

(Convenience translation into English from the original  
previously issued in Portuguese)

FUNDAÇÃO NORBERTO ODEBRECHT

Independent auditor's report

Financial statements

As at December 31, 2023

# FUNDAÇÃO NORBERTO ODEBRECHT

Financial statements  
As at December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the  
Board Members and Management of  
Fundação Norberto Odebrecht  
Salvador - BA

### Opinion on the financial statements

We have audited the financial statements of Fundação Norberto Odebrecht ("Entity"), which comprise the statement of financial position as at December 31, 2023 and the respective statements of activities, comprehensive surplus, changes in net assets and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fundação Norberto Odebrecht as at December 31, 2023, its financial performance and its cash flows for the year then ended, in accordance with the Brazilian accounting practices applicable to non-profit entities (ITG 2002 R1).

### Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Entity in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Entity's Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices, and for such internal control as Management determines is 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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



As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation;

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

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Salvador, March 1st, 2024.



BDO RCS Auditores Independentes SS Ltda.  
CRC 2 SP 013846/O-1 - S - BA

*Antomar de Oliveira Rios*

Antomar de Oliveira Rios  
Accountant CRC 1 BA 017715/O-5

# FUNDAÇÃO NORBERTO ODEBRECHT

Statements of financial position  
As at December 31, 2023 and 2022  
(In thousands of Brazilian Reais)

Assets				Liabilities and net assets			
	Note	2023	2022		Note	2023	2022
Current				Current			
Cash and cash equivalents	5	1,289	3,303	Trade accounts payable		32	16
Loans granted		-	31	Taxes, fees and contributions		152	186
Advances to third parties		39	19	Salaries, charges and social contributions	6	389	461
Other assets		200	177	Other liabilities		471	320
		<u>1,528</u>	<u>3,530</u>			<u>1,044</u>	<u>983</u>
Non-current				Net assets			
Fixed assets		306	247	Net assets		2,855	924
Intangible assets		48	61	(Deficit)/Surplus for the year		<u>(2,017)</u>	<u>1,931</u>
		<u>354</u>	<u>308</u>			<u>838</u>	<u>2,855</u>
Total assets		<u><u>1,882</u></u>	<u><u>3,838</u></u>	Total liabilities and net assets		<u><u>1,882</u></u>	<u><u>3,838</u></u>

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

# FUNDAÇÃO NORBERTO ODEBRECHT

## Statements of activities

For the years ended December 31, 2023 and 2022

(In thousands of Brazilian Reais)

	Note	2023	2022
Gross revenue	7	5,951	9,645
Donations to social projects	8	(43)	(18)
Deductions from gross revenue		(33)	(12)
		5,875	9,615
General and administrative expenses	9	(8,570)	(7,806)
Recovery of expenses		96	2
Other revenues		87	-
		(8,387)	(7,804)
Operating income (loss)		(2,512)	1,811
Financial revenues		495	120
Net financial income (loss)		495	120
(Deficit)/Surplus for the year		(2,017)	1,931

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

# FUNDAÇÃO NORBERTO ODEBRECHT

## Statements of comprehensive surplus

For the years ended December 31, 2023 and 2022

(In thousands of Brazilian Reais)

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	<u>2023</u>	<u>2022</u>
Surplus for the year	(2,017)	1,931
Other comprehensive surplus (deficit)	-	-
Total comprehensive surplus (deficit)	<u>(2,017)</u>	<u>1,931</u>

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

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# FUNDAÇÃO NORBERTO ODEBRECHT

## Statements of changes in net assets (In thousands of Brazilian Reais)

	Net assets	Surplus for the year	Total
Balances as at December 31, 2021	631	293	924
Surplus absorbed by net assets	293	(293)	-
Surplus for the year	-	1,931	1,931
Balances as at December 31, 2022	924	1,931	2,855
Surplus absorbed by net assets	1,931	(1,931)	-
Deficit for the year	-	(2,017)	(2,017)
Balances as at December 31, 2023	2,855	(2,017)	838

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



# FUNDAÇÃO NORBERTO ODEBRECHT

## Statements of cash flows

For the years ended December 31, 2023 and 2022

(In thousands of Brazilian Reais)

	2023	2022
Cash flows from operating activities (Deficit)/Surplus for the year	(2,017)	1,931
Adjustments to reconcile surplus (deficit) for the year with cash from operating activities:		
Depreciation and amortization	42	34
Income (loss) from write-off of fixed assets	33	-
	<u>(1,942)</u>	<u>1,965</u>
Changes in assets and liabilities		
Advances to third parties	(20)	12
Loans granted	31	21
Other assets	(23)	(15)
Trade accounts payable	16	(36)
Salaries, charges and social contributions	(72)	83
Taxes, fees and contributions	(34)	33
Other liabilities	151	308
Net cash from operating activities	<u>(1,893)</u>	<u>2,371</u>
Cash flows from investing activities		
Additions to fixed and intangible assets	(121)	(48)
Net cash from investing activities	<u>(121)</u>	<u>(48)</u>
(Decrease)/Net increase in cash and cash equivalents	<u>(2,014)</u>	<u>2,323</u>
Cash and cash equivalents at beginning of year	3,303	980
Cash and cash equivalents at end of year	1,289	3,303
(Decrease)/Net increase in cash and cash equivalents	<u>(2,014)</u>	<u>2,323</u>

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

## 1. Operations

Fundação Norberto Odebrecht (“Foundation” or “FNO”) is a private, non-profit institution maintained by Novonor S.A., conceived and founded by Norberto Odebrecht in 1965. The institution is guided by the humanist philosophy of the Odebrecht Entrepreneurial Technology (TEO), based on the education and work that gave rise to “Our Culture,” the entrepreneurial culture practiced in the Novonor Group.

The Foundation’s actions have always been focused on human development, contributing towards the fight against poverty and inequality for the purpose of building a more responsible, harmonic, and solidary society, with equal opportunities for all. It has the mission of “educating to impact lives that transform our tomorrow” and the vision of “being recognized for multiplying social and environmental impact solutions to build a sustainable future.”

To multiply social and environmental impact solutions, FNO coordinates technologies and manages non-reimbursable resources to promote sustainability. The work focuses on three fronts: execution of Programs and Projects, rendering of Technical Consulting Services, and Production of Knowledge. With these actions, the Foundation promotes its Environmental, Social and Governance (ESG) commitment and contributes to the achievement of the Sustainable Development Goals (SDGs).

Its main Social Program, PDCIS, has been running since 2003 in municipalities of the lowlands of southern Bahia, and since 2021 in Macaé - RJ, in the Sana district, with initiatives articulated on six fronts to promote sustainable territorial development in socially vulnerable regions, namely: education for sustainable development; environmental conservation; economic development; innovation and technology; citizenship and governance; and cohesion and social mobilization.

To implement PDCIS, partnerships are entered into with domestic civil society organizations, which are institutionally strengthened by FNO, with support, for example, for planning, resource mobilization and accountability, in order to guarantee to beneficiaries and investors the effectiveness of results and transparency in execution of projects. Other agents also participate in the initiative, forming the participatory governance of the Program, such as public authorities, teaching and research institutions, and the private sector, which, acting collaboratively towards the sustainable territorial development of the regions, enhances the results of the action.

## FUNDAÇÃO NORBERTO ODEBRECHT

Notes to the financial statements  
As at December 31, 2023 and 2022  
(In thousands of Brazilian Reais)

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Financial resources for the maintenance of the Foundation come from donations, specially from its Sponsor, Novonor, and from its controlled or affiliated companies, and also from FRVJ Patrimonial Ltda (“FRVJ Patrimonial”), a controlled company of Kieppe Participações e Administração Ltda. - Under Court-Ordered Reorganization, indirect parent company of Novonor, in the copyrights and trading of books. All these resources are applied in the fulfillment of its purpose, in the rendering of technical consulting services aiming at the replication of the concepts and practices of its social program, as well as in the promotion or coordination of projects for the raising of technical or financial resources, intended for the achievement of its basic purpose.

In 2023, the Foundation was recognized, for the second year running, as one of the 100 Best NGOs in Brazil. The recognition was given by the Best NGOs Award, the largest Third Sector award in the country, at an event held in São Paulo. The initiative of Instituto Doar in partnership with Instituto O Mundo Que Quero announces, every year, the non-profit institutions that stand out the most for the cause they work for and in aspects such as management, governance, financial sustainability, and transparency. Also in 2023, the Foundation was awarded the Great Place to Work (GPTW) certificate, which attests that the institution is an excellent place to work.

The Foundation is a private, non-profit Civil Society Organization, ruled by Brazilian Civil Code and by Laws No. 13.019/2014 and No. 9.249/95, among other applicable standards, not distributing to its partners or shareholders, board members, directors, employees, donators or third parties any surplus, operating surplus values, gross or net, dividends, ownership interest or portions of its net assets, earned by the performance of its activities.

In case of termination of its activities, by means of proposal from the Board of Trustees and approval from the State Prosecutor’s Office, the net assets recognized shall be fully transferred to the net assets of non-profit Institutions with identical or similar legal nature and social purpose to FNO, as long as properly registered with the National Social Care Council (CNAS), or to government agency in the state of Bahia.

Considering its legal nature and compliance with legal requirements, FNO is entitled to tax immunity in relation to Corporate Income Tax (IRPJ), Social Contribution Tax (CSLL), Contribution for Social Security Funding (COFINS) and Contribution to the Social Integration Program (PIS) levied on the year’s revenues.

Regarding PIS, all revenue earned by foundations and civil associations exempt from income tax, whether related or not to its own activities, is not subject to the levy of PIS. The Foundation’s PIS contribution is determined based on its payroll, at the rate of 1%.

Despite the tax exemptions, the Foundation is required to meet other tax obligations, though considering its legal nature, including accessory obligations, which are being complied with throughout fiscal years.

#### Novonor's Court-Ordered Reorganization

On June 17, 2019, Novonor, sponsor of the Foundation, filed a request for court-ordered reorganization at the 1<sup>st</sup> Court of Bankruptcies and Reorganization of the Judicial District of the City and State of São Paulo, as per Law No. 11.101/05.

Since then, Novonor and some controlled companies under reorganization have continued to maintain its normal activities, focused on the common purpose of guaranteeing the financial stability and recovery of the Group, therefore preserving its social role of guaranteeing and generating jobs, disseminating technological knowledge, and creating sustainable value in the interest of society and other interested parties.

The Foundation remains firm in continuing its social and environmental activities and actions, counting on investments from the operating companies of Novonor Group out of the scope of the court-ordered reorganization and from the other social investors external to the group that continue to support the actions promoted by the Foundation and partner Institutions.

## 2. Presentation of the financial statements

The main accounting policies applied in the preparation of these financial statements are set forth below.

The present financial statements were authorized for issue by the Foundation's Management on March 1st, 2024.

### 2.1. Basis of preparation

The financial statements were prepared and are being presented in accordance with Brazilian accounting practices, including the pronouncements issued by the Committee of Accounting Pronouncements (CPC) and the provisions of ITG 2002 (R1) - Non-Profit Entities.

### 2.2. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments, with maturities of 90 days or less and subject to an insignificant risk of change in value.

## 2.3. Financial assets

### 2.3.1. Classification

CPC 48/IFRS 9 establishes three main categories for the classification of financial assets: measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL). The standard eliminates the categories existing in CPC 38/IAS 39 of held to maturity, loans and receivables, and available for sale.

The Foundation classifies its financial assets as measured at amortized cost. Classification depends on the purpose for which the financial assets were acquired.

Financial assets are recorded as current assets, except those with maturity higher than 12 months after the reporting date.

The Foundation has financial assets represented by cash and cash equivalents and loans granted.

### 2.3.2. Recognition and measurement

Regular purchases and sales of financial assets are recognized on the negotiation date - the date on which the Foundation undertakes to buy or sell an asset.

Financial assets are written off when the rights to receive cash flows from investments have expired or have been transferred; in the latter case, provided that the Foundation has transferred substantially all risks and benefits of ownership.

Financial assets are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

### 2.3.3. Impairment of financial assets

#### (a) Assets measured at amortized cost

As at reporting date, the Foundation evaluates if there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of assets is considered impaired only when there is objective evidence of impairment due to one or more events occurring after the asset's initial recognition ("loss event") and affecting estimated future cash flows of the financial asset or group of assets that can be reliably estimated.

The criteria adopted by the Foundation to determine the objective evidence of impairment include:

- (i) Relevant financial difficulty demonstrated by the issuer or debtor;
- (ii) A breach of contract, such as default or delinquency in interest or principal payments;
- (iii) For economic or legal reasons related to the borrower's financial difficulty, the Foundation grants a concession to the borrower, which a lender normally would not consider;
- (iv) It is probable that the borrower declares bankruptcy or goes into another kind of financial reorganization;
- (v) Observable data indicating a measurable reduction in future cash flows estimated from a portfolio of financial assets since the initial recognition of those assets, although the reduction cannot yet be identified in the individual financial assets in the portfolio, including:
  - Adverse changes in the payment situation of borrowers in the portfolio;
  - National or local economic conditions that are correlated with the default on assets in the portfolio.

If, in a subsequent period, the amount of impairment loss is reduced and this reduction can be objectively related to an event which occurred after impairment being recognized (as an improvement in debtor's credit rating), a reversal of the loss previously recognized will be recorded in the statement of activities.

#### 2.4. Fixed assets

Fixed assets are stated at acquisition or construction cost, net of accumulated depreciation.

Expenses directly attributed to the acquisition of the items and costs of financing related to the acquisition of qualifying assets are capitalized as part of fixed assets.

Depreciation is calculated using the straight-line method to allocate costs to the residual values of the assets during their estimated useful life, as follows:

- IT equipment: three - five years;
- Furniture and fixtures: eight - ten years;
- Others: seven - ten years.

Gains and losses resulting from disposals are determined by the comparison of sales amounts with book value and recognized in the statement of activities.

2.5. Other current assets

The other assets are stated at cost or realizable value, plus related surplus and monetary variations earned, when applicable.

2.6. Trade accounts payable

Accounts payable to suppliers are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in the period of up to one year. Otherwise, accounts payable are presented as non-current liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the corresponding billed amount.

2.7. Other liabilities

Other liabilities are stated at known or estimated amounts, plus the related charges and monetary changes incurred, when applicable.

2.8. Taxes, fees and contributions

For being a non-profit entity, the Foundation is entitled to tax immunity. Accordingly, no taxes are levied on its operations, which include PIS, COFINS, IRPJ and CSLL. The amount payable basically refers to amounts withheld on payroll, in addition to Severance Pay Fund (FGTS) and employer's Social Security Tax (INSS).

2.9. Net assets

It is represented by initial donations, plus surplus or deficit accumulated through the years.

2.10. Results of activities

The Foundation's revenues mainly include donations from its Sponsor, Novonor S.A., and its controlled or affiliated companies, and also from FRVJ Patrimonial Ltda. ("FRVJ Patrimonial"), a controlled company of Kieppe Participações e Administração Ltda. - Under Court-Ordered Reorganization, indirect parent company of Novonor. Such records comply with the provisions established by CPC 47, the pronouncement that regulates the revenue recognition. Surplus or deficit of the activities is recognized on the accrual basis except for income from donations received, which is recognized on a cash basis, i.e. on the date the funds are received.

# FUNDAÇÃO NORBERTO ODEBRECHT

Notes to the financial statements  
As at December 31, 2023 and 2022  
(In thousands of Brazilian Reals)

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Revenues from donations received to be applied in the programs are recognized at the amounts corresponding to the expenses incurred in each year for the execution of these programs.

## 3. Financial risk management

The Foundation did not carry out transactions involving derivatives for speculation purposes in the years ended December 31, 2023 and 2022.

### (a) Liquidity risk

It is the risk of the Foundation not having sufficient funds to fulfill its financial obligations due to a mismatch between expected receipts and payments in maturity and volume.

To manage cash liquidity, assumptions are made about future disbursements and receipts, daily monitored by the Finance Department of the Foundation.

## 4. Financial instruments by category

	<u>2023</u>	<u>2022</u>
Amortized cost		
Assets		
Cash and cash equivalents	1,289	3,303
Advances to third parties	39	19
Loans granted	-	31
	<u>1,328</u>	<u>3,353</u>
Amortized cost		
Liabilities		
Trade accounts payable	32	16
Other liabilities	471	320
	<u>503</u>	<u>336</u>

## 5. Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
Cash and banks	2	342
Financial investments	1,287	2,961
	<u>1,289</u>	<u>3,303</u>

Short-term bank deposits refer to financial investments in Funds and Bank Certificates of Deposit (CDB), at floating rates, whose average return ranges from 83.0% and 100.0% of the Interbank Deposit Rate (CDI), respectively, with immediate liquidity.



# FUNDAÇÃO NORBERTO ODEBRECHT

Notes to the financial statements  
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## 6. Salaries, charges and social contributions

	2023	2022
Provision for vacation pay	283	332
INSS on vacation pay	72	84
FGTS on vacation pay	22	26
Others	12	19
	<u>389</u>	<u>461</u>

## 7. Gross revenue

	2023	2022
Donations received (a)	5,260	9,375
Sale of books	12	12
Copyright	9	2
Welfare	538	256
Technical consultancy	132	-
Total	<u>5,951</u>	<u>9,645</u>

(a) In December 2022, R\$2,000 thousand was received as a donation for 2023, which was recorded as donation income in the result for 2022, resulting in a surplus of R\$1,931 thousand. As a result of this entry in 2022, the result for 2023 showed a deficit of R\$2,017 thousand.

## 8. Donations to social projects

	2023	2022
OCT	(13)	(18)
CFRI	(10)	-
CFAF	(10)	-
CFR-PTN	(10)	-
Total	<u>(43)</u>	<u>(18)</u>

The donation in 2022 was aimed at supporting the Foundation's structural changes.

The 2023 donations were mainly for IT equipment (laptops).

## 9. General and administrative expenses

	2023	2022
Wages and salaries	(6,196)	(5,667)
Third-party services	(1,125)	(1,384)
Travel and lodging	(208)	(205)
Infrastructure (headquarters)	(521)	(447)
Others	(520)	(103)
Total	<u>(8,570)</u>	<u>(7,806)</u>

10. Income (loss) from ownership interest

The Foundation has ownership interest of 1.566% in ODBINV S.A. - Under Court-Ordered Reorganization ("ODBINV"), parent company of Novonor. This investment in ODBINV was recorded and valued according to the equity method up to the limit of the investment balance.

Considering that as at December 31, 2016, ODBINV reported deficit in equity ("Unsecured liabilities"), on that same date, the balance of investments was written off by the Foundation (provision for losses on ownership interest).

As at December 31, 2023 and 2022, ODBINV remained with deficit in equity ("Unsecured liabilities").

11. Contingencies

The Foundation has labor lawsuits, involving a risk of loss classified by Management as possible, based on the assessment of its legal advisors, in the estimated amount of R\$303,000 (R\$273 in 2022), respectively.

12. Endowment Fund

In March 2023, the Foundation set up an Endowment Fund to serve as a stable and perennial source of funds, with the aim of contributing to its long-term financial sustainability, as well as the funding, maintenance, and expansion of its activities, in order to achieve its corporate purpose. As of the date of this report, no funds have been allocated to the Asset Fund.