and expenses are recognized using the effective interest rate method.

2.13 Financial income and expenses

Financial income includes interest income on financial investments. Interest income is recognized in the income statement using the effective interest method and represents the probable economic benefits that will flow to the Association, recognizing financial income net of income tax to be withheld from financial institutions. Financial expenses mainly include bank fees.

2.14 Income from voluntary work

As per ITG 2002 (R1) - Non-Profit Entity, the Association values income from voluntary work, including from members of the management bodies, at fair value, considering the amounts the Association would have to pay if it contracted these services in a similar market. Income from voluntary work is recognized in the income statement for the fiscal year, offset against operating expenses also recognized in the income statement. As of December 31, 2023, the Association recorded an amount of R\$ 234,777 for voluntary work (R\$ 150,093 in 2022), as disclosed in explanatory note No. 18 - Voluntary Work.

2.15 Management Remuneration

The Bylaws stipulate that the members of the Board of Directors, Advisory Board and Supervisory Board will not receive remuneration of any kind for their activities in the Association. The Association may remunerate members of the Executive Secretariat and other managers who work in its executive management, as well as specific service providers. In any case, the rates will be those practiced by the market in the region corresponding to its area of operation.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following standards or amendments, issued/revised by the IASB, with adoption for years starting on or after January 1, 2023, had no impact on the Company's financial statements:

- IAS 1/CPC 26 – Disclosure of material accounting policies rather than significant accounting policies.
- IAS 8/CPC 23 – Clarification on changes in accounting estimates, changes in accounting policies, and error corrections.
- IAS 12/CPC 32 – Need for recognition of deferred tax on lease, decommissioning and restoration transactions; and
- IFRS 17/CPC 50 – Standard not applicable to the Company;

Additionally, the IASB works on issuing new pronouncements and revising existing ones, which came into effect only on January 1, 2024, with the convergence of pronouncements issued by CPC, namely:

- IAS 1/CPC 26 – Classification of non-current liabilities, where the company needs to have the right to defer settlement for at least twelve months from the balance sheet date;
- IFRS 16/CPC 06 – It deals with the liability in a retro lease, effective for periods beginning on or after January 1, 2024.

4. CASH AND CASH EQUIVALENTS

	2.023	2.022
Cash in banks	56.951	226.672
Financial investments	2.873.249	2.237.309
	2.930.200	2.463.981

Financial investments are substantially represented by investment in CDB (Bank Deposit Certificate), with an average remuneration of 85% of the CDI (Certificate of Interbank Deposit) with immediate liquidity and no redemption restrictions. Financial income recognized in the income statement amounted to R\$ 335,574 (2022 - R\$ 261,937).

5. ACCOUNTS RECEIVABLE

	2.023	2.022
Credits receivable - FITESA	-	14.515
Credits receivable – Project Jacaré	154.942	-
Amounts receivable from Projects — Da Serra	-	1.050
Amounts receivable from Projects — Terra Nova	-	729
	154.942	16.294

The amount of 154,942 refers to the Jacaré project. There was a delay in issuing the invoice and, consequently, in payment, which was scheduled for December 2023, but was made on February 5, 2024.

6. INTANGIBLE

	2.023	2.022
Remote Monitoring Project	72.000	72.000
	72.000	72.000

During 2023, the Organization did not record any transactions due to its focus on evaluating a new partnership to continue a project. At the end of 2023 and beginning of 2024, the partnership called "Arboredo" emerged, involving several other organizations, including Akarui (regional coordinator and executor), Forest Trends (general coordination), Arbor Day (financier), Corredor Ecológico, Instituto Suinã, SerrAcima, among others. At the moment, this partnership is still in the definition and regulation phase.

7. FIXED ASSETS

Description	Annual depreciation rate in %	Cost	Net		
			Accumulated depreciation	2023	2022
Computers and Peripherals	20%	19.704	(13.849)	5.856	1.185
Machines and equipment	10%	11.889	(11.889)	-	-
Facilities and Telephones	10%	157	(157)	-	7
Furniture and utensils	10%	2.793	(2.484)	309	547
Communication Equipment	20%	3570	(3.526)	45	579
Programs & Software	10%	8.600	(3.440)	5.160	6.880
		46.713	(35.344)	11.369	9.198

Asset movement map

	2022	2023		
	Final	Additions	Write-off	Final
Cost				
Computers and Peripherals	19.704	-	-	19.704
Machines and equipment	11.889	-	-	11.889
Facilities and Telephones	157	-	-	157
Furniture and utensils	2.793	-	-	2.793
Communication Equipment	3.570	-	-	3.570
Programs & Software	8.600	-	-	8.600
	<u>46.713</u>	<u>-</u>	<u>-</u>	<u>46.713</u>
Accumulated depreciation				
Computers and Peripherals	(13.651)	(197)	-	(13.849)
Machines and equipment	(11.889)	-	-	(11.889)
Facilities and Telephones	(157)	-	-	(157)
Furniture and utensils	(2.464)	(20)	-	(2.484)
Communication Equipment	(3.481)	(45)	-	(3.526)
Programs & Software	(3.297)	(143)	-	(3.440)
	<u>(34.938)</u>	<u>(405)</u>	<u>-</u>	<u>(35.344)</u>
	<u>11.774</u>	<u>(405)</u>	<u>-</u>	<u>11.369</u>

8. ACCOUNTS PAYABLE

	2.023	2.022
Due to suppliers	52.741	35.909
Other accounts payable	-	22.600
	<u>52.741</u>	<u>58.509</u>

9. CONTINGENT PROVISION FOR THIRD PARTIES

	2.023	2.022
Employment taxes payable	1.459.072	1.234.430
	<u>1.459.072</u>	<u>1.234.430</u>

The Association recognizes social security liabilities on the remuneration of employees whose relationship with the Entity is formalized through the issuance of a legal entity invoice.

10. TAXES PAYABLE

	2.023	2.022
IRFF withholding taxes payable	91	180
PIS / COFINS taxes payable	281	558
ISS withholding taxes payable	6.215	6.976
	6.586	7.714

11. PROJECT ADVANCES

	2.023	2.022
Project CAF/Cargill	309.634	-
Project Jacarei	129.548	233.705
Project Fehidro Saúva	96.289	-
Project Pilkington	51.410	-
Project TNC	34.145	9.300
Project Fitesa Não Tecidos S.A.	18.820	33.748
Project Dupont	9.191	49.551
Project Casa/Nascente Viva Fund	7.405	-
Project Serra	3.509	1.050
Project SFX	3.208	17.757
Project SAF Monitoring	2.708	-
Project Institut Malwee	44	11.452
Project Direct Plann of Restauration	-	50.889
Project WRI	-	12.359
	665.911	419.811

12. NON-PROFIT OPERATING REVENUES

	<u>2.023</u>	<u>2.022</u>
Donations with restrictions:		
C.R. Ayrton Senna Carvalho Pinto S.A. — EcopiStdS (M)	-	143.435
Other support (iii)	<u>8.260</u>	<u>54.511</u>
Total donations with restrictions	<u>8.260</u>	<u>197.946</u>
Donations from individuals/legal entities:		
Arvorecer (ii)	<u>25.546</u>	<u>40.319</u>
Total voluntary donations	<u>33.806</u>	<u>238.265</u>
Project implementation:		
City Hall of the Municipal de Jacarei (iii)	822.408	756.168
Fehidro Saúva (iv)	742.714	-
Other (v)	371.643	177.055
ISS and Cofins taxes on donated services	<u>(31.142)</u>	<u>(25.487)</u>
Total project revenue	<u>1.905.623</u>	<u>907.736</u>
Total donations received	<u>1.939.429</u>	<u>1.146.001</u>

(i) They are donations from smaller contracts and sporadic donations made by legal entities.

(ii) They are voluntary donations made by individuals and legal entities through the website www.corredorecologico.org.br and through partnerships and smaller contracts, with the received amount destined for the institutional strengthening of the organization and the planting of native seedlings.

(iii) In 2020, ACEVP and the Municipal Government of Jacaré signed a Collaboration Agreement for a 4-year project aimed at aligning actions for planting 55.16 hectares with a strategic landscape plan for the municipality, compensation management, mobilization of rural producers and the community, as well as coordination among local stakeholders.

(iv) In April 2022, a non-reimbursable financing contract was signed with Fehidro - the Water Resources Fund of the Government of the State of São Paulo, aimed at working on soil recovery through the implementation of green fertilization and identification of matrices on rural properties in the municipality of Jacaré. In addition to improving the chances of successful restoration, the project strengthens the restoration chain and initiates the creation of a network of genetically diverse seeds in the region.

(v) These are smaller contracts aimed at partnerships that strengthen the fundamental principles guiding the Organization's activities and its purpose, which is to connect people and restore the landscape of the Paraíba Valley.

Among these partnerships, notable ones include: The Nature Conservancy Brasil – TNC, Fitesa Não Tecidos S.A., Malwee Institute, Ekos Institute, and Dupont.

13. EXPENSES RELATED TO TREE SEEDLING PLANTING

	<u>2.023</u>	<u>2.022</u>
Project Fehidro Saúva	(741.656)	-
City Hall (Prefeitura) de Jacareí	(261.159)	(219.400)
Other projects	(57.156)	(51.429)
Concessionária Rodovia (C.R.) dos Tamoios S.A. project	(4.424)	(6.635)
	<u>(1.064.395)</u>	<u>(277.464)</u>

14. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2.023</u>	<u>2.022</u>
Salaries and employment tax expense	(814.198)	(842.230)
Legal, accounting, communication and administrative fees	(93.370)	(100.457)
Office rent expense	(41.142)	(16.244)
Travel and accommodation expenses	(19.492)	(23.294)
Depreciation expense	(4.327)	(5.053)
Other administrative expenses (i)	(73.654)	(42.998)
	<u>(1.046.183)</u>	<u>(1.030.276)</u>

(i) Comprising mainly expenses related to telephony, meals, website hosting, vehicle rental, and other minor expenses.

15. FINANCIAL EXPENSES

	<u>2.023</u>	<u>2.022</u>
IRFF tax expense	(22.516)	(7.425)
Bank charges	(534)	(731)
Interest expense	(57)	(15)
	<u>(23.107)</u>	<u>(8.171)</u>

16. FINANCIAL INCOME

	<u>2.023</u>	<u>2.022</u>
Investment income	335.574	261.937
	<u>335.574</u>	<u>261.937</u>

17. CONTINGENCY

The Association, in the normal course of its activities, is subject to legal proceedings of tax, labor, and civil nature. The Association, relying on the opinion of its legal advisors and, when applicable, based

on specific opinions issued by experts on the same date, assesses the expected outcome of ongoing proceedings and determines the need for the constitution of a provision for contingency.

The actions resulting from the normal course of its operations involving labor, civil, and tax issues do not represent a risk of possible or probable loss.

18. VOLUNTARY WORK

	2.023	2.022
Executive council (i)	68.492	32.734
Legal services	60.042	66.648
Directors	51.369	9.820
Fiscal council (i)	25.685	16.367
Communications services	18.594	17.773
Advisory council (i)	10.595	6.751
	<u>234.777</u>	<u>150.093</u>

The obtained voluntary works and services, which did not involve cash outflows for the Association, refer to council fees, director remuneration, and various service provisions. The Association estimates that if it had disbursed cash to obtain these voluntary works and services, it would have spent approximately R\$ 234,777 (2022 - R\$ 150,093).

(i) The annual amount calculated using the number of meetings held per year multiplied by a monthly remuneration considered fair for the corresponding activities.

19. FINANCIAL INSTRUMENTS

19.1 *Financial Risk Management Policy*

The nature and overall position of financial risks are regularly monitored and managed by the Association's Management and Board. The Association's management procedures provide consolidated monitoring of financial results and their impact on cash flow.

19.2 *Credit risk*

Credit risk is the risk of the Association incurring financial losses if a counterparty in a financial instrument fails to fulfill its contractual obligations.

The Association holds financial investments in short-term and long-term fixed-income securities with first-tier financial institutions, considered low-risk. Financial investments are substantially made based on the negotiated remuneration rates. Such investments reflect the usual market conditions on the balance sheet dates.

19.3 *Liquidity risk*

It is the risk that the Association will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled with cash payments. The Association's approach to liquidity management is to ensure, as much as possible, that it always has sufficient resources to meet its obligations when due, without causing unacceptable losses or risking harm to the Association's reputation.

19.4 Market risk

It is the risk that changes in market prices, such as interest rates, have on the earnings of the Association, the value of its holdings in financial instruments, or the possibility of fluctuations in market prices of services provided by the Association and other inputs used in the service provision process. These price and rate fluctuations can cause changes in the Association's revenues and costs.

Regarding interest rate risk, the Association mitigates this type of risk by centralizing its investments in financial applications with rates that track the variation of the Interbank Deposit Certificate (CDI) and fixed-income funds.

20. FISCAL ASPECTS

The Association falls within the category of nonprofit legal entities and is immune from the collection of income tax and social contribution on surpluses, as established by Law No. 9,532 of December 10, 1997. According to the law, an entity is considered "nonprofit" if it does not generate a surplus in its accounts or, if it does in a particular fiscal year, it fully allocates it to the maintenance and development of the entity's social objectives.

Regarding other applicable taxes, the following are highlighted: (a) Social Integration Program (PIS) - a 1% contribution levied on the total payroll amount, (b) Contribution to the National Social Security Institute (INSS) - full payment of due contributions, and (c) Contribution for Social Security Financing (COFINS) - the Association is exempt from paying this tax, and the amount not paid due to this exemption is R\$ 59,117 (2022 - R\$ 35,145).

The income declarations of the Association are subject to review and final acceptance by tax authorities, within a five-year statute of limitations period. Other tax, social security, and labor obligations, including those arising from the hiring of service providers, are subject to examination and final approval by tax authorities.

21. GUARANTEES, SURETIES, AND COLLATERAL

The Association did not provide guarantees or participate in any transactions as a guarantor during the fiscal years of 2023 and 2022.

22. SUBSEQUENT EVENTS

At the end of the fiscal year 2023 and the beginning of 2024, new contracts were signed, with financial effects starting from the fiscal year 2024, as listed below:

- Pilkington Project, consisting of the restoration of 2.95 hectares of forest, planting 4,921 seedlings, promoting the planting, maintenance, and management of the entire planting project for 36 months. The proposed areas for this project are located in the municipality of Caçapava, near the factory plant.
- Regenera SFX Project, involves the elaboration through diagnostic reports on the physical environment of the landscape of the District of São Francisco Xavier, which covers several studies and data analyzes relating to soil, fauna, vegetation and biome.
- Project SAVE SFX involves planting 30 hectares of juçara, 2 hectares of orchard, and implementing the biodiversity corridor, as well as maintaining the planted area of the orchard and biodiversity corridor.
