

INSTITUTO AME SUA MENTE

Independent auditor's report on

**Financial Statements on
December 31, 2022**

INSTITUTO AME SUA MENTE

**Financial Statements on
December 31, 2022**

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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 Saturday, December 31, 2022 and the respective statements on income, comprehensive income, changes in 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 Saturday, December 31, 2022, 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 Company’s financial statements for the year ending December 31, 2021, presented for comparative purposes, were audited by us, for which reason we issued an unmodified opinion on June 6, 2022.

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, March 21, 2023.



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

CNPJ/MF: 28.985.030/0001-13

Balance sheets

On Saturday, December 31, 2022 and 2021

(In Reais)

Asset				Liabilities and net equity			
	Explanatory Note	2022	2021		Explanatory Note	2022	2021
Current				Current			
Own resources				Own resources			
Cash and cash equivalents	4	1,525,648	544,319	Suppliers	8	29,207	1,480
Accounts receivable	5	-	2,045	Labor obligations	9	8,565	3,736
Other accounts receivable	6	3,893	3,590	Tax obligations	10	2,522	2,432
		<u>1,529,541</u>	<u>549,954</u>	Holidays and charges	11	15,507	9,766
				Projects to carry out	12	29,383	-
						<u>85,184</u>	<u>17,414</u>
Not Current				Not Current			
Fixed Asset	7	6,878	8,958	Long-term liabilities		-	-
		<u>6,878</u>	<u>8,958</u>				
				Net equity			
				Equity		399,690	399,690
				Accumulated surpluses (deficits)		140,897	420,671
				Surpluses (deficits) for fiscal year		910,647	(278,863)
					13	<u>1,451,235</u>	<u>541,498</u>
Total Assets		<u>1,536,419</u>	<u>558,912</u>	Total liabilities and net equity		<u>1,536,419</u>	<u>558,912</u>

The explanatory notes are an integral part of these financial statements

Rodrigo Affonseca Bressan
President

Demétrio Cokinos
CRC1SP120410/O-2

INSTITUTO AME SUA MENTE

CNPJ/MF: 28.985.030/0001-13

Income statements

Fiscal years ending Saturday, December 31, 2022 and 2021

(In Reais)

	Explanatory Note	2022	2021
Unrestricted gross revenue	14	1,568,292	1,731,443
Unrestricted gross income deductions	14	-	(1,999)
Revenue with restrictions	15	2,588,040	-
Revenue from provision of services		28,393	28,549
Other operating income		67,056	9,000
Income from volunteer service		44,501	126,488
Total operating revenue		4,296,281	1,893,481
Administrative expenses	16	(1,379,424)	(1,005,963)
Personnel expenses	16	(171,868)	(130,710)
Financial income	16	(597)	10,385
Project expenses	17	(1,962,294)	(1,041,907)
Reimbursement of project expenses	17	173,050	124,779
CSLL and IRPJ Provision	17	-	(2,440)
(+/-) Operating expenses and revenue		(3,341,133)	(2,045,856)
Penalty			
Provision of Voluntary Services		(44,501)	(126,488)
Other Expenses		(44,501)	(126,488)
Expenses and costs		(3,385,634)	(2,172,344)
(=) Net surplus/(Deficit) for the fiscal year		910,647	(278,863)

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

Rodrigo Affonseca Bressan,
President

Demétrio Cokinos
CRC1SP120410/O-2

INSTITUTO AME SUA MENTE

CNPJ/MF: 28.985.030/0001-13

Comprehensive income statements

Fiscal years ending December 31, 2022 and 2021 (In Reais)

	2022	2021
Net surplus/(Deficit) for the fiscal year	910,647	(278,863)
Other comprehensive results	-	-
Total comprehensive income for the fiscal year	910,647	(278,863)

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

Rodrigo Affonseca Bressan
President

Demétrio Cokinos
CRC1SP120410/O-2

INSTITUTO AME SUA MENTE

CNPJ/MF: 28.985.030/0001-13

Statements of changes in net equity for years ending December 31, 2022 and 2021 (In Reais)

	Accumulated surpluses		
	Equity	(deficit)	Total
Balances on December 31, 2020	<u>399,690</u>	<u>420,671</u>	<u>820,362</u>
Fiscal year deficit	-	(278,863)	(278,863)
Balances on December 31, 2021	<u>399,690</u>	<u>141,808</u>	<u>541,498</u>
Income transfers	141,808	(141,808)	-
Adjustments previous fiscal year	(911)	-	(911)
Fiscal year surplus	-	910,647	910,647
Balances on December 31, 2022	<u>-</u>	<u>910,647</u>	<u>1,451,235</u>

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

Rodrigo Affonseca Bressan
President

Demétrio Cokinos
CRC1SP120410/O-2

INSTITUTO AME SUA MENTE

CNPJ/MF: 28.985.030/0001-13

Cash flow statements

Fiscal years ending on Saturday, December 31, 2022
and 2021 (In Reais)

	2022	2021
Net surplus/(Deficit) for the fiscal year	910,647	(278,863)
Depreciation and amortization	2,080	3,087
Adjustment to previous fiscal years	(911)	-
Write-off of fixed assets	-	18,354
Provisions for vacations and charges	5,741	9,766
	<u>6,910</u>	<u>31,207</u>
Cash flow from operating activities		
Accounts receivable	1,742	809
Suppliers	27,727	(19,250)
Labor obligations	4,829	3,736
Tax obligations	90	1,690
Projects to carry out	29,383	-
(=) Net cash (applied) to operating activities	<u>63,771</u>	<u>(13,015)</u>
Cash flow from investment activities		
Acquisition of fixed and intangible assets		(12,628)
(=) Net cash (applied) to investment activities	<u>-</u>	<u>(12,628)</u>
(=) Net increase/(decrease) in cash or cash equivalents	<u>981,329</u>	<u>(273,300)</u>
Disposable balance at the beginning of the fiscal year	544,319	817,619
Cash balance at the end of the fiscal year	1,525,648	544,319
Value of cash and cash equivalents	<u>981,329</u>	<u>(273,300)</u>

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

Rodrigo Affonseca Bressan
President

Demétrio Cokinos
CRC1SP120410/O-2

INSTITUTO AME SUA MENTE

CNPJ/MF: 28.985.030/0001-13

Balance sheets

In reais December 31, 2022 and 2021

(In reais)

Asset					Liability and net equity			
	Explanatory Note	2022	2021	Value		Explanator y Note	2022	2021
Current Resources					Current			
Cash and cash equivalents	4	1,525,648	544,319	(981,329)	Suppliers	7	29,207	1,480
Accounts receivable	5	3,893	5,635	1,742	Labor obligations	8	8,565	3,736
		<u>1,529,541</u>	<u>549,954</u>	<u>(979,587)</u>	Tax obligations	9	2,522	2,432
					Vacation pay payable	10	15,507	9,766
					Projects to carry out	11	29,383	-
							<u>85,184</u>	<u>17,414</u>
Not Current					Not Current			
Fixed Asset	6	6,878	8,958	2,080			-	-
		<u>6,878</u>	<u>8,958</u>	<u>2,080</u>				
Total Assets					Total liabilities and net equity			
		<u><u>1,536,419</u></u>	<u><u>558,912</u></u>	<u><u>(977,507)</u></u>			<u><u>1,451,235</u></u>	<u><u>541,498</u></u>
							<u><u>1,536,419</u></u>	<u><u>558,912</u></u>

Explanatory notes are an integral part of these financial statements

President

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (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).

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.

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 income

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 amounts 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 Asset

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;

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

3.10. Provisions 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;

3.11. Estimated usage

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.

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:

	<u>2022</u>	<u>2021</u>
Financial Investment with Restriction		
Banco do Brasil CDB	252,686	140,769
Financial Investments without Restrictions		
Banco do Brasil	907,708	276,329
Banco do Brasil Automático Mais	326,467	127,222
Banco do Brasil Fundo de Reserva	38,787	-
Total Financial Investments	<u>1,525,648</u>	<u>544,319</u>

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

5. Accounts receivable

	<u>2022</u>	<u>2021</u>
Clients	-	2,045
	=	<u>2,045</u>

6. Other accounts receivable

	<u>2022</u>	<u>2021</u>
Advance to suppliers	-	-
Recoverable taxes	3,893	3,590
	<u>3,893</u>	<u>3,590</u>

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

7. Fixed and intangible assets

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

	2021	Rate	Additions	Subtractions	2022
Furniture, fixtures, and commercial installations	2,785		-	-	2,785
Computer equipment	<u>9,007</u>		-	-	<u>9,007</u>
	11,792				11,792
Furniture, fixtures, and commercial installations	(429)	10%	(279)	-	(708)
Computer equipment	<u>(2,405)</u>	20%	(1,801)	-	<u>(4,206)</u>
	(2,834)				(4,914)
Total Fixed Assets and Intangibles	<u>8,958</u>				<u>6,878</u>

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

8. Suppliers

Represented by commercial obligations contracted in the country for the purchase of various goods and services with the balance falling due in the short run, the amount of which at the end of the year was R\$29,207 (R\$1,480 in 2021).

9. Labor and social contributions

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

	2022	2021
Vacation pay payable	1,932	-
13th salary Payable	-	-
INSS payable	3,655	2,525
FGTS payable	1,686	799
IRRF to be collected	1,148	286
Payroll PIS	116	100
Union contributions payable	<u>28</u>	<u>26</u>
	<u>8,565</u>	<u>3,736</u>

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

10. Tax Obligations

These refer to tax obligations paid in the following fiscal year:

	<u>2022</u>	<u>2021</u>
ISQN payable	-	102
IR payable	1,907	1,769
PIS, COFINS, and CSLL payable	615	561
	<u>2,522</u>	<u>2,432</u>

11. Labor Provisions

	<u>2022</u>	<u>2021</u>
Provision for Vacation Pay	7,153	7,139
Provision for 13th Salary	-	-
Provision for INSS on Vacation Pay	4,906	1,985
Provision for INSS on 13th Salary	2,630	-
Provision for FGTS on Vacation Pay	653	571
Provision for FGTS on 13th Salary	-	-
Provision for PIS on Vacation Pay	71	71
Provision for PIS on 13th Salary	95	-
	<u>15,507</u>	<u>9,766</u>

12. Subsidies

Refers to the contract signed between the Institute and the Municipal Secretary of Finance for the Bussola Project in the amount of R\$29,383 in 2022.

13. 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.

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

14. Operating income

	<u>2022</u>	<u>2021</u>
Operating income		
Donations Legal Entities	416,677	121,529
Individual Donations	1,051,521	600,240
Donations Associations and Institutions	100,094	1,009,675
(-) Tax deductions from income	-	(1,999)
	<u>1,568,292</u>	<u>1,729,444</u>

15. Restricted revenue

	<u>2022</u>	<u>2021</u>
Subsidy Municipal Finance Department	212,374	-
Donation Associations	<u>2,375,666</u>	<u>-</u>
	<u>2,588,040</u>	<u>-</u>

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

16. Operating expenses

	<u>2022</u>	<u>2021</u>
Personnel Expenses		
Salaries, Wages, Gratuities Others Remuneration to Company	(53,209)	(49,208)
Holiday Provision	(8,159)	(7,139)
13th Salary Provision	(9,461)	(5,354)
Medical Care	(29,342)	(13,883)
Meal and Food Voucher	(22,102)	(14,440)
Life Insurance	(147)	(453)
INSS Provision	(4,899)	(3,473)
FGTS Provision	(1,410)	(999)
PIS Provision	(176)	(93)
Social Contribution - Social Security	(30,809)	(17,236)
Social Contribution - FGTS	(8,133)	(4,945)
Other Contributions and Donations	(3,004)	(12,564)
PIS without Payroll	(1,017)	(650)
Other Taxes, Fees, and Contributions.	-	(273)
Total personnel expense	(171,868)	(130,710)
Administrative Expenses		
Fuels and lubricants	(2,494)	(334)
Parking and Tolls	(6,949)	(973)
Legal Expenses	(1,131)	(1,193)
Depreciation and Amortization Charges	(2,080)	(3,087)
Kitchen and pantry	(30)	(479)
Rentals and Condominium	(70,180)	(94,500)
Sewage	-	(440)
Electricity	-	(1,319)
Telephone	(145)	(459)
Internet	-	(1,652)
Accounting, Tax, and Labor Consulting.	(15,369)	(13,975)
Administrative Consulting	(607,021)	(396,522)
Office Supplies	(10,669)	(645)
Hygiene and Cleaning Material	-	(248)
Hygiene and Cleaning Services	-	(2,040)
Maintenance Services Building	(1,850)	-
Post Office and Curriers	(827)	(1,579)
Reprography	(66,440)	(128)
Fees and Contributions to Class Associations	(237)	(139)
IT Consulting Services	(86,226)	(54,106)
Surveillance and Monitoring Services	-	(1,518)
Courses and Lectures	(506)	(9,000)
Health Plan	(116,297)	(72,161)
Computer Supplies	-	(359)
Interest, Penalties, and Expenses Banking.	(11,558)	(31)
Civil Liability Insurance	(697)	(303)
Parties, Get-Togethers, and Events	(18,008)	(2,180)
Planning, Marketing, and Legal Consulting Service	(279,473)	(304,431)
Equipment Maintenance Service	-	(1,603)
Freight and Carts	(21)	(400)
Travel and Stays	(2,377)	-
Training Service	(60,725)	(30,157)
Auditing Services	(18,117)	(10,000)
Total Administrative Expenses	(1,379,424)	(1,005,963)
Financial Income	-	17,014
Financial expenses	(597)	(6,629)
Financial income	(597)	10,385
Total operating expenses	(1,551,889)	(1,126,288)

INSTITUTO AME SUA MENTE

Management's explanatory notes to financial statements Years ending Saturday, December 31, 2022 and 2021 (Expressed in Reais)

17. Costs

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

	<u>2022</u>	<u>2021</u>
Mental Health Project at School Expenses		
Administrative Consulting	(338,046)	(163,461)
Planning and Marketing Consulting Service	(743,526)	(445,613)
IT Consulting Services	(48,984)	(34,172)
Training Service	(400,840)	(254,197)
Software Maintenance Services	(3,162)	(7,085)
Wage Apportionment	(34,146)	(12,600)
Courses and Lectures	(1,085)	-
Financial expenses	(939)	-
Administrative Expenses for Project	(180,102)	(124,779)
	<u>(1,750,830)</u>	<u>(1,041,907)</u>
	<u>2022</u>	<u>2021</u>
Compass Project Expenses		
Administrative Consulting	(107,980)	-
IT Consulting Services	(47,920)	-
Courses and Lectures	(23,390)	-
Training Services	(31,949)	-
Internet	(224)	-
	<u>(211,464)</u>	-
Total project expenses	<u>(1,962,294)</u>	<u>(1,041,907)</u>
	<u>(1,962,294)</u>	<u>(1,041,907)</u>
(-) Ame Sua Mente na Escola Project Reimbursement	173,050	124,779
	<u>173,050</u>	<u>124,779</u>
(-) Social Contribution on Net Profit	-	(915)
(-) Provision for Income Tax	-	(1,525)
	-	<u>(2,440)</u>
Total cost	<u>(1,789,244)</u>	<u>(919,568)</u>

18. 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.

☆☆☆☆