

Financial Statements

INSTITUTO IGARAPÉ

December 31, 2022 and 2021

with a Report from the Independent Auditors

Sede Grupo Audisa

São Paulo

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

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São Paulo-SP, March 28, 2023.

To the members of the board and management of

INSTITUTO IGARAPÉ

C/o Mrs. Ilona Szabó
275 Humaitá St., fl. 7
Humaitá – Rio de Janeiro
Zip code: 22.261-005

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 31, 2022 and 2021 of **INSTITUTO IGARAPÉ**.

Yours Truly,

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

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INSTITUTO IGARAPÉ

Financial Statements

December 31, 2022 and 2021

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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 on December 31, 2022, and the corresponding statements of income, comprehensive income, changes in net equity, and 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 on December 31, 2022, 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, March 28, 2023.

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: 2023.05.23 15:43:07 -03'00'

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NASCIMENTO (14782348819)
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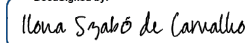
Rua Humaitá, 275/7º andar - Humaitá - RJ - Cep.: 22.261-005

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

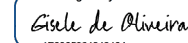
Balance Sheet for the Year ended 31st of December of:

(Values in US\$)

Assets	Accompanying Note	2022	2021 Restated	2021
Current				
Cash and equivalents	5	914,219	812,738	812,738
Project resources - to receive	6	468,462	1,239,147	1,239,147
Other current assets		883	3,360	3,526
		1,383,563	2,055,246	2,055,412
Non-Current				
Property & Equipment	7	15,809	12,597	13,602
		15,809	12,597	13,602
Total Assets		1,399,372	2,067,843	2,069,013
Liabilities				
Current				
Tax and social obligations	8	623	198	198
Suppliers	9	452	9	9
Project resources - to undertake	10	705,001	1,473,797	1,473,814
Provisions	11	7,689	66,416	66,416
Fixed Asset with restriction	12	4,914	-	
		718,679	1,540,420	1,540,437
Net Equity				
Contributed capital		479,433	244,918	244,918
Adjustments of Previous Period		(1,046)	(1,016)	(1,016)
Surplus for the year		202,306	283,521	284,674
	13	680,693	527,423	528,576
Total Liabilities and Net Assets		1,399,372	2,067,843	2,069,013

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INSTITUTO IGARAPÉ
ILONA SZABÓ DE CARVALHO

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GISELE DE OLIVEIRA
 (Regional Accounting Board no) CRC-RJ 119178/O-8

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



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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	2022	2021 Restated	2021
OPERATING REVENUES				
Restricted				
Project Revenue		1,462,184	1,525,557	1,525,547
Revenue for Services Rendered		204,325	56,837	56,837
Overhead		66,381	-	-
		1,732,890	1,582,394	1,582,384
Unrestricted				
Donation Revenue		90	226,685	226,685
Operating Revenues deduction		(140,758)	(28,644)	(28,644)
		(140,668)	198,041	198,041
Net Revenue from Social Assistance Activities		1,592,221	1,780,435	1,780,425
OPERATING COSTS AND EXPENSES				
General project costs		(1,462,184)	(1,514,008)	(1,514,008)
General and administrative		(41,811)	3,730	4,734
Taxes and fees		(1,668)	(1,172)	(1,172)
Financial expenses		(881)	(1,394)	(1,394)
Depreciation and amortization		(3,371)	(4,782)	(4,782)
		(1,509,914)	(1,517,626)	(1,516,622)
Operating Surplus (Deficit)		82,307	262,809	263,804
Voluntary work revenues		4,868	1,550	1,550
Financial revenue		68,568	19,162	19,321
Expenses recovery		46,562	-	-
Gross Non-Operating Revenue		119,999	20,712	20,870
Surplus for the Year	13	202,306	283,521	284,674

Statement of Comprehensive Income for the year ended 31st of December of:

(Values in US\$)

	2022	2021 Restated	2021
Surplus for the Year	202,306	254,604	284,674
Total comprehensive result	202,306	254,604	284,674

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(Regional Accounting Board no) CRC-RJ 119178/O-8

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

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

(Value in US\$)

	CONTRIBUTED CAPITAL	ADJUSTMENTS OF PREVIOUS PERIOD	SURPLUS FOR THE YEAR	NET EQUITY
Balance on December,31 2020	145,265	(912)	74,673	219,026
Incorporation of Ajustments of Previous Period	(912)	912	-	-
Incorporation of 2020 Surplus	74,673	-	(74,673)	-
2021 Surplus restated	-	(1,046)	283,521	282,475
Translation Difference	25,891	30	-	25,922
Balance on December,31 2021	244,918	(1,016)	283,521	527,423
Incorporation of Ajustments of Previous Period	1,046	(1,046)	-	-
Incorporation of 2021 Surplus	283,521	-	(283,521)	-
2022 Surplus	-	-	202,306	202,306
Translation Difference	(50,051)	1,016	-	(49,035)
Balance on December,31 2021	479,433	(1,046)	202,306	680,693

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

Accompanying Note	2022	2021 Restated	2021
Cashflows from Operating Activities			
Surplus for the Year	223,043	254,604	284,674
Adjustment for			
Depreciation and Amortization	(914)	4,782	4,782
Provisions	(52,553)	8,904	8,905
Advances from Customers	(1,046)	(1,016)	(1,016)
	168,530	267,275	297,345
Decrease (increase) in operating assets			
Project resources - to receive	655,480	(657,841)	(658,007)
Other current assets	2,316	29,659	29,659
Increase (decrease) in operating liabilities			
Suppliers	444	9	9
Tax and social obligations	444	(7,566)	(7,566)
Advances from Customers	-	(26,930)	(26,913)
Project resources - to undertake	(631,790)	503,088	503,088
Fixed Asset with restriction	4,914	-	-
	31,807	(159,581)	(159,729)
Net cash generated in operating activities	200,337	107,695	137,615
Cashflows from investing activities			
Acquisition of property & equipment	(8,604)	-	-
Written off of property & equipment	6,047	(3,748)	(4,752)
Net cash employed in investing activities	(2,557)	(3,748)	(4,752)
Increase in cash and equivalents	197,779	103,947	132,864
Cash and equivalents at the beginning of the year	737,176	679,874	679,874
CASH AND EQUIVALENTS AT THE END OF THE YEAR	914,219	812,738	812,738

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



Accompanying Notes to the Financial Statements of December 31, 2022

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: national and global drug policy; the prevention and reduction of violence; and international assistance.

The Institute is a 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, 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 2022, 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 n. 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 31, 2022

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 n. 1.296/2010 (NBC –TG 03) – Cashflow Statements, and CFC Resolution n. 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.

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 31, 2022

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	\$	178,077.25	\$	111,606.54
Institute/Foundation	\$	690,830.55	\$	680,227.37
Government/Bilateral	\$	595,441.28	\$	595,441.28
Company	\$	127,872.02	\$	74,908.38
Total	\$	1,592,221.10	\$	1,462,183.57

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, 2022 and 2021, 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 31, 2022

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

	2022	2021
Current Accounts	45	62
Financial Investments	914,173	812,676
Total	914,219	812,738



Accompanying Notes to the Financial Statements of December 31, 2022
Values in US\$

6 Project Resource – to be received

	2022	2021
Global Innovation Fund Project	-	17,067
Amazon Norwegian Project	-	99,589
PNUD Project	77,188	-
Tinker Project	78,906	144,711
Luminate Project	-	18,619
FCDO Project	312,368	760,590
ICS Safety Project	-	190,170
Republic 2021 Project	-	8,402
Total	468,462	1,239,147

7 Fixed Assets and Intangibles

	Rate	Corrected Cost	Depreciation	Net Value		
				2022	2021 Restated	2021
Machinery & Equipment	10%	31,854	(13,858)	17,996	4,130	5,135
Furniture & Utensils	10%	48,741	(37,100)	11,641	4,255	4,255
IT Equipment	20%	115,153	(87,944)	27,209	4,212	4,212
Restricted Fixed Asset	20%	26,722	(1,084)	25,638	-	-
Total Fixed Assets		222,470	(139,986)	82,484	12,597	13,601

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.

	2022	2021
COFINS own revenues	390	198
IRRF payroll	22	-
Vacations to pay	211	-
Total	412	198

9 Short-term obligations

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

	2022	2021
Suppliers	452	9
Advances from customers	-	0
Total	452	9



Accompanying Notes to the Financial Statements of December 31, 2022
Values in US\$

10 Project resources – to undertake

	2022	2021 Restated	2021
Tinker Project	99,773	160,680	160,680
Global Innovation Fund Project	-	1,713	1,713
Norwegian Amazon Project	-	145,667	145,667
PNUD Project	51,566	-	-
Breaking Cycles of Violence Porticus Project	-	86,691	86,691
Democracy is not made with guns Project	144,929	39,199	39,199
Luminate Project	-	80,863	80,863
OSPC Project	-	149	158
Uber 2021 Project	-	15,719	15,719
FCDO Project	309,428	716,766	716,766
Netherlands Prison System Project	-	21,130	21,130
ICS Security Project	-	190,170	190,170
Republic 2021 Project	-	15,050	15,050
Uber Project	-	-	8
Morning Rooster 2022 Project	39,107	-	-
OSF Citizen Project	31,891	-	-
Airbnb Project	2,492	-	-
Uber Violence Guide Project	25,815	-	-
Total	705,001	1,473,797	1,473,814

11 Provisions

In the year ended December 31, 2022, the Entity's management opted to extinguish and write off the balance of the provision for contractual termination.

	2022	2021
Vacation Provisions and Charges	7,689	16,365
Provision for contract termination	-	50,051
Total	7,689	66,416

12 Fixed Asset with Restriction

In compliance with the accounting standards applicable to non-profit entities, the acquisition of fixed assets with restricted resources was recorded separately from the other items of fixed assets at Igarapé. These assets are directly invested in the ongoing project and, when completed will be donated, or reverted to Igarapé.

	2022	2021
Fixed Asset with Restriction	4,914	-
Total	4,914	-



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

13 Net Assets

Net Assets are being presented at updated values and comprised the surplus for the financial year plus contributed capital, on December 31, 2022.

	2022	2021
Contributed capital	479,433	244,918
Adjustments of Previous Period	(1,046)	1,016
Surplus for the Year	202,306	284,674
Total	680,693	530,607

Adjustments of Previous Period

The corresponding amounts related to the balance sheet for the year 2021, 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 2022, adjustments were made to the balances of the following accounts, to know:

	2021 Restated	Adjustments	2021
Current Assets			
IRRF Withholding Tax	-	(166)	166
Non-Current Assets			
Machinery & Equipment	7,696	(1,004)	8,700
Current Liabilities			
Project resources - to undertake	1,473,797	(17)	1,473,814
Surplus of the Year	283,521	(1,153)	284,674

14 Resources employment

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

15 Surplus for the Financial Year

The 2022's 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 regarding to item 15, which states that the surplus or deficit of Not-For-Profit Entities shall be incorporated to their Contributed Capital.



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

16 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.

17 Tax Immunity

INSTITUTO IGARAPE 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 October 5, 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).

18 Insurance coverage

Instituto Igarape no longer has its own headquarters, for this reason it did not proceed with contracting insurance for 2022 fiscal year.

19 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.

Igarapé measures the cost of researchers' volunteer work based on the salary practiced by the entity and Board members as to consider what would effectively be a financial outlay based on the meetings' minutes, accounted for in a compensatory income/expense account.



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

	2022		2021	
	Quantity	Value	Quantity	Value
Researchers	6	2,313	7	394
Board	9	2,555	7	1,155
Total	15	4,868	14	1,550

20 Projects and Impacts:

International Cooperation and acting at the UN

The president and co-founder of the Igarapé Institute, Ilona Szabó, has been appointed a member of the High-Level Advisory Council of the UN Secretary General. The invitation followed Igarapé's support for global consultations that supported the preparation of the report and the "Our Common Agenda" initiative by the Secretary-General of the United Nations, which aims to fulfill the promise of the organization's Charter by redirecting investments to global public goods.

International Cooperation and acting at the UN The president and co-founder of the Igarapé Institute, Ilona Szabó, has been appointed a member of the High-Level Advisory Council of the UN Secretary General. The invitation followed Igarapé's support for global consultations that supported the preparation of the report and the "Our Common Agenda" initiative by the Secretary-General of the United Nations, which aims to fulfill the promise of the organization's Charter by redirecting investments to global public goods.

Climate Security

Defining and mapping environmental crimes in the Amazon Basin: consolidation of the concept: "Ecosystem of Environmental Crime"

Launch of the study "The ecosystem of environmental crime in the Amazon: an analysis of the illicit economies of the forest", which details related crimes (illegal logging, illegal mining and land grabbing, among other illegal, such as illegal possession of weapons, trafficking in drugs and homicides) that drive deforestation and degradation of the countries that make up the Amazon.

In addition, we launched in partnership with Insight Crime the studies " Stolen Amazon: the roots of environmental crime in five countries", which shows that collective action - from the local and national level to regional and global - is essential.

There are major challenges regarding Governance in the Amazon region, with regard to public policies, legislation and supervision. That is why the Launch of the Governing to Not Deliver Agenda, with proposals for action with priorities for strengthening the rule of law and complying with the law, taking into account environmental crimes and illicit crimes, violent and transnational crimes and the dynamics that challenge territorial control in the region. The launch had great repercussion in the media and was delivered to the main leaders, including President-elect Luiz Inácio Lula da Silva.

Technological solutions and partnerships with the financial sector

The Igarapé Institute sought to draw attention to the importance of the use of technological tools and the participation of the financial sector in the fight against deforestation.



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

Increasing transparency and traceability for those who work in the Amazon

We have launched an Inventory of data on economic activities and deforestation in the Amazon Basin with data sources and ways to improve the ESG indicators of companies in the Amazon biome. The study also gave support for the development of the Amazon on site, a digital platform that consolidates territorial data to increase transparency, traceability and risk analysis to improve decision-making of the private and financial sector in the Amazon biome.

Also in the development of tools that help reduce illegalities in the Amazon, we are now members of the scientific committee of the Ouro Alvo program of PF and partnership with WWF and USP, whose objective is to strengthen pf's performance in the fight against illegal gold. In addition, we have entered into another partnership with WWF and USP for the strategic development and dissemination of the PCRO Platform (Responsible Gold Buying Procedure), a risk management tool aimed at gold buyers to prevent purchased gold from being illegal. The tool is being developed by USP and piloted with jewelry with our support.

Launched in 2021 with the aim of offering an immersive experience on the ecosystem of environmental crimes in the Amazon region, the EcoCrime Platform received new investments in 2022, tripling its range of stories, from 10 to 30. The Platform's migration to a leading digital technology provider (ArcGis) has also been completed, which now houses current and future stories with increased data storage and processing capacity.

Participation in debates in Brazil and around the world

We have advanced in partnerships with civil society organizations and with the Federal Prosecutor's Office, in the dialogue with the National Council of Justice (CNJ), local governments and the Federal Police, which invited us to join the Advisory Council of PF in the illegal gold project. Outside Brazil, the Institute has also advanced in dialogue with the Latin American Financial Action Group (GAFILAT), with the Office of the Colombian Attorney General's Office, The Peruvian Ministry of Justice and Intelligence, the Institute of Hydrology, Climate and Environmental Studies (IDEAM) and the Ibero-American Association of Public Prosecutors (AIAMP). We also maintained partnerships with INTERPOL and UNODC, aimed at promoting the rule of law, particularly on shared cross-border priorities, as well as a greater exchange of experiences and collaboration with a number of important national authorities from Brazil, Colombia and Peru.

We participate and guide debates in the main events of the environmental agenda. At COP 27, we were present at 14 discussion tables on different topics related to strategies to reduce deforestation in the Amazon and combat environmental crimes. We also participate in other events of high global relevance associated with the theme of environmental and climate security, such as COP 15, Paris Peace Forum, NY Climate Week, Brazil Climate Summit, World Economic Forum.

We actively participate with election campaigns and transition teams, providing subsidies for the preparation of the new government's action plans, such as studies presented to the consortium of governors of the Amazon and to the international community (meeting with ambassadors in BSB).

Cooperation with international bodies

The Igarapé contributed once again to the Global Risks Report, an annual report produced by the World Economic Forum on the greatest risks facing humanity, including climate emergencies.



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

We also published in partnership with INTERPOL the "Guide to tackling environmental crimes: lessons from combating illegal gold mining in the Amazon", with practical guidance so that law enforcement and environmental protection authorities, as well as law enforcement operators, better understand the scope and scale of the challenge. The guide was referenced in PF events on combating illegal mining.

Public Security

Facing Armed Uncontrolled

We present technical subsidies, as amicus curiae, in several constitutionality actions in the Supreme Court. The Court granted very relevant injunctions to suspend setbacks in gun control in the country and, in one of Minister Fachin's decisions, the increased risk of political violence in the election period was used to justify the granting of the request. The decisions suspended snippets of decrees granting broad access to large quantities of ammunition and weapons for restricted use, including rifles, and relaxed the requirement of the effective need for the acquisition of firearms.

Publication of the 3rd Bulletin Uncontrolled on target on the increase of weapons in circulation in the Legal Amazon, warning of the expressive growth of weapons registered by CACs in the region (almost 300% since 2018).

The Igarapé Institute presented technical insums warning of the risks of carrying a firearm in the election period, in order to avoid more cases of violence associated with political disagreements. In August, a technical note from the Igarapé and Sou da Paz Institutes was delivered to Minister Alexandre de Moraes, president of the TSE, who later decided to ban the carrying of firearms within a radius of 100 meters from the polling places.

Recommendations for the resumption of the policy of arms and ammunition control were also presented in the agenda "Public Safety is Solution - 2022" and shared with the transition team of the elected government.

The Igarapé led the mobilizations and incidence actions to block PL 3723/2019 ("PL da Bala Solta"), which altered key points of the current legislation (Statute of Disarmament), benefiting the category of CACs and consolidating setbacks provided for until then in presidential decrees, such as the carrying of municipal traffic. The Institute participated in the discussions in the Federal Senate and published a technical note on the subject, in addition to having worked with the press to influence public opinion.

The Igarapé mobilized efforts to create the Front for Arms Control and participated in the first meeting, as a representative of civil society, the Parliamentary Front for Arms Control, Peace and Life. The initiative launched in the Federal Senate aims to promote a broad debate in the National Congress on gun and ammunition control and their social benefits, in addition to formulating, improving and presenting propositions for the improvement of this policy.

Working with the government transition team to develop measures for the first 100 days of government to restore the policy of arms and ammunition control in Brazil. As a result, on the first day of his term of office, President Lula signed a Decree (No. 11,366 of January 1, 2023) with the aim of stopping the arms race, temporarily suspending the sale of weapons and ammunition for restricted use until further regulation, among other measures such as the establishment of a Working Group to develop new rules on the subject, of which we are part. The measure resulted in a 71% reduction in new firearms entering the market in January 2023



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

Violence against women

The Igarapé Institute continued to work to produce information that supports public policies in the fight against violence against women, maintaining the largest database on violence against women, the EVA, including Brazil, Colombia and Mexico. With this, in addition to collecting and analyzing the data, we contribute to the best coverage on the subject by the press. The data collected in our studies showed the impact of the pandemic on domestic violence and how policies focused on the prevention and protection of women have been dismantled in recent years, especially in Brazil.

As part of the same project, we've also launched the new season of the You Can Change the World podcast! The first episode of the new season was attended by Txai Suruí, the only Brazilian to speak at the opening of COP26 and who impressed the world with his speech in defense of the forest and indigenous peoples.

We also organize workshops for journalists in Brazil, Colombia and Mexico, strengthening the role of the media and content producers in promoting fairer and more inclusive societies.

Expansion of the network of defenders in the Amazon

We work with the defenders who live and operate in the Amazonian territory of Brazil, Colombia and Peru, to map the violence and threats suffered by them, seeking to strengthen their activities and promote their security.

Strengthening Public Security in Brazil

We've drawn up the public safety agenda for the elections. And we act to promote the cooperation and participation of the public authorities, civil society and private initiative in the insertion of people who are from the prison system.

Through studies, the strengthening of organizations that serve this public and collaboration with the National Council of Justice (CNJ), we launched new materials, such as the Portal for Freedom: an initiative to inform and bring together people and organizations that work in the care of people who are egr. in the Brazilian prison system.

The Igarapé Institute, the National Council of Justice and RAESP have closed a partnership to strengthen support networks for people egr. One of the initiatives was the realization of several workshops taught by experts in fundraising, good management practices and other areas necessary to enhance the work of these networks. The Igarapé Institute and the National Council of Public Prosecutions signed an agreement to strengthen the external control of the criminal police and reduce violence in the prison system.

We participated in Exame's A+podcast, in which we talked about the importance of companies getting involved in the reinsertion of graduates, creating new possibilities for the future and preventing the repetition of the past. We cite our Partners of Liberty project, emphasizing that the government, the private sector and civil society need to be together in this journey to strengthen the public security of the country and everyone wins.

In the wake of the International Day against Drug Abuse and Trafficking (June 26), the Igarapé Institute launches another survey of the Drug Policy Monitor of the Americas. The survey has been conducted since 2018, and in 2022 includes gender perspectives because it understands that women's participation in drug-related dynamics has particularities that affect the family and society, so they need to be contemplated.



Accompanying Notes to the Financial Statements of December 31, 2022

Values in US\$

Igarapé Institute and UN presented the results of the Pernambuco Cooperation, a joint effort to develop knowledge and share innovative and integrated methodologies that can strengthen actions for social and situational prevention of crimes and violence, as well as care for people who use alcohol and other drugs harmful ly in the state of Pernambuco.

Digital security and civil space defense

Studies on Artificial Intelligence and cybercrime

Our guide to responsible, transparent and safe use of Artificial Intelligence in Public Security subsidized a Senate discussion group on the topic and was cited in the final report of the National Congress.

We launched the Strategic Report on cybercrime and the study on the uses of surveillance technology in Latin America, which presents the main trends of implementation of surveillance technologies in public safety, health, education, economy, transport, intelligence and events/tourism.

Igarapé participated in the negotiations of the Open-Ended Working Group on cybersecurity (#UNcyberOEWG), a process established in the first UN committee to develop and implement standards for peace and security in cyberspace. In our statement, we highlighted the importance of civil society in incident mapping processes and also contributed to the preparation of the document "Recommendations to the Zero Draft Annual Report of the Open-Ended Working Group on security of and in the use of information and communications technologies."

Monitoring of attacks and resistances in the last two years (GPS) and the importance of consolidating the database as a reference of the Brazilian historical process.

Ensuring democratic elections and combating disinformation

We monitored disinformation campaigns in contribution to the Program to Combat The Disinformation of Electoral Justice and we have integrated the Observatory on Transparency in Elections (OTE), an initiative of the TSE to increase the security and transparency of elections, where we inform decision makers to act in the face of threats or attacks on elections. We also participated in the electronic voting machine testing process.

The Igarapé Institute, in partnership with Democracia em Sheik, carried out the continuous monitoring and sharing of online narratives of disinformation with the TSE, especially those disseminated in arms groups. The Institute produced 11 "Disinformation Pulse" bulletins, which list the main narratives shared on social networks against the electoral process and democratic institutions.

The Igarapé Institute continued to monitor attacks on civic space and institutional responses and resistance strategies of civil society groups, and sharing the main findings in quarterly bulletins, the Civic Space GPS. In 2022, we consolidated a 2-year database of the main attacks on democracy and reactions presented by institutions and civil society groups. There were 3088 threats and 2941 monitored reactions, representing a true reference of the historical process experienced by Brazil in recent years.

As a member of the Pact for Democracy, the Igarapé Institute formally delivered a manifesto in defense of democracy and elections to Ministers Luís Roberto Barroso, Alexandre de Moraes, Luiz Fux and Edson Fachin, then president of the TSE, and to Senate President Rodrigo Pacheco.



Accompanying Notes to the Financial Statements of December 31, 2022 Values in US\$

He also participated in a number of initiatives, including holding hearings with the presidents of the Supreme Court, TSE, Senate and several parliamentarians. We integrated the Civic Vigil, based at OAB-SP, monitoring risks to the integrity and security of the election and launched the campaign "Vote for democracy" with the support of several ambassadors and partners such as Abraji, Instituto Sou da Paz, TETO and Saúde Alegria, who shared videos on their networks using #VotoPelaDemocracia. During the campaign, we published a checklist with 10 questions to guide the discussion of the proposals submitted by the candidacies for the 2022 elections in the areas of public security, climate and digital and the protection of the civic space in the country.

In the context of the Universal Periodic Review (UPR) on Human Rights (UN), The Igarapé evaluated the implementation of the recommendations associated with the civic space in a report carried out in conjunction with CIVICUS. We participated in the pre-session of the SPS in Geneva, where we share the main findings.

We published 4 videos of the ABCivic initiative addressing important concepts for democracy and the electoral process in order to engage citizens in public debate. Starting in August, we publish videos on electoral justice, electronic ballot boxes, misinformation and the path of voting.

We have included new features to the ATOS Platform, a tool developed to facilitate the monitoring and monitoring of normative acts of the Federal Executive. In addition to decrees, ordinances and normative instructions were included in the Platform in order to expand the monitoring capacity of citizens, organizations, researchers and the press and, thus, allow social control over government acts and eventual mobilization.

Rio de Janeiro, December 31, 2022.

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