

INSTITUTO AME SUA MENTE

Independent auditor's report on

**Financial Statements on
December 31, 2021**

INSTITUTO AME SUA MENTE

**Financial statements on
December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the
Administrators of
Instituto Ame Sua Mente
São Paulo - SP

Opinion on financial statements

We examined the financial statements of **Instituto Ame Sua Mente** (“Entity”), which comprise the balance sheet on December 31, 2021 and the respective statements on income, comprehensive income, changes in net equity, and 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 referenced above adequately reflect, in all material aspects, the equity and financial position of **Instituto Ame Sua Mente** on December 31, 2021, the performance of its operations, and cash flows for the year ending on that date, in accordance with the accounting practices adopted in Brazil.

Basis for opinion on the financial statements

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the section that follows entitled “Auditor’s responsibilities for the auditing of financial statements.” We are independent in relation to the Entity, in accordance with the relevant ethical principles set forth in the Accountant’s Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council (CFC), and we comply with other ethical responsibilities in accordance with these standards. We believe that the auditing evidence obtained supports our opinion.

Other subjects

Audit corresponding to previous fiscal year

The financial statements for the year ending on December 31, 2020, presented for comparative purposes, were audited by us, whose report issued on November 19, 2021 contained a deficiency regarding the failure to present appropriate and sufficient documentation of expenses for services rendered in 2020. In 2021, there were no deficiencies regarding this matter, and therefore, the matter was no longer included as a deficiency in the basic paragraph in the opinion on the financial statements.

Management's responsibilities for the financial statements

Management is responsible for the preparation and adequate presentation of financial statements in accordance with the accounting practices adopted in Brazil, and for the internal controls that it determined to be necessary to allow the preparation of financial statements free of material distortion, whether or not 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 way to avoid shutting down the operations.

Auditor's responsibility for auditing financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken together, are free of material misstatement, whether or not caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any relevant material distortions. Distortions may result from fraud or error and are considered material when, individually or together, they can reasonably influence the economic decisions made by users based on the aforementioned 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 risk of material misstatement in the financial statements, whether or not caused by fraud or error, plan and perform audit procedures in response to such risk, and obtain sufficient appropriate auditing 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 false representations;
- We obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are 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 whether the accounting estimates and related disclosures made by Management are reasonable;
- We draw conclusions on the appropriateness of Management's use of the going concern basis of accounting and, based on the auditing evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the related disclosures in the financial statements or include a change in our opinion if the disclosures are inadequate. Our conclusions are based on auditing evidence obtained up to the date of our report. However, future events or conditions may lead to the Entity's failure to continue as a going concern;
- We evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements represent transactions and events compatible with the objective of a fair presentation.



We communicate with those responsible for governance 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.

São Paulo, June 6, 2022.



BDO RCS Auditores Associados Ltda.
CRC 2 SP 015165/0-8



David Elias Fernandes Marinho
Contador CRC 1 SP 245857/0-3

INSTITUTO AME SUA MENTE

(previously known as "Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS")

Balance sheets

On December 31, 2021 and 2020

(In Reais)

Asset				Liabilities and net equity				
	Explanatory	Note	2021	2020		Explanatory	2021	2020
						Note		
Current					Current			
Own resources					Own resources			
Cash and cash equivalents		4	544,319	817,619	Suppliers	8	1,480	20,730
Accounts receivable		5	2,045	-	Labor obligations	9	3,736	-
Other accounts receivable		6	3,590	6,443	Tax obligations	10	2,432	742
			549,954	824,062	Labor Provisions	11	9,766	-
							17,414	21,472
Not Current					Net Equity			
Fixed Assets		7	8,958	17,771	Equity		399,690	399,690
			8,958	17,771	Accumulated surpluses (deficits)	12	141,808	420,671
							541,498	820,361
Total Assets			558,912	841,833	Total liabilities and net equity		558,912	841,833

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

INSTITUTO AME SUA MENTE (previously known as "Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS")

Income statements

Fiscal years ending December 31, 2021 and 2020

(In Reais)

	Explanatory Note	2021	2020
Unrestricted gross revenue	13	1,731,443	1,696,102
Unrestricted gross income deductions	13	(1,999)	(1,482)
Revenue from provision of services		28,549	41,640
Other operating income		9,000	-
Income from volunteer service		126,488	328,800
Total operating revenue		1,893,481	2,065,060
Administrative expenses	14	(1,005,963)	(575,023)
Personnel expenses	14	(130,710)	-
Financial income	14	10,385	16,304
Project expenses	15	(1,041,907)	(478,140)
Reimbursement of project expenses	15	124,779	-
CSLL and IRPJ Provision	15	(2,440)	-
(+/-) Operating expenses and revenues		(2,045,856)	(1,036,859)
Penalty			(27)
Provision of Voluntary Services		(126,488)	(328,800)
Other Expenses		(126,488)	(328,827)
Expenses and costs		(2,172,344)	(1,365,686)
(Deficit)/Net surplus for the fiscal year		(278,863)	699,374

Management's explanatory notes are an integral part of these accounting statements.

INSTITUTO AME SUA MENTE (previously known as "Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS")

Comprehensive income statements

Fiscal years ending on December 31, 2021 and 2020

(In Reais)

	2021	2020
(Deficit)/Net surplus for the fiscal year	<u>(278,863)</u>	<u>699,374</u>
Other comprehensive results	-	-
Total comprehensive income for the fiscal year	<u><u>(278,863)</u></u>	<u><u>699,374</u></u>

Management's explanatory notes are an integral part of the financial statements.

INSTITUTO AME SUA MENTE (previously known as "Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS")

**Changes in Net equity statement
(In Reais)**

	Equity	Accumulated surpluses (deficit)	Total
Balance on December 31, 2018	399,690	-	399,690
Fiscal year deficit	-	(278,703)	(278,703)
Balance on December 31, 2019	399,690	(278,703)	120,988
Fiscal year surplus	-	699,374	699,374
Balance on December 31, 2020	399,690	420,671	820,362
Fiscal year deficit	-	(278,863)	(278,863)
Balance on December 31, 2021	399,690	141,808	541,498

Management's explanatory notes are an integral part of the financial statements.

AME YOUR MIND INSTITUTE (previously known as "Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS")

Cash flow statements

Fiscal years ending December 31, 2021 and 2020

(In Reais)

	<u>2021</u>	<u>2020</u>
Surplus/(deficit) for the fiscal year	(278,863)	699,374
Depreciation and amortization	3,087	2,835
Write-off of fixed assets	18,354	-
Residual value of fixed assets	-	-
	<u>21,441</u>	<u>2,835</u>
Cash flow from operating activities		
Accounts receivable	809	1,631
Suppliers	(19,250)	6,149
Labor obligations	13,502	-
Tax obligations	1,690	77
(=) Net cash (applied) to operating activities	<u>(3,249)</u>	<u>7,857</u>
Cash flow from investment activities		
Acquisition of fixed and intangible assets	(12,628)	-
(=) Net cash (applied) to investment activities	<u>(12,628)</u>	<u>-</u>
(=) (Decrease)/Net increase in cash or cash equivalents	<u>(273,300)</u>	<u>710,066</u>
Disposable balance at the beginning of the fiscal year	817,619	107,553
Cash balance at the end of the fiscal year	544,319	817,619
(=) (Decrease)/Net increase in cash or cash equivalents	<u>(273,300)</u>	<u>710,066</u>

Management's explanatory notes are an integral part of the financial statements.

INSTITUTO AME SUA MENTE
(previously known as “Y-MIND - INSTITUTO DE PREVENÇÃO E TRATAMENTO DE TRANSTORNOS MENTAIS”)

Management's explanatory notes to financial statements
Years ending December 31, 2021 and 2020
(Expressed in Reais)

1. Operating context

Established in 2008 by the Department of Psychiatry at the Federal University of São Paulo (UNIFESP), Y-Mind (Instituto de Prevenção e Tratamento de Transtornos Mentais) changed its face and became AME SUA MENTE, a non-profit association.

Ame Sua Mente aims to promote a new culture of mental health in Brazil (raise awareness, educate, train, prevent, diagnose, and provide early treatment); the purpose is to get people to take charge of their emotional development from an early age. It has cutting-edge programs focused on promoting mental health, reducing stigma, and preventing mental health issues in schools and youth health facilities.

To this end, action was defined in schools and businesses to raise the awareness of the population of the importance of the issue, always with the aim of providing training and breaking down paradigms and stereotypes.

Social interventions and production of specialized content that support the dissemination of knowledge to society are based on the scientific literature and research. The objective is to make science the foundation of the Institute and translate it into a simple and accessible language, which makes sense for society and for all direct and indirect beneficiaries impacted by the social projects carried out.

2. Preparation and presentation of financial statements

The Financial Statements are prepared and presented in compliance with the standards issued by the Federal Accounting Council (CFC), in particular, ITG 2002 (Non-Profit Entity) and NBC TG 1000 (Accounting for Small and Medium-sized Companies).

The issuance of these financial statements was authorized by the Entity's Management on June 3, 2022.

3. Summary of main accounting policies

The main accounting policies applied in the preparation of these financial statements are presented below. These policies were applied consistently in the fiscal years covered.

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Management's explanatory notes to financial statements
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(Expressed in Reais)

- 3.1. Preparation and presentation basis - The financial statements were prepared and are being presented as mentioned in item 2 above.
- 3.2. Presentation currency: The financial statements are being presented in Reais.
- 3.3. Calculation of Results: Expenses are recognized on an accrual basis and income on actual receipts.
- 3.4. Cash and cash equivalents: These comprise cash on hand, bank deposits, and short-term financial investments that are recorded at the investment value plus income incurred up to the date on the balance sheet.
- 3.5. Current and non-current assets: Stated at cost values deducted, when applicable, from the corresponding provisions for reductions in recoverable value.
- 3.6. Receivable contributions from associates: The entity does not adopt a policy of recording the value of Members' receivable contributions, excluding losses due to dubious accounts or amnesties, directly recording its revenue when it is actually received.
- 3.7. Fixed Assets: Stated at acquisition cost, since depreciation is not being calculated using the straight-line method based on the useful life of these assets and accounting recognition.
- 3.8. Intangible: Includes rights to use software, amortized at a rate of 20% per year, and trademarks and patents.
- 3.9. Current and non-current liabilities: Stated at known and calculable values, plus, when applicable, the corresponding charges incurred;
- 3.10. Provision for vacations and charges: These were not calculated based on the rights acquired by employees up to the balance sheet date, and include the corresponding social contributions;
- 3.12. Usage estimate: The preparation of financial statements requires management to make estimates and assumptions, in its best judgment, that affect the reported amount of assets and liabilities, as well as the amount of revenue, costs, and expenses. Actual values may differ from the estimate.

INSTITUTO AME SUA MENTE
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4. Cash and cash equivalents

Cash and cash equivalents are represented by cash on hand, bank accounts, and investments at first-tier banks, which can be redeemed in less than 90 days:

Financial Investment with Restriction	<u>2021</u>	<u>2020</u>
Banco do Brasil CDB	140,769	-
Financial Investments without Restrictions		
Banco do Brasil	276,329	806,665
Banco do Brasil Automático Mais	<u>127,222</u>	<u>10,954</u>
Total Financial Investments	<u>544,319</u>	<u>817,619</u>

Restricted financial investments are specific and exclusive to the Ame Sua Mente na Escola Project.

5. Accounts receivable

	<u>2021</u>	<u>2020</u>
Clients	<u>2,045</u>	-
	<u>2,045</u>	<u>-</u>

6. Other accounts receivable

	<u>2021</u>	<u>2020</u>
Advance to suppliers	-	4,405
Recoverable taxes	<u>3,590</u>	<u>2,038</u>
	<u>3,590</u>	<u>6,443</u>

7. Fixed and intangible assets

Stated based on the original cost deducted from depreciation and amortization as follows:

	<u>2020</u>	Rate	Additions	Subtractions	<u>2021</u>
Furniture, fixtures, and commercial installations	18,829		619	(16,663)	2,785
Computer equipment	<u>4,760</u>		5,938	(1,691)	<u>9,007</u>
	23,589				11,792
Furniture, fixtures, and commercial installations	(3,654)	10%	(1,748)	4,972	(429)
Computer equipment	<u>(2,165)</u>	20%	(1,339)	1,099	<u>(2,405)</u>
	(5,819)				(2,834)
Total Fixed Assets and Intangibles	<u>17,771</u>				<u>8,958</u>

Management appropriated the amounts of depreciation and amortization to the income for the fiscal year.

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8. Suppliers

Represented by commercial obligations contracted in country for the purchase of various goods and services with the balance due in the short run, the amount of which at the end of the year was R\$1,480 (R\$20,730 in 2020).

9. Labor and social contributions

These refer to labor obligations and social contributions arising from the payroll, paid in the following year:

	<u>2021</u>	<u>2020</u>
INSS Payable	2,525	-
FGTS Payable	799	-
IRRF Payable	286	-
Payroll PIS	100	-
Union contributions Payable	26	-
	<u>3,736</u>	<u>-</u>

10. Tax obligations and social contributions

These refer to tax obligations paid in the following year:

	<u>2021</u>	<u>2020</u>
ISQN Payable	102	4
IR Payable	1,769	180
Pis, COFINS, and CSLL Payable	561	158
	<u>2,432</u>	<u>742</u>

11. Labor Provisions

	<u>2021</u>	<u>2020</u>
Provision for Vacation Pay	7,139	
Provision for 13th Salary	-	
Provision for INSS on Vacation Pay	1,985	
Provision for INSS on 13th Salary	-	
Provision for FGTS on Vacation Pay	571	
Provision for FGTS on 13th Salary	-	
Provision for PIS on Vacation Pay	71	
Provision for PIS on 13th Salary	-	
	<u>9,766</u>	

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Management's explanatory notes to financial statements
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12. Net equity and income for the fiscal year

Presented as updated values and includes the accumulated surpluses and deficits calculated each fiscal year plus any adjustments that may have occurred. The values are fully allocated to maintaining the entity's activities and complying with current legal provisions.

The Entity does not remunerate the members of its Board of Directors and Advisory Boards, or associates and does not distribute or grant benefits in any form.

13. Operating income

	<u>2021</u>	<u>2020</u>
Operating income		
Donations Legal Entities	121,529	1,171,542
Individual Donations	600,240	28,560
Donations Associations and Institutions	1,009,675	496,000
(-) Tax deductions from income	<u>(1,999)</u>	<u>(1,482)</u>
	<u><u>1,729,444</u></u>	<u><u>1,694,620</u></u>

INSTITUTO AME SUA MENTE
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TRANSTORNOS MENTAIS”)

Managment's explanatory notes to financial statements
Years ending December 31, 2021 and 2020
(Expressed in Reais)

14. Operating expenses

	<u>2021</u>	<u>2020</u>
Personnel Expenses		
Salaries, Wages, Gratuities Others Remuneration to Company	(49,208)	-
Holiday Provision	(7,139)	-
13th Salary Provision	(5,354)	-
Medical Care	(13,883)	-
Meal and Food Voucher	(14,440)	-
Life Insurance	(453)	-
INSS Provision	(3,473)	-
FGTS Provision	(999)	-
PIS Provision	(93)	-
Social Contribution - Social Security	(17,236)	-
Social Contribution - FGTS	(4,945)	-
Other Contributions and Donations	(12,564)	-
Payroll PIS	(650)	-
Other Taxes, Fees, and Contributions.	(273)	-
Total personnel expense	(130,710)	-
Administrative Expenses		
Fuels and lubricants	(334)	(220)
Parking and Tolls	(973)	(2,338)
Legal Expenses	(1,193)	(40)
Depreciation and Amortization Charges	(3,087)	(2,835)
Kitchen and pantry	(479)	(77)
Meal and Snacks	-	(6,196)
Rentals and Condominium	(94,500)	(34,500)
Sewage	(440)	(1,289)
Electricity	(1,319)	(2,890)
Telephone	(459)	(999)
Internet	(1,652)	(2,734)
Accounting, Tax, and Labor Consulting	(13,975)	(13,310)
Administrative Consulting	(396,522)	(221,877)
Office Supplies	(645)	(995)
Hygiene and Cleaning Material	(248)	(5,441)
Hygiene and Cleaning Services	(2,040)	(7,610)
Maintenance Services Building	-	(868)
Post Office and Curriers	(1,579)	-
Reprography	(128)	(20)
Fees and Contributions to Class Associations	(139)	(28,718)
IT Consulting Services	(54,106)	(51,009)
Surveillance and Monitoring Services	(1,518)	(1,995)
Courses and Lectures	(9,000)	(135,200)
Health Plan	(72,161)	(20,900)
Computer Supplies	(359)	(938)
Interest, Penalties, and Expenses Banking.	(31)	(1,757)
Civil Liability Insurance	(302.96)	(447)
Parties, Get-Togethers, and Events	(2,180)	(4,300)
Planning, Marketing, and Legal Consulting Service	(304,431)	(11,247)
Equipment Maintenance Service	(1,603)	(498)
Freight and Carts	(400)	-
Travel and Stays	-	(4,245)
Training Service	(30,157)	(9,533)
Auditing Services	(10,000)	-
Total Administrative Expenses	(1,005,963)	(575,023)
Financial Income	17,014	16,304
Financial expenses	(6,629)	-
Financial income	10,385	16,304
Total operating expenses	(1,126,288)	(558,719)

INSTITUTO AME SUA MENTE
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Management's explanatory notes to financial statements
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(Expressed in Reais)

15. Costs

The costs correspond to specific expenses incurred in the Mental Health at School Project:

	<u>2021</u>	<u>2020</u>
Mental Health Project at School Expenses		
Administrative Consulting	(163,461)	(215,600)
Planning and Marketing Consulting Service	(445,613)	-
IT Consulting Services	(34,172)	(61,000)
Training Service	(254,197)	(139,540)
Software Maintenance Services	(7,085)	-
Wage Apportionment	(12,600)	-
Administrative Expenses for Project	<u>(124,779)</u>	<u>(62,000)</u>
	(1,041,907)	(478,140)
(-) Ame Sua Mente na Escola Project Reimbursement	<u>124,779</u>	<u>-</u>
	124,779	-
Prov. for CSLL and IRPJ		
(-) Social Contribution on Net Profit	(915)	-
(-) Provision for Income Tax	<u>(1,525)</u>	<u>-</u>
	2,440	-
Total cost	<u><u>(919,568)</u></u>	<u><u>(478,140)</u></u>

16. Subsequent events

The administrators declare that there are no facts that occurred subsequent to the end of the year that could have a significant effect on the company's equity or financial situation or that could have an effect on its future results.