

OCEANA BRASIL

INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENTS FOR THE ENDED YEAR
ON DECEMBER 31ST, 2023

OCEANA BRASIL

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31ST, 2023**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31ST, 2023
REPORT DF – 2024/006**

To the Management of
OCEANA BRASIL
Brasília – DF

Opinion

We examined the financial statements of **OCEANA BRASIL** (“Entity”, “Company” or “Association”) which comprise the balance sheet as of December 31st, 2023, and the respective statements of surplus/deficit, comprehensive surplus/deficit, changes in net assets and of cash flows for the year ending on that date, as well as the corresponding explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements referred to above adequately present, in all material respects, the equity and financial position of **OCEANA BRASIL** as of December 31, 2023, the performance of its operations and its cash flows for the year ended on that date, in accordance with the accounting practices adopted in Brazil, by the Brazilian Accounting Standards (BRGAAP), notably ITG 2002 (R1) – Entidade sem Finalidade de Lucros (*General Technical Interpretation 2002 (R1) – Non-Profit Entity*, in free translation).

Bases for 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 “Auditor's responsibilities for the audit of the financial statements”. We are independent in relation to OCEANA BRASIL, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the 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 support our opinion.

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

Management is responsible for the preparation and adequate presentation of financial statements in accordance with accounting practices adopted in Brazil, applicable to non-profit entities (ITG 2002), and for the internal controls that it determined to be necessary to allow the preparation of financial statements free from material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in preparing the financial statements, unless management intends to liquidate the Entity or cease its operations, or has no realistic alternative to avoid closing operations.

Those responsible for managing the Entity are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities 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 security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any existing relevant distortions.

Misstatements may arise from fraud or error and are considered material when, individually or collectively, they may influence, within a reasonable perspective, users' economic decisions taken based on said financial statements.

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

- 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 and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or intentional misrepresentations.
- We obtain an understanding of internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls.
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty regarding events or conditions that may raise significant doubt regarding the company's ability to continue as a going concern Entity.
- If we conclude that material uncertainty exists, we must draw attention in our audit report to the related disclosures in the financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Entity to no longer maintain operational continuity.
- We evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements represent related transactions and events in a manner consistent with the objective of fair presentation.

We communicate with those responsible for management regarding, among other things, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

Brasília, April 03, 2024.



Cristina Braga de Oliveira

Accountant – Register CRC MG – 079.371/O-6

Baker Tilly Brasil MG Auditores Independentes

Register CRC MG - 005.455/O-1

Table 1
Balance sheet ending December 31, 2023 and 2022
(in thousand Brazilian reais - BRL)

Assets	Notes	2023	2022	Liabilities and net assets	Notes	2023	2022
Current				Current			
Cash and cash equivalents	5	3.458	2.338	Labor liabilities	7	432	497
Advances to third parties		42	54	Advance revenue	8	2.387	1.595
Advances to suppliers		1	1				
Advances to employees		28	113	Total current liabilities		2.819	2.092
Prepaid expenses		-	171				
Total current assets		3.529	2.677				
Non-current				Net assets			
Property and equipment – P&E, net	6	203	228	Unrestricted resources	9.a	814	685
Intangible, net	6	-	1	Surplus for the period	9.b	99	129
Total non-current assets		203	229	Total of net assets		913	814
Total of assets		3.732	2.906	Total of liabilities and net assets		3.732	2.906

Table 2
Statement of surplus (deficit) for the period ended December 31, 2023 and 2022
(in thousand Brazilian reais - BRL)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Oceana Inc.	12	8.903	7.919
Instituto Humanize	12	1.080	1.733
Total revenues		<u>9.983</u>	<u>9.652</u>
Staff cost and benefits	13.a	(5.349)	(4.669)
Administrative expenses	13.b	(591)	(600)
Other operating expenses	13.c	(3.812)	(4.127)
Non-operating expenses	13.d	(96)	(96)
Financial income		2	-
Financial expenses		(38)	(31)
Total costs and expenses		<u>(9.884)</u>	<u>(9.523)</u>
Surplus for the period		<u>99</u>	<u>129</u>

Table 3

**Statement of the comprehensive surplus (deficit) for the period ended December 31, 2023 and 2022.
(in thousand Brazilian reais - BRL)**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Surplus for the period		<u>99</u>	<u>129</u>
Other comprehensive results		-	-
Comprehensive surplus for the period		<u>99</u>	<u>129</u>

Table 4
Statement of changes in net assets for the year ended December 31, 2023 and 2022
(in thousand Brazilian reais - BRL)

	<u>Unrestricted resources</u>	<u>Surplus for the period</u>	<u>Total of net assets</u>
Balances on December 31, 2021	<u>534</u>	<u>151</u>	<u>685</u>
Incorporation of surplus into unrestricted resources	151	(151)	-
Surplus for the period	-	129	129
Balances on December 31, 2022	<u>685</u>	<u>129</u>	<u>814</u>
Incorporation of surplus into unrestricted resources	129	(129)	-
Surplus for the period	-	99	99
Balances on December 31, 2023	<u>814</u>	<u>99</u>	<u>913</u>

Table 5
Statement of cash flows for the period ended December 31, 2023 and 2022
(In thousands of reais - BRL)

	<u>2023</u>	<u>2022</u>
I - Cash flows from operating activities		
Surplus for the period	99	129
(+ / -) Add (deduct) items not involving cash		
(+) Depreciation and amortization	96	96
(+) Assets written-off	171	-
Decrease (Increase) in the assets		
Advances	97	(85)
Prepaid expenses	-	(171)
(Decrease) Increase in the liabilities		
Labor liabilities	(65)	100
Advance revenue	792	(366)
(=) Cash provided by (used in) operating activities	<u>1.190</u>	<u>(297)</u>
II - Cash flows from investing activities		
Acquisition of P&E and intangible assets	(70)	-
(=) Cash provided by (used in) investing activities	<u>(70)</u>	<u>-</u>
(=) Increase (Decrease) in cash and cash equivalents	<u>1.120</u>	<u>(297)</u>
Cash and cash equivalents		
At start of the period	2.338	2.635
At end of the period	3.458	2.338
Change in cash and cash equivalents	<u>1.120</u>	<u>(297)</u>

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2023, AND 2022.

(in Thousand Brazilian reais - BRL, except where indicated)

1 Operational context

Oceana Inc. is the largest organization working exclusively on ocean defense and conservation. It was founded in 2001 and whose mission is to " Save the Oceans, Feed the World".

Oceana Inc. has offices in North, Central and South America, Asia, and Europe. All the countries where it operates, together, are responsible for 29% of the world's marine fish production. Oceana seeks to protect biodiversity and increase the abundance of our oceans through changes in public policies in countries that hold most of the world's marine resources.

Oceana Inc.'s office in Brazil is Oceana Brasil, a national, non-economic or profit association, of a private law nature, which works together with the government, society, the productive sector, and scientists, aiming to guarantee environmental and social benefits and economic benefits generated by marine fishing in Brazil. In the context of these financial statements, Oceana Brasil may be referred to as a "Company" or "Association".

The Association's corporate purpose is:

- (a) The defense, preservation, and conservation of the environment, especially the oceans.
- (b) The protection of life in the seas through marine conservation.
- (c) The promotion of economic and social development, especially of coastal communities.
- (d) The development of scientific or technological research related to the themes of items (a), (b) and (c) above.

2 Presentation of financial statements

These financial statements were approved by the Company's Management on March 19, 2024.

The financial statements presented are the responsibility of management and were prepared in accordance with accounting practices adopted in Brazil (BRGAAP), by Brazilian Accounting Standards, notably ITG 2002 (R1) – Entidade sem Finalidade de Lucros (*General Technical Interpretation 2002 (R1) – Non-Profit Entity*, in free translation).

3 Description of main accounting practices adopted

(a) Revenues

The Entity's revenues are made up of non-governmental donations and financial income.

Income from non-governmental donations received are allocated to results in the same proportion as expenses and costs incurred, linked to projects managed by the Association. The expenses and costs incurred basically represent the allocation of human and material resources in the execution of projects and are allocated to profit or loss in accordance with the accrual accounting system.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2023, AND 2022.

(in Thousand Brazilian reais - BRL, except where indicated)

Financial revenues are recorded in profit or loss based on the accrual basis of accounting and, usually, refer to income from investments, the values of which are reinvested in the Association itself.

(b) Current and non-current assets

The assets are demonstrated at realizable values, including income and monetary or exchange variations incurred and deducted from the corresponding income to be appropriated, when applicable.

(c) Property, equipment (P&E) and intangibles

Property, equipment, and intangible items are presented at historical acquisition cost, deducting the value of depreciation/amortization and any accumulated non-recoverable loss.

Depreciation of assets is calculated based on the straight-line method at the annual rates mentioned in explanatory note number 6, which are reviewed, if necessary, annually or when there is an indication of significant change.

(d) Current and non-current liabilities

They are demonstrated by known or safely estimated values, plus, when applicable, the corresponding charges.

(e) Provisions

Provisions are recognized when: (i) the Association has a present or constructive obligation because of past events; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; (iii) and the value can be safely estimated.

Provisions are measured at the present value of the expenditure expected to be necessary to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the obligation due to the passage of time is recognized as a financial expense.

(f) Net assets

Represented by the Unrestricted resources plus annual surplus or deficit results, as applicable.

(g) PIS and COFINS

PIS – Programa de Integração Social (*Social Integration Program*, in free translation) and COFINS – Contribuição para Financiamento da Seguridade Social (*Contribution for Social Security Financing*, in free translation) are taxes levied on revenues, as determined by Brazilian tax legislation.

Oceana Brasil is exempt from paying COFINS, with no obligations relating to this tax. However,

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non-profit entities that have employees, as defined by Brazilian labor legislation, are required to pay PIS at a fixed rate of 1% on the monthly payroll.

(h) IRPJ and CSLL

In Brazil, there are two taxes levied on net profit, namely the Imposto de Renda de Pessoa Jurídica – IRPJ (*Corporate Tax*, in free translation) and the Contribuição Social sobre o Lucro Líquido – CSLL (*Social Contribution*, in free translation).

As a non-profit entity, Oceana Brasil enjoys exemption from IRPJ and CSLL levied on the surplus calculated.

(i) Adjustment to present value

As of December 31, 2023, Oceana Brasil did not have assets or liabilities arising from long-term operations that could generate an adjustment to present value.

4 Financial instruments

(a) Classification and valuation of financial instruments

The Association maintains operations with non-derivative financial instruments. The management of these instruments is carried out through operational strategies and internal controls to ensure liquidity, profitability, and security.

Non-derivative financial instruments include financial investments, accounts receivable and other receivables, cash and cash equivalents, loans, and financing, as well as accounts payable and other debts. The classification depends on the purpose for which the financial instruments were acquired.

(b) Derivatives

Oceana Brasil did not make investments of a speculative nature, in derivatives or any other risk assets, during the 2023 financial year.

5 Cash and cash equivalents

The balance of cash and cash equivalents refers exclusively to resources held in a current account by Oceana Brasil.

Description	2023	2022
Banks current account	3.458	2.338
	3.458	2.338

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2023, AND 2022.

(in Thousand Brazilian reais - BRL, except where indicated)

Management adopts a conservative cash management policy, investing available resources in short-term rescue investment funds in first-tier Brazilian financial institutions, when permitted by donors. Revenues from these financial investments are reinvested in the Association itself.

6 Property, equipment (P&E) and intangibles

The composition of P&E and intangible assets is presented below:

Description	2023			2022	Annual depreciation / amortization rates
	Cost	Accumulated depreciation / amortization	Net	Net	
Machines and equipment	63	(46)	17	23	10%
IT equipment	309	(204)	105	56	20%
Furniture and utensils	176	(151)	25	43	10%
Improvements to third party assets	492	(436)	56	106	10%
Total of P&E	1.040	(837)	203	228	
Software (SO)	11	(11)	-	1	20%
Total intangibles	11	(11)	-	1	
Total P&E and intangibles	1.051	(848)	203	229	

The changes in these assets are presented as follows:

Description	Changes in fiscal year 2023				
	Net in 2022	Additions	Write-offs	Depreciation / Amortization	Net in 2023
Machines and equipment	23	-	-	(6)	17
IT equipment	56	70	-	(21)	105
Furniture and utensils	43	-	-	(18)	25
Improvements to third party assets	106	-	-	(50)	56
Total of P&E	228	70	-	(95)	203
Software (SO)	1	-	-	(1)	-
Total intangibles	1	-	-	(1)	-
Total P&E and intangibles	229	70	-	(96)	203

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2023, AND 2022.

(in Thousand Brazilian reais - BRL, except where indicated)

7 Labor liabilities

Refers to provisions for payment arising from obligations related to human resources with an employment relationship and PIS (Social Integration Program) withholdings, the amounts of which have already been recognized in profit or loss, being composed as shown below:

Description	2023	2022
Vacation provisions	321	329
Provisions for vacation charges	108	110
PIS - Social Integration Program	3	3
Pension Payable - INSS	-	55
	432	497

8 Advance revenue

They refer to the resources advanced by donors within the scope of projects managed by Oceana Brasil, and which will be used in subsequent periods, as shown in the table below:

Description	2023	2022
Oceana Inc.	2.383	1.511
Instituto Humanize	4	84
	2.387	1.595

9 Net assets

(a) Unrestricted resources

Unrestricted resources are made up of contributions from its members, the Association's financial income, donations, grants and legacies, as provided for in the Bylaws.

(b) Surplus (deficit) for the period

It refers only to the current year's surplus or deficit. After approval by the meeting, these values are incorporated into the Unrestricted resources to be reinvested in social actions, as provided for in the Bylaws, when applicable.

10 Insurance coverage (Unaudited)

The Association has insurance policies for Property, General Liability and Directors and Officers that offer total coverage of BRL 12.053 thousand.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON DECEMBER 31, 2023, AND 2022.

(in Thousand Brazilian reais - BRL, except where indicated)

11 Taxes and contributions
(a) IRPJ / CSLL

Due to being a non-profit entity, Oceana Brasil enjoys the benefit of exemption from paying federal taxes levied on its surplus, in accordance with article 174 of the Brazilian Income Tax Regulation, approved by Decree No. 3,000 dated 26 of March 1999 and by Law No. 9,532 of 1997.

(b) PIS / COFINS

Due to being a non-profit entity, Oceana Brasil is subject to the payment of PIS calculated on the payroll at the rate of 1% in accordance with Law No. 9,532 of 1997. The entity enjoys the benefit of exemption from payment of COFINS levied on revenues relating to the Entity's own activities, in accordance with Laws No. 9,718 of 1998 and 10,833 of 2003.

12 Revenues

Description	2023	2022
Non-governmental donations – Oceana Inc.	8.294	7.919
Non-governmental donations – Instituto Humanize	1.080	1.519
Non-governmental donations – Oceana Inc. Intercompany	609	214
	9.983	9.652

13 Costs and expenses
a) Staff cost and benefits

Description	2023	2022
Employee remuneration (a)	(2.816)	(2.497)
Benefits and social charges for employees (a)	(1.923)	(1.613)
Labor Provisions	(610)	(559)
	(5.349)	(4.669)

(a) Employee remuneration, benefits and social charges refer to the personnel hired to carry out the campaigns and are allocated as expenses on an accrual basis.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON
DECEMBER 31, 2023, AND 2022.**

(in Thousand Brazilian reais - BRL, except where indicated)

b) Administrative expenses

Description	2023	2022
Materials applied in administrative activity	(59)	(38)
Services provided by legal entities	(239)	(242)
Rent and utilities	(284)	(312)
Other administrative expenses	(9)	(8)
	(591)	(600)

c) Other operating expenses

Description	2023	2022
Travel and accommodation	(492)	(361)
Events and workshops	(832)	(997)
Communication	(892)	(607)
Advisory services	(1.596)	(2.162)
	(3.812)	(4.127)

d) Non-operating expenses

Description	2023	2022
Depreciation and amortization	(96)	(96)
	(96)	(96)

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON
DECEMBER 31, 2023, AND 2022.**

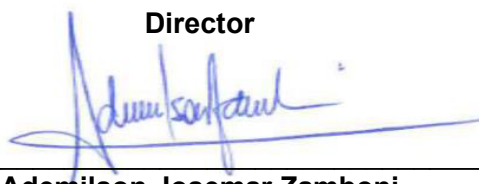
(in Thousand Brazilian reais - BRL, except where indicated)

14 Subsequent events

Events subsequent to the accounting period to which the financial statements relate include all events up to the date the financial statements are authorized for issue, even if these events occur after the public announcement of earnings or other financial information.

The Entity's Management confirms that there were no relevant subsequent events that would cause adjustments or special disclosures.

Director



Ademilson Josemar Zamboni
General Director of Oceana Brasil

Technical manager

Rosana Monteiro dos Santos
Accountant
Register CRC DF-008448/O-1