

Financial Statements

INSTITUTO IGARAPÉ

December 31st 2021 and 2020

with a Report from the Independent Auditors

Sede Grupo Audisa

São Paulo

Alameda Rio Negro, 503 - 1º andar
Conj. 108/109 - Alphaville

☎ 11 3661-9933

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Santa Catarina

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São Paulo-SP, April 26th, 2022.

To the members of the board and management of

INSTITUTO IGARAPÉ
A/C Mrs. Ilona Szabó
Rua Visconde de Caravelas, nº 14
Pavimento Quinta Parte
Botafogo – Rio de Janeiro
Postcode: 22.071-022

Re.: Independent Auditor's Report on the Financial Statements

Dear Sirs and Madams,

We hereby submit to your care Independent Auditor's Report of the Financial Statements for the year ended on December 31st 2021 and 2020 of **INSTITUTO IGARAPÉ**.

Yours Truly,

AUDISA AUDITORES ASSOCIADOS
('AUDISA ASSOCIATED AUDITORS')
(Regional Accountanting Board No) CRC/SP 2SP "S" "RJ" 024298/O-3

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INSTITUTO IGARAPÉ

Financial Statements

December 31st 2021 and 2020

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**INSTITUTO IGARAPÉ
("IGARAPÉ INSTITUTE")**
CNPJ (Legal Entity Registration No.) : 14.051.935/0001-01
"INDEPENDENT AUDITORS' REPORT OF THE FINANCIAL STATEMENTS"
Report on the Financial Statements

We have audited the accompanying financial statements of **INSTITUTO IGARAPÉ**, which comprised the balance sheet as at 31 December 2021, and the corresponding statements of income, changes in net equity, and of cash flows, for the financial year then ended, as well as the accompanying notes, including the summary of the significant accounting policies.

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Entity as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards and practices generally accepted in Brazil.

Basis for Opinion on Financial Statements

Our audit was conducted in accordance with Brazilian and International audit standards. Our responsibilities, under such standards, are described in the section "Auditor's responsibilities for the audit of the financial statements", below. We are independent with relation to the Entity, in accordance with the applicable ethical principles of the Accountant's Professional Code of Ethics ('Código de Ética Profissional do Contador') and professional standards issued by the Federal Accounting Board ('Conselho Federal de Contabilidade'), and we comply with the other ethical requirements of these standards. We believe that the audit evidence that has been obtained is a sufficient and appropriate basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices accepted in Brazil, and for such internal controls it has deemed 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 capacity to continue operating, disclosing, when appropriate, issues related to its operational continuity and the use of that assumption as an accounting basis for the preparation of the financial statements, unless management intends to liquidate the Entity or to cease its operations, or does not have any realistic alternative to avoid the end of operations.

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The individuals responsible for the Entity's management are those with responsibility for the supervision of the preparation of financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable confidence that the financial statements, taken as a group, are free of material distortion, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable confidence is a high degree of confidence, but not a guarantee that an audit carried out in line with Brazilian and International audit standards always detects material distortions that may exist. Distortions may result from fraud or error, and are deemed material when, individually or as a group, they may reasonably influence economic decisions based on the financial statements.

As part of the audit that was carried out, in line with Brazilian and international audit standards, we exercised professional judgement and maintained professional skepticism throughout the audit. In addition to this:

- We identified and assessed risks of material distortion in the financial statements, whether caused by fraud or error; planned and executed audit procedures in response to such risks; and obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material distortion resulting from fraud is greater than that resulting from error, as fraud can involve deliberate circumvention of internal controls, collusion, forgery, omission or intentionally false representation.
- We obtained an understanding of the internal controls that were relevant to the audit, to plan audit procedures that were appropriate in the circumstances, but not with the objective of expressing an opinion on the efficacy of the Entity's internal controls.
- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the corresponding disclosures made by management.
- We reached a conclusion on the adequacy of management's use of the accounting basis of operational continuity and, based on audit evidence obtained, whether there is material uncertainty with relation to events or conditions that may raise significant doubts regarding the Entity's capacity to continue operating as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the corresponding disclosures in the financial statements, or, if the disclosures are inadequate, qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity to cease operating.

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- We evaluate the overall presentation, structure and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

We communicated with management regarding, among other topics, the planned reach, the period of the audit and the significant audit findings, including possible significant deficiencies in internal controls identified during our work.

São Paulo - SP, April 26th, 2022.

AUDISA AUDITORES ASSOCIADOS
("AUDISA ASSOCIATED AUDITORS")

(Regional Accounting Board No.) CRC/SP 2SP "S" "RJ" 024298/O-3

ALEXANDRE CHIARATTI DO

NASCIMENTO:14782348819

Alexandre Chiaratti do Nascimento

Accountant

(Regional Accounting Board no) CRC/SP "S" "RJ" 187.003/ O-0

CNAI – SP – 1620

Assinado de forma digital por ALEXANDRE CHIARATTI DO

NASCIMENTO:14782348819

Dados: 2022.05.10 15:04:02 -03'00'

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ALEXANDRE CHIARATTI DO
NASCIMENTO (14782348819)
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**INSTITUTO IGARAPÉ**

Rua Humaitá, 275/7º andar - Humaitá - RJ - Cep.: 22.261-005

Not-for-profit association, that carries out actions in defense of social rights.

Balance Sheet for the Year ended 31st of December of:

(Values in US\$)

Assets	Accompanying Note	2021	2020 Restated	2020
Current				
Cash and equivalents	5	812.738	610.534	610.534
Project resources - to receive	6	1.239.147	521.870	521.870
Other current assets		3.526	29.801	29.801
		2.055.412	1.162.205	1.162.205
Non-Current				
Property & Equipment	7	13.602	16.509	12.241
		13.602	16.509	12.241
Total Assets		2.069.013	1.178.713	1.174.446
Liabilities				
Current				
Tax and social obligations	8	198	6.972	6.972
Suppliers	9	9	5.179	-
Advances from Customers	9	-	24.168	24.168
Project resources - to undertake	10	1.473.814	871.722	871.722
Provisions	11	66.416	51.646	51.646
		1.540.437	959.687	954.508
Net Equity				
Contributed capital		244.918	145.265	145.265
Adjustments of Previous Period		(1.016)	-	-
Surplus for the year		284.674	73.761	74.673
	12	528.576	219.026	219.938
Total Liabilities and Net Assets		2.069.013	1.178.713	1.174.446

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INSTITUTO IGARAPÉ

ILONA SZABÓ DE CARVALHO

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GISELE DE OLIVEIRA

CRC-RJ 119178/O-8

The accompanying notes are an integral part of the financial statements.

**INSTITUTO IGARAPÉ**

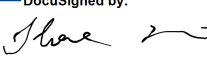
Rua Humaitá, 275/7º andar - Humaitá - RJ - Cep.: 22.261-005
Not-for-profit association, that carries out actions in defense of social rights.

Income Statement for the Year ended 31st of December of:
(Values in US\$)

	Accompanying Note	2021	2020 Restated	2020
OPERATING REVENUES				
Restricted				
Project Revenue		1.525.547	1.072.704	1.072.704
Revenue for Services Rendered		56.837	8.734	8.734
		1.582.384	1.081.438	1.081.438
Unrestricted				
Donation Revenue		226.685	114.224	114.224
Operating Revenues deduction		(28.644)	-	-
		198.041	114.224	114.224
Net Revenue from Social Assistance Activities		1.780.425	1.195.662	1.195.662
OPERATING COSTS AND EXPENSES				
General project costs		(1.514.008)	(1.082.171)	(1.082.171)
General and administrative		4.734	(29.719)	(28.807)
Taxes and fees		(1.172)	(1.370)	(1.370)
Financial expenses		(1.394)	(7.990)	(7.990)
Depreciation and amortization		(4.782)	(4.480)	(4.480)
		(1.516.622)	(1.125.730)	(1.124.818)
Operating Surplus (Deficit)		263.804	69.932	70.844
Voluntary work revenues	18	1.550	1.012	1.012
Financial revenue		19.321	2.817	2.817
Gross Non-Operating Revenue		20.870	3.829	3.829
Surplus for the Year	13	284.674	73.761	74.673

Statement of Comprehensive Income for the year ended 31st of December of:
(Values in US\$)

	2021	2020 Restated	2020
Surplus for the Year	284.674	73.761	74.673
Total comprehensive result	284.674	73.761	74.673

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Statement of Changes in Net Equity for the Year ended 31st of December of:

(Value in US\$)

	CONTRIBUTED CAPITAL	SURPLUS (DEFICIT) FOR THE YEAR	NET ASSETS
Balance on December,31 2019	276.282	(86.349)	189.933
Incorporation of 2019 Deficit	(86.349)	86.349	-
2020 Surplus Restated	-	73.761	73.761
Translation Difference	(44.668)	-	(44.668)
Balance on December,31 2020	145.265	73.761	219.026
Incorporation of 2020 Surplus	73.761	(73.761)	-
2021 Surplus	-	284.674	284.674
Translation Difference	24.876	-	24.876
Balance on December,31 2021	243.902	284.674	528.576

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INSTITUTO IGARAPÉ

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Statement of Cash Flows for the Year Ending on 31st December of:
(Value in US\$)

	Accompanying Note	2021	2020 Restated	2020
Cashflows from Operating Activities				
Surplus for the Year		284.674	73.761	74.673
Adjustment for				
Depreciation and Amortization		4.782	4.480	4.480
Provisions		8.904	509	509
Advances from Customers		(1.016)	-	-
		<u>297.345</u>	<u>78.750</u>	<u>79.662</u>
Decrease (increase) in operating assets				
Project resources - to receive		(658.007)	7.405	7.405
Other current assets		29.659	30.384	30.384
Increase (decrease) in operating liabilities				
Suppliers		9	5.179	-
Tax and social obligations		(7.566)	(360)	(360)
Advances from Customers		(26.913)	24.168	24.168
Project resources - to undertake		503.088	5.368	5.368
		<u>(159.729)</u>	<u>72.143</u>	<u>66.964</u>
Net cash generated in operating activities		<u>137.615</u>	<u>150.893</u>	<u>146.626</u>
Cashflows from investing activities				
Acquisition of property & equipment		-	(2.896)	(2.896)
Written off of property & equipment		(4.752)	(4.267)	-
Net cash employed in investing activities		<u>(4.752)</u>	<u>(7.163)</u>	<u>(2.896)</u>
Increase in cash and equivalents		<u>132.863</u>	<u>143.730</u>	<u>143.730</u>
Cash and equivalents at the beginning of the year		679.874	466.804	466.804
CASH AND EQUIVALENTS AT THE END OF THE YEAR	5	<u>812.738</u>	<u>610.534</u>	<u>610.534</u>

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The accompanying notes are an integral part of the financial statements.



Accompanying Notes to the Financial Statements of December 31st, 2021 **Values in US\$**

1 Operating Context

INSTITUTO IGARAPÉ ('IGARAPÉ INSTITUTE') is a NOT-FOR-PROFIT ASSOCIATION, a private legal entity, with activities in social fields. The Institute was founded in 2011, with the objective of improving the efficacy of public policy and social action, by creating synergy between several themes, sectors and actors involved in research and implementation of public policy and local development projects.

It focuses on integrating safety and development agendas. It proposes alternative solutions to complex social challenges, through research, public policy formulation and organization.

Our approach is to diagnose challenges through cutting-edge research, encourage debate geared towards the formulation of public policy and the organization of support for such policy in the public and private arenas, and to design solutions that are targeted and people-centered. Instituto Igarapé currently works on three high-level themes: areas of public, climate and digital security and their consequences for democracy

The Institute is a point of reference for governments, the private sector, international agencies, non-government organizations and the media. It is headquartered in Rio de Janeiro and has representation in Brasília and São Paulo. It has partnerships and projects in Brazil, Colombia, Haiti, Mexico, Guatemala, the United States, Africa and Europe.

In accordance with its bylaws and as shown by its expenses and equity investments, the Entity has applied all its resources to its institutional purposes.

2 Presentation of the Financial Statements

In the elaboration of the accounting statements of 2021, the institution adopted Law n. 11.638/2007, Law n. 11.941/2009, which changed articles in Law n. 6.404/1976 regarding the elaboration and publication of the financial statements.

The accounting statements were prepared in accordance with the accounting practices established in Brazil, qualitative characteristics of the accounting information, CFC Resolution N. 1.374/2011 (NBC TG), regarding the Conceptual Structure for the Elaboration and Presentation of the Accounting Statements, CFC Resolution n. 1.376/2011 (NBC TG 26), regarding the Accounting Statement Presentation, Deliberations of the Securities Commission (CVM) and the Rules issued by the Federal Accounting Council (CFC), especially regarding CFC Resolution N. 1.409/2012 for Nonprofit Organizations, which establishes specific criteria and procedures for the evaluation, recording of components and equity variations, and of the structure of the accounting statements, and the minimum information to be publicized in an explanatory note of the nonprofit organizations.

3 Formal Bookkeeping Compliance– CFC Resolution Nº 1330/2011 (ITG2000)

The institution maintains a uniform bookkeeping system of its administrative acts and facts, through an electronic process. The accounting records contain the identification number of the entries related to the respective document of external or internal origin or, when there is not any, there are elements that can prove or show facts and the practice of administrative activity.



Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

The accounting statements, including explanatory notes, elaborated by legal and statutory provisions, will be transcribed in the General Ledger of the institution.

The accounting documentation of the Institution is composed of all documents, books, papers, records and other pieces that support or compose the bookkeeping.

The accounting documentation is apt having the essential intrinsic or extrinsic characteristics defined by law, in accounting procedures or accepted by “uses and customs”. The institution maintains its accounting documents in good order.

4 Main accounting practices

The main accounting practices adopted by the Entity are:

Functional and Presentation Currency:

Items included in the Financial Statements are measured using the currency of the main economy in which the Entity is active (“functional currency”). The Financial Statements are presented in Brazilian Reais, which is the functional currency of the Entity and, also its presentation currency.

Cash and Equivalents:

In accordance with CFC Resolution Nº 1.296/2010 (NBC –TG 03) – Cashflow Statements, and CFC Resolution Nº 1.376/2011 (NBC TG 26) – Presentation of Financial Statements, values included in this sub-group include physical cash and current accounts. Cash equivalents are financial investments with maturity of less than 90 days from the date of investment. These are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

Cash equivalents are kept for the payment of short term cash commitments and not for investment or other purposes.

Investments with Immediate Liquidity:

Financial investments in accordance with the investment policy approved by the Fiscal Council, are stated at the original invested amounts in CDB plus pro-rata interest until the date of the balance sheet.

Project Resources:

The Institute receives financial resources from Donations, Agreements or Partnership Terms, maintained with National and Foreign Private Entities, in order to operationalize predetermined projects and activities, in accordance with the legal instrument entered into.

The contracted amounts of projects and activities are initially recorded under the caption “Project resources receivable” as opposed to the item “Project resources to be realized”. As funds are received, the write-off of the amount receivable is recorded. Also, as the projects and activities for which they are contracted are executed, the amount to be realized is written off against the Project Revenue item in the income statement.



Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

From time to time, the Entity reports to interested parties on the entire financial and operational flow of the projects and activities for which it has been hired, and the respective documentation is available for any inspection.

When there is a possibility of non-receipt of contractually due amounts of the Partnership Terms and / or Agreements, a provision for estimated losses (Allowance for Doubtful Account) is constituted.

	Revenue		Costs	
Donors - Person and Company	\$	491.743,05	\$	265.770,58
Institute/Foundation	\$	574.900,59	\$	564.525,04
Government/Bilateral	\$	593.898,10	\$	593.505,77
Company	\$	119.883,87	\$	90.206,74
Total	\$	1.780.425,61	\$	1.514.008,13

Fixed Assets:

Property, plant and equipment items are stated at historical acquisition cost less depreciation and unrecoverable loss, if applicable.

Depreciation is calculated using the straight-line method over cost less the residual value of the asset over its useful life, which is estimated as follows:

Machinery and equipment - 10 years
 Vehicles - 5 years
 Furniture and fixtures - 10 years
 Computers and peripherals - 5 years.

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the derecognition of property, plant and equipment (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement when the asset is written off.

In 2021, an adjustment was made referring to the write-offs of Property & Equipment that took place in 2018, in the total of US\$ 4,751.84, whose accumulated depreciation records were not properly written off at the time. See explanatory note 12 referring to Net Equity.

In order to assess the consequences of any changes in economic, operational or technological circumstances that may indicate impairment or impairment of its assets, the Entity periodically reviews its net book values in relation to their fair value.

During the years ended December 31, 2021 and 2020, the Entity did not verify the existence of indicators that certain property, plant and equipment could be above recoverable value, and consequently no provision for impairment of property, plant and equipment was required.

The residual value and useful life of assets and depreciation methods are reviewed at the end of each year and adjusted prospectively, as appropriate.



Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

Current Liabilities:

Current liabilities are stated at known or calculable values, including, when applicable, accrued interest up to the date of the balance sheet. When applicable, current liabilities are registered based on interest rates that reflect the maturity, currency and risk of each transaction.

Provisions:

A provision is constituted when a legal or presumed obligation resulting from a past event can be reliably estimated and it is probable that an economic resource shall be required to liquidate the obligation. Provisions are based on the best estimates of the risk involved and of expected future cash flows.

A provision for risks is constituted based on evaluation and quantification of lawsuits whose likelihood of loss is deemed probable in the opinion of Management and its legal advisors.

Measurement of Surplus or Deficit:

Revenues, expenses and costs that comprise the result were calculated on the accrual basis. Project revenues are measured by fair value (as contracted – values received or receivable) and recognized when it is deemed probable that future economic benefits will flow to the entity and can thus be reliably measured. Income and expenses accruing to the Assets and Liabilities are recognized in the surplus or deficit.

Accounting Estimates:

The preparation of financial statements in accordance with accounting practices adopted Note 2 requires that the Entity's Management rely on judgement in making accounting estimates.

The liquidation of transactions involving such estimates may result in values that are different from those estimated, as a result of imprecisions that are inherent to the estimation process. The Entity revises estimates and assumptions at least annually.

5 Cash and Equivalents

	<u>2020</u>	<u>2020</u>
Cash and Equivalents	-	1
Current Accounts	62	44
Financial Investments	812,676	610,489
Total	<u>812,738</u>	<u>610,534</u>

Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

6 Project Resource – to be received

	2021	2020
Global Innovation Fund Project	17,067	84,765
FCO Cyber Project	-	62,401
Amazon Norwegian Project	99,589	246,891
Netherlands Civic Space Project	-	13,776
PNUD Project	-	61,857
ICS Project	-	23,719
Democracy is not made with guns Project	-	28,462
Tinker Project	144,711	-
Luminate Project	18,619	-
FCDO Project	760,590	-
ICS Safety Project	190,170	-
Republic 2021 Project	8,402	-
Total	1,239,147	521,870

7 Fixed Assets and Intangibles

				Net Value		
	Rate	Corrected Cost	Depreciation	2021	2020 Restated	2020
FIXED ASSETS						
Machinery & Equipment	10%	8,700	(3,565)	5,135	5,185	5,185
Furniture & Utensils	10%	11,819	(7,564)	4,255	4,882	4,882
IT Equipment	20%	23,669	(19,458)	4,212	6,441	2,173
Total Fixed Assets		44,189	(30,587)	13,601	16,509	12,241

8 Tax and Social Obligations

These correspond to taxes and obligations related to payroll and contractors that the Entity only collects and forwards to Government Bodies.

	2021	2020
INSS payroll	-	2,376
INSS third party	-	148
FGTS payroll	-	1,342
ISS own revenues	-	-
IRRF third party (COD 1708)	-	99
PIS/COFINS/CSLL – LEI 10833	-	309
IRRF payroll (COD 0561)	-	2,009
COFINS own revenues	198	22
PIS payroll	-	138
ISS third party	-	528
Total	198	6,972



Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

9 Short-term obligations

This group is stated at original nominal value and represents amounts owed to suppliers in general and other obligations.

	2021	2020 Restated	2020
Suppliers	9	5,179	-
Advances from customers	-	24,168	24,168
Total	9	29,347	24,168

10 Project resources – to undertake

	2021	2020
Porticus Project	-	323
Global Innovation Fund Project	1,713	71,068
FCO Cyber Project	-	67,732
Republic Project	-	949
Norwegian Amazon Project	145,667	272,835
Netherlands Civic Space Project	-	26,459
PNUD Project	-	50,394
ICS Project	-	35,262
Breaking Cyclos of Violence Porticus Project	86,691	196,543
Democracy is not made with guns Project	39,199	49,264
Luminate Project	80,863	38,365
OSPC Project	158	38,353
Uber 2021 Project	15,719	-
Tinker Project	160,680	-
FCDO Project	716,766	-
Netherlands Prison System Project	21,130	-
ICS Security Project	190,170	-
Republic 2021 Project	15,050	-
Uber Project	8	7
RFN Project	-	24,168
Total	1,473,814	871,722

11 Provisions

	2021	2020
Vacation Provisions and Charges	16,365	6,700
Provision for contract termination	50,051	44,947
Total	66,416	51,646



Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

12 Net Assets

Net Assets are being presented at updated values and comprised the surplus for the financial year plus contributed capital, on December 31, 2021.

	2021	2020 Restated	2020
Contributed capital	244,918	145,265	149,532
Adjustments of Previous Period	(1,016)	-	
Surplus for the Year	284,674	73,761	74,673
Total	528,576	219,026	224,206

The corresponding amounts related to the balance sheet for the year 2020, originally presented in the financial statements for this year, are being restated in the current year in accordance with CPC 23 - Accounting Policies, Change in Estimate (IAS 8) and Error Rectification and CPC 26 (R1) – Presentation of Financial Statements (IAS 1).

In 2021, adjustments were made to the balances of the following accounts, to know:

	2020 Restated	Adjustments	2020
Non-Current Assets			
Depreciation	(14,815)	4,267	(19,082)
Current Liabilities			
Suppliers	5,179	5,179	-
Suplus of the Year	73,761	(912)	74,673

13 Resources employment

The Entity invested all its resources in its institutional purposes, in accordance with its Bylaws demonstrated by its expenses and equity investments.

14 Surplus for the Financial Year

The 2021 surplus will be incorporated to Contributed Capital in accordance with legal and statutory requirements and as determined by CFC Resolution N° 1.409/2012 that approved ITG 2002, especially in regard to item 15, which states that the surplus or deficit of Not-For-Profit Entities shall be incorporated to their Contributed Capital.

15 Statement of Cashflows

The Statement of Cashflows was prepared in accordance with CFC Resolution N° 1.152/2009 that approved NBC TG 13 and, also with CFC Resolution N° 1.296/2010 that approved NBC TG 03 – Cashflow Statements. The Entity chose to prepare its cashflow statement using the indirect method.

Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

16 Tax Immunity

INSTITUTO IGARAPÉ is a tax-immune entity under article 150, item VI, sub-item “C” and paragraph 4, and article 195, paragraph 7 of the Federal Constitution of 5th October 1988.

In accordance with the relevant legislation, the Institute complies with all requirements for the enjoyment of tax immunity.

The only Complementary Law that establishes requirements for tax immunity is the National Tax Code (‘Código Tributário Nacional – CTN’).

Article 14 of the National Tax Code establishes the requirements for enjoying tax immunity. These are included in the Entity’s bylaws and compliance with them can be proved by its accounting documents (Financial Statements, Daily Ledger, and Ledger), namely:

- No part of its net assets or income is distributed for any reason (article 4, paragraph 1 of the Bylaws);
- Its resources are fully employed, within the country, in line with its institutional objectives (article 30, paragraph 2 of the Bylaws);
- It maintains formally compliant accounting of its revenues and expenses that adequately ensures its precision (article 35 of the Bylaws).

17 Insurance coverage

Instituto Igarapé no longer has its own headquarters, for this reason it did not proceed with contracting insurance for 2021.

18 Voluntary

During the year of 2012, the Federal Accounting Council approved ITG 2002 which mentions the need for accounting for “voluntary services” using the criterion of recognition of the fair value for providing the service as if the financial disbursement had occurred.

During the year of 2021, the entity measured the cost of the voluntary work of the Directors in order to consider what would actually be a financial disbursement based on the Minutes of the meetings, recorded in a compensatory income / expense account.

19 Projects and impacts

Public Security

The Igarapé Institute was at the forefront of Brazil’s public debate on arms and ammunition control throughout 2021. The Institute released a series of technical notes and engaged in a public dialogue with the Congress and the Supreme Court to explain why both institutions must push back against efforts to weaken firearms regulations in the world’s most homicidal country. Igarapé also highlighted the scope and scale of violence against women in Mexico, Colombia and Brazil and updated its Monitor for Drug Policy in the Americas. Meanwhile, the Institute launched a new

Accompanying Notes to the Financial Statements of December 31st, 2021

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agenda to assess and change the way good police work is recognized, contributed to Science, the world's most prestigious science journal on the effectiveness of community policing. The Institute mapped networks that support the insertion of individuals previously incarcerated into society.

Climate Security

With the Amazon rainforest experiencing the highest rates of deforestation in over a decade, the Igarapé Institute focused its attention on the nexus between environmental crime and climate change. The Institute launched a case study on environmental crime in Colombia that was rated one of the best stories of 2021 by the Global Investigative Journalism Network. During COP26, the Institute offered new ESG metrics for Brazilian agriculture and show-cased news stories on the platform EcoCrime. Igarapé also called attention to illegal gold mining, releasing a strategic article, a video and a guidance note with partners such as INTERPOL. The Institute also revealed how climate change is worsening urban heat islands and contributes to conflict in the Sahel and Horn of Africa, in partnership with members of the UN Security Council and the International Committee of the Red Cross.

Digital Security

Debates are heating up over digital rights and online harms. As part of its ongoing work on digital security, including consultations with public, private and non-profit groups on the future of cyber governance, the Igarapé Institute released the Brazilian Cybersecurity Portal. The Institute also published a wide number of articles in leading media outlets, together with a new paper entitled Cybersecurity in Brazil: an analysis of the National Strategy. The Institute has also continued to examine a wide range of issues related to the use of new technologies to promote safety and security, as well as issues related to algorithmic bias and discrimination in the application of data-driven tools. For example, the Institute released new findings on body-worn camera projects led by state police in Brazil which are associated with reductions in the excessive use of force.

International Cooperation

Global cooperation is essential to tackling compounding and intersecting challenges. Throughout 2021, the Institute supported the UN Secretary-General in an ambitious global digital consultation. With partners such as UNF and Swae, the Institute collected more than 500 proposals from 147 countries on how to accelerate inclusive global cooperation and deliver commitments outlined in the UN Our Common Agenda report. In a series of publications in outlets such as Devex, Foreign Policy and the World Economic Forum, the Institute assessed global vaccination measures to address COVID-19, how a green economy can deliver zero deforestation in the Amazon by 2030, opportunities to develop a new social contract for workers and the potential of networked multilateralism, including nuclear non-proliferation networks and hubs.



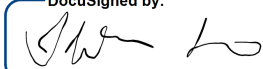
Accompanying Notes to the Financial Statements of December 31st, 2021

Values in US\$

Civic Space

The Igarapé Institute launched a new offensive to slow the closing of civic space in Brazil. The Institute has started by inventorizing the threats and attacks designed to silence critics of the government and undermine democracy, informed by a typology to map strategies and tactics to attack civic space. Together with dozens of organizations, Igarapé led a new campaign “Civic Space is Our Space”. The Institute also published the quarterly Civic Space GPS in order to monitor threats and responses. The Institute is also producing the video series ABCívico and is preparing the third season of podcast You Can Change the World (in Portuguese) which is now among the top-rated shows in the country.

Rio de Janeiro, December 31st, 2021.

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