

VITAL STRATEGIES BRASIL

Independent auditor's report

Financial statements
As at December 31, 2023

VITAL STRATEGIES BRASIL

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Contents

Independent auditor's report on the financial statements

Statements of financial position

Statements of activities

Statements of comprehensive surplus (deficit)

Statements of changes in net assets

Statements of cash flows

Notes to the financial statements

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Managers and Members of
Vital Strategies Brasil
São Paulo - SP

Opinion on the financial statements

We have audited the financial statements of Vital Strategies Brasil ("Vital"), which comprise the statement of financial position as at December 31, 2023, and the respective statements of activities, comprehensive surplus (deficit), changes in net assets and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Vital Strategies Brasil as at December 31, 2023, its financial performance and cash flows for the year then ended, in conformity with Brazilian accounting practices applicable to small and medium-sized entities (NBC TG 1000 (R1)) and nonprofit organizations (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 for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Brazilian accounting practices applied to small and medium-sized companies and to nonprofit entities, 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 that are taken based on 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 on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, on whether there is material uncertainty 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.

São Paulo, June 07, 2024.

VITAL STRATEGIES BRASIL

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

Assets				Liabilities and net assets			
	Note	2023	2022		Note	2023	2022
Current				Current			
Cash and cash equivalents	5	973,123	3,876,515	Trade accounts payable		234,398	584,748
Prepaid expenses		1,555	1,333	Labor liabilities	8	1,695,048	1,207,776
Accounts receivable	6	3,701,309	2,988,337	Tax liabilities		3,843	13,100
Advances		50,775	26,433	Prepaid contribution - Head office	9 and 11	723,763	683,844
		<u>4,726,761</u>	<u>6,892,618</u>	Donation advance - domestic and foreign	9	1,518,406	3,697,233
						<u>4,175,458</u>	<u>6,186,701</u>
Noncurrent				Net assets			
Other receivables	7	12,912	12,912	Net assets	10	564,215	718,829
		<u>12,912</u>	<u>12,912</u>	Net assets		<u>564,215</u>	<u>718,829</u>
Total assets		<u><u>4,739,673</u></u>	<u><u>6,905,530</u></u>	Total liabilities and net assets		<u><u>4,739,673</u></u>	<u><u>6,905,530</u></u>

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

VITAL STRATEGIES BRASIL

Statements of activities

For the years ended December 31, 2023 and 2022

(In Brazilian Reais)

	Note	2023	2022
Net revenue			
Donations		5,385,453	5,631,732
Contributions from associates	11	13,814,038	11,849,293
Other sundry revenues		241,880	953,925
Revenues from donated services	2.12	33,750	33,750
		<u>19,475,121</u>	<u>18,468,700</u>
Administrative expenses			
Compensation expenses - Council - Donated services	2.12	(33,750)	(33,750)
Administrative and operating personnel expenses	12	(12,441,919)	(10,183,238)
General operating and administrative expenses	13	(7,169,710)	(7,574,734)
Taxes and fees		(11,652)	(91,730)
		<u>(181,910)</u>	<u>585,248</u>
Net surplus before financial income (loss), net			
Financial revenues		88,696	67,557
Financial expenses		(61,399)	(73,153)
Financial revenues (expenses), net		<u>27,297</u>	<u>(5,596)</u>
		<u>(154,613)</u>	<u>579,652</u>

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

VITAL STRATEGIES BRASIL

Statements of comprehensive surplus (deficit)
For the years ended December 31, 2023 and 2022
(In Brazilian Reais)

	2023	2022
(Deficit)/surplus for the year	<u>(154,613)</u>	<u>579,652</u>
(=) Total comprehensive surplus (deficit) for the year	<u><u>(154,613)</u></u>	<u><u>579,652</u></u>

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

VITAL STRATEGIES BRASIL

Statements of changes in net assets For the years ended December 31, 2023 and 2022 (In Brazilian Reais)

	Net assets	Retained surplus/ (accumulated deficit)	Total
Balances as at December 31, 2021	139,177	-	139,177
Surplus for the year	-	579,652	579,652
Balances as at December 31, 2022	139,177	579,652	718,829
Transfer of surplus (deficit)/net assets (Deficit) for the year	579,652 -	(579,652) (154,613)	- (154,613)
Balances as at December 31, 2023	718,829	(154,613)	564,215

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

VITAL STRATEGIES BRASIL

Statements of cash flows

For the years ended December 31, 2023 and 2022

(In Brazilian Reais)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities (Deficit)/Surplus for the year	(154,613)	579,652
Changes in assets and liabilities		
Decrease/(increase) in assets		
Prepaid expenses	(222)	(751)
Accounts receivable	(712,972)	(346,199)
Advances	(24,342)	(8,615)
Increase/(decrease) in liabilities		
Trade accounts payable	(350,350)	451,793
Labor liabilities	487,272	307,905
Tax liabilities	(9,257)	(151,453)
Prepaid contribution - Head office	39,919	683,844
Donation advance - Domestic and foreign	(2,178,827)	(2,103,012)
Net cash from operating activities	<u>(2,903,392)</u>	<u>(586,836)</u>
Decrease in cash and cash equivalents	<u>(2,903,392)</u>	<u>(586,836)</u>
Cash and cash equivalents at beginning of year	3,876,515	4,463,351
Cash and cash equivalents at end of year	973,123	3,876,515
Decrease in cash and cash equivalents	<u>(2,903,392)</u>	<u>(586,836)</u>

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

1. Operations

Vital Strategies Brasil (“Entity” or “Association”) is a private association and nonprofit organization established on September 25, 2017. The Association has purposes of public and social relevance, with no political or religious affiliations, whose main objectives are the promotion of education, healthcare and social care through the development, implementation and management of programs and services that promote the human right to healthcare.

In the scope of a Memorandum of Understanding between Vital Strategies and Vital Strategies Brasil, entered into in January 2018, the Brazilian Association supports federal, municipal and state governments to face the main reasons of preventable death, injuries and illness.

In 2023, it worked with the municipal governments of Campinas, Belo Horizonte, Fortaleza, Goiânia, Recife, Rio de Janeiro, Salvador, São Caetano do Sul and São Paulo, in addition to the state of Rio Grande do Norte. The Entity works in partnership with the Ministry of Health, the Pan American Health Organization (PAHO), the Brazilian Council of Health Departments (Conass), the Brazilian Council of Municipal Health Departments (Conasems), the Brazilian Front of Mayors (FNP) and various civil society organizations.

In Brazil, it divides its operations into three strategic areas: Chronic Non-communicable Diseases (NCDs); Violence Prevention and Public Health Systems, Environmental and Urban Health; and Climate Change. Within these thematic axes, the Entity leads and executes several projects, such as the following:

Covitel (telephone inquiry of risk factors for NCDs in the pandemic)

Nationwide inquiry to improve understanding on impacts of key risk factors related to chronic non-communicable diseases during the pandemic. Said inquiry includes questions about physical activity, eating habits, and alcohol and tobacco consumption, as well as information on general health perceptions, mental health, and prevalence of COVID-19 diagnosis, vaccination, and sequelae after infection.

Mental Health

Within the scope of the project, a mental health index was created, consisting of a synthesis of intersectoral indicators related to health promotion and mental illness prevention for children and adolescents in the city of Fortaleza.

Alcohol policy

In 2023, Vital Strategies launched *RESETE o Álcool*, a project that aims to reduce alcohol-related harm in several countries, including Brazil. The initiative provides financial and technical support to governments, civil societies and research groups with the aim of strengthening alcohol policies through communication and advocacy, data systems, research and development of policies.

Tobacco control

In partnership with civil society organizations, Vital Strategies focuses its efforts on combating the tactics used by the tobacco industry in Brazil to attract new consumers, particularly younger consumers, such as the proliferation of flavored cigarettes and electronic devices for smoking.

Food policy

Work with local partners to support them in the development of strategic communication campaigns aimed at achieving public policy goals of healthy eating with the following approaches: increase in taxes on sugary drinks; proper labeling on food packaging; and defense of the Food Guide for the Brazilian Population.

Gender violence prevention

The area includes several fronts of action, including a nationwide project that aims at estimating the prevalence and underreporting of gender violence in Brazil. Started in 2022, another pioneering project aims to identify, through linguistic analysis methods, semantic fields linked to gender violence in the open field of electronic medical records filled out in health units. The Violence Prevention program has expanded its operations to places such as Recife, Rio de Janeiro and the state of Rio Grande do Norte.

Epidemic prevention

Vital Strategies is currently supporting the dissemination of the 717 metrics (7 days to detect a suspected infectious disease outbreak, 1 day to notify public health authorities and 7 days to complete an initial response) at regional and national levels. The objective is to strengthen health surveillance departments in preparing for and responding to epidemic outbreaks.

Data for health

The Brazilian team of Vital Strategies provides technical support to other Latin American, Asian and African countries to improve data collection, quality and use for public health policy creation.

Traffic safety

Through the Bloomberg Initiative for Global Road Safety, it works in the cities of Campinas, Salvador, São Paulo and Recife to reduce traffic deaths and injuries and promote active and safe mobility. It coordinates national and global partners in association with municipal governments and supports the improvement of safe infrastructure, data surveillance and enforcement, as well as strategic communication actions to address risky behavior in traffic.

Air pollution and health

Work with the municipal government of Belo Horizonte to increase public awareness and political engagement in actions aimed at improving air quality and mitigating the effects of climate change in the municipality. The Shared Streets project, on the other hand, aimed at making recommendations to the Municipal Government of São Paulo in the implementation of the Transportation Demand Management (TDM) strategy based on promoting the sustainability of urban mobility systems, promoting active and collective transport and discouraging the use of private cars.

Partnership for healthy cities

Vital Strategies coordinates a global network of 70 cities, along with the Bloomberg Foundation and the World Health Organization (WHO), whose mayors are committed to fighting chronic non-communicable diseases and lesions. Fortaleza, Rio de Janeiro and São Paulo are the Brazilian representatives of the initiative.

Also, during 2023, Vital Strategies Brasil continued its fund raising and signed the following agreements with the institutions:

- Insitituto Ibirapitanga - Food Systems, Race and Public Health project in Brazil - R\$595,000.00;
- Fundação José Luiz Egydio Setúbal - Violence Against Children and Adolescents Project in Brazil - R\$59,794.12
- Instituto Cactus - Mental Health Project - R\$ 255,000.00;
- Raia Drogasil - Mental Health Project - R\$ 255,000.00;
- Resolve to Save Lives - Strengthen preparedness and response to epidemics in Brazil through the adoption of opportunity metrics 7-1-7) R\$ 305,519.45;
- Resolve to Save Lives - Cardiovascular Health Project - R\$ 386,918.10;
- UNICEF - Child Environmental Health Indicators Portal in Brazil - R\$ 275,934.02;
- Society for the Study of Addiction - R\$ 9,995.88

Entering into these contracts makes the Brazilian office a reference among Vital Strategies' worldwide offices in the area of fund raising.

With the addition of new projects and activities, the volume of employees, revenues and expenses increased, but not in a significant way. Between January and December 2023, the number of employees increased from thirty-three to thirty-seven, revenues increased from R\$ 18,434,950 in 2022 to R\$ 19,441,371 in 2023 and expenses increased from R\$ 17,849,702 in 2022 to R\$ 19,623,281. Associates and partners provide, as contribution, the necessary funds to pay expenses not covered by other revenues. In 2022, there was a positive financial result of R\$579,652 and in 2023 a negative financial result of R\$154,613.

2. Summary of significant accounting practices

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

The financial statements were approved by the Association's Management on June 07, 2024.

2.1. Basis of preparation of the financial statements

The financial statements were prepared based on historical cost, except for financial assets and liabilities measured at fair value.

The financial statements were prepared in accordance with Brazilian accounting practices applicable to small and medium-sized companies (NBC TG 1000 (R1)) and for non-profit entities (ITG 2002 (R1)), both issued by the Brazilian Federal Council of Accounting (CFC).

2.2. Functional and reporting currency

These financial statements were prepared in Brazilian Reais, which is the Association's functional currency. All financial information is presented in Brazilian Reais, unless otherwise stated.

2.3. Use of estimates

The preparation of financial statements in accordance with Brazilian accounting practices requires Management to make estimates to determine and record certain assets, liabilities, revenues and expenses and the disclosure of information about its financial statements. Such estimates are based on the going concern principle and supported by the best information available on the filing date of the financial statements and on Management's experience. These estimates are reviewed when new information is available or when previous information on which they were based is changed. Transaction settlement involving those estimates might result in different values from estimates, due to the inherent inaccuracy of the process.

These estimates may differ from actual results. The main estimates refer to:

- Impairment;
- Provisions in general.

There were no significant changes in estimates in the period in comparison to the previous estimates.

2.4. Financial instruments

Non-derivative financial assets

The Association recognizes receivables and deposits initially on the date they were originated. All other financial assets and liabilities are initially recognized on the negotiation date the Association becomes a party to the contractual provisions of the instrument.

The Association has its non-derivative financial assets and liabilities recorded at fair value through profit or loss.

Financial assets stated at fair value through profit or loss

A financial asset is classified at fair value through profit or loss, if classified as held for trading and designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Association manages such investments and makes purchase and sale decisions based on their fair values in accordance with the Association's documented risk management and investment strategy. After initial recognition, transaction costs are recognized in the statement of activities when incurred.

Financial assets registered at fair value through profit or loss are measured at fair value, and changes in the fair value of such assets are recognized in surplus (deficit) for the year.

Financial assets and liabilities at amortized cost

These are financial assets with fixed or determinable payments and not quoted in an active market. Such assets are initially recognized at fair value plus any attributable transaction costs. After their initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets at amortized cost include other credits.

Financial assets - restricted resources

They cover cash balances and bank accounts and financial investments with restricted use and can only be used to meet project obligations related to the management contract and other adjustments that originated it.

Non-derivative financial liabilities

The financial liabilities are initially recorded on the negotiation date in which it becomes a party to the contractual provisions of the instrument. The Association writes off a financial liability when its contractual obligations are cancelled, overdue or withdrawn.

The Association has the following nonderivative financial liabilities: trade accounts payable and other accounts payable.

Such liabilities are initially recorded at fair value plus any attributable transaction costs. After the initial recognition, financial liabilities are measured at the amortized cost using the effective interest rate method.

(ii) Derivative financial instruments

During 2023 and 2022, there were no transactions with derivative financial instruments, including hedge transactions.

Cash and cash equivalents

Cash and cash equivalents include balances of cash, bank deposits and financial investments with original maturity of three months or less as of the hire date. Overdrafts which have to be paid on demand and that are part of the Entity's cash flow are included as a component of cash and cash equivalents for disclosing the statement of cash flows.

Derivative financial instruments

As at December 31, 2023 and 2022, the Association did not hold derivative financial instruments.

2.5. Cash and cash equivalents

Cash and cash equivalents include balances of cash and financial investments with original maturity of three months or less as from hire date, which are subject to an insignificant risk of change in value and are used to manage short-term obligations.

2.6. Accounts receivable

The amounts of accounts receivable approximate the amounts receivable as at the closing date of the period, considering their nature, receipt terms and realization.

2.7. Prepaid expenses

Prepaid expenses are recognized in the statement of activities as they are incurred.

2.8. Fixed and intangible assets

These are stated at acquisition, formation or construction cost, and only items with individual values exceeding R\$ 10,000 are recorded in accordance with internal policy. Until December 31, 2023, the Entity did not acquire items that met this requirement, therefore, there are no amounts recorded in its assets.

2.9. Provisions

These are recognized when the Association has a present or informal obligation as a result of past events, and it is probable that an outflow of funds is required to settle the obligation, and the amount may be reliably estimated.

The provisions are calculated at the present value of disbursements expected to be necessary for settling the obligation, using the adequate discount rate according to associated risks.

The provisions are restated up to reporting date as at the estimated amount of probable losses, considering their nature and supported by the opinion of the Association's legal advisors.

2.10. Results of activities

Surplus or deficit from the activities for the year is recorded on the accrual basis.

2.11. Operating revenue

Revenues and funds from the Association will be fully applied to the maintenance and development of the Association's activities in Brazil, and it is not allowed to distribute parts of its funds, for any reason.

(a) Contributions

Revenue from trade association contribution in the Association's normal course of activities is measured at the fair value of the consideration received or receivable so that the value of revenue from contribution can be reliably measured. The Association's funds were fully invested in its institutional purposes and for the payment of expenses inherently related to its operation.

(b) Revenues from voluntary work

As established in Interpretation ITG 2002 (R1) - Nonprofit Entities, the Association values revenues from voluntary work, including from members of Management, at their fair value considering the amounts that the Association would have to pay if hiring such services in a similar market. Revenues from voluntary work are recognized in surplus for the year with an offsetting entry to operating expenses also in surplus (deficit) for the year.

For the purpose of determining fair value, the Association adopts as reference the research on management compensation of the Brazilian Institute of Corporate Governance (IBGC), since it understands that the members of its governance bodies are comparable to the other entities included in this research.

VITAL STRATEGIES BRASIL

Notes to the financial statements
 For the years ended December 31, 2023 and 2022
 (In Brazilian Reais)

2.12. Council compensation

As at December 31, 2023, the Association recorded the amount of R\$ 33,750 referring to voluntary work:

12/31/2023					12/31/2022				
Position	Quantity per position	Hours per year in the position	Amount per hour	Total	Position	Quantity per position	Hours per year in the position	Amount per hour	Total
Fiscal/Advisory Council	10	37.5	900	33,750	Fiscal council	10	37.5	900	33,750

2.13. Financial revenues and expenses

Financial revenues basically include revenues from interest on financial investments. Interest revenue is recognized in surplus, using the effective interest rate method. Financial expenses basically include bank expenses.

2.14. Statements of cash flows

These were prepared and are being presented in accordance with Technical Pronouncement NBC TG 1000 (R1) - Accounting for Small and Medium-Sized Companies, Section 7.

The statement of cash flows reflects cash changes that occurred in the reported fiscal years, and is presented using the indirect method. Terms used in the statement of cash flows are as follows:

- Operating activities: these are the main revenues of the Association and other activities that are not investing and financing;
- Investing activities: these are the additions and write-offs of non-current assets and other investments not included in cash and cash equivalents;
- Financing activities: these are activities that result in changes in the breakdown of net assets and loans.

3. Financial risk management

3.1. Financial risk factors

The Association's activities are exposed to several financial risks: market risk, credit risk and liquidity risk.

a) Market risk

The Association is exposed to market risks arising from its business activities. These market risks mainly involve the possibility of changes in interest rates.

b) Credit risk

Credit risk results from cash and cash equivalents and other receivables. Financial investments are held with top-tier institutions to reduce credit risks.

VITAL STRATEGIES BRASIL

Notes to the financial statements

For the years ended December 31, 2023 and 2022

(In Brazilian Reais)

c) Liquidity risk

The proper management of liquidity risk includes keeping sufficient cash. Management monitors the Association's liquidity level considering the expected cash flow.

4. Capital management

The Association's objectives in managing its capital are to ensure its ability to continue as a going concern and to meet the purposes stated in Note 1.

5. Cash and cash equivalents

Description	2023	2022
Cash	1,702	3,648
Bank checking accounts	83	20
Investments	971,338	3,872,847
	<u>973,123</u>	<u>3,876,515</u>

Financial investments are held with top-tier institutions to reduce credit risks, and are classified at amortized cost. As at December 31, 2023, the investments range from 0.10% to 0.99% p.m.

6. Accounts receivable

Description	2023	2022
Contributions receivable - Vital Strategies NY	2,902,982	127,577
Foreign and domestic donations	798,327	2,860,760
	<u>3,701,309</u>	<u>2,988,337</u>

7. Other receivables

Description	2023	2022
Collateral deposit	12,912	12,912
	<u>12,912</u>	<u>12,912</u>

On December 01, 2018, Vital Strategies entered into a lease agreement for a property located at Rua São Bento, No. 470, sala 104 - São Paulo with the company Prado 76 Negócios Imobiliários Ltda. and, as a guarantee, the amount of R\$ 9,690 was paid as collateral deposit to be returned upon the end of the lease, properly adjusted at the savings account rate. Additionally, Vital Strategies entered into another lease agreement on October 01, 2019, for the room of Building No. 102, with the amount of R\$ 3,222 paid as guarantee.

VITAL STRATEGIES BRASIL

Notes to the financial statements For the years ended December 31, 2023 and 2022 (In Brazilian Reais)

8. Labor liabilities

Description	2023	2022
Social Security Tax (INSS) payable	186,778	165,370
Severance Pay Fund (FGTS) payable	-	-
Tax on sales (PIS) payable	5,947	-
Social Security Tax (INSS) - Self-employed Worker Receipt (RPA) payable	3,641	-
Vacation pay	933,043	773,298
INSS on vacation pay	250,056	207,244
FGTS on vacation pay	74,643	61,864
PIS on vacation pay	9,330	-
Income Tax (IRPJ) on payroll	231,610	-
	<u>1,695,048</u>	<u>1,207,776</u>

9. Contribution and donation advances

Description	2023	2022
Prepaid contribution - Head office	723,763	683,844
Donation advance - Domestic and foreign	1,518,406	3,697,233
	<u>2,242,169</u>	<u>4,381,077</u>

Vital Strategies Brasil prepares its annual budget and communicates to its associates the projection of trade association contributions necessary to conduct its activities and projects. At the end of 2023, expenses actually incurred by the Association included the prepaid contribution made in 2023. Additionally, the associate Vital Strategies stated that the Advance on Trade Association Contribution amounted to R\$ 723,763 in 2024.

VITAL STRATEGIES BRASIL

Notes to the financial statements For the years ended December 31, 2023 and 2022 (In Brazilian Reais)

Deferred revenue presented refers to the advance of donations made by the donors of projects raised in Brazil:

	Agreement Value 2022	Recognized Revenue 2022	Donation Advance - National and International 2022	Agreement Value 2023	Recognized Revenue 2023	Donation Advance - National and International 2023	% of Representation
OVERHEAD Local Capture - VBBR	R\$ 409,192.76	R\$ 64,204.90	R\$ 344,987.86	R\$ 381,752.21	R\$ 604,750.25	R\$ 121,989.82	8%
ICS D007 - Air Quality (2002)		R\$ 393,779.81	R\$ 6,220.19		R\$ 6,220.19	R\$ 0.00	0%
Instituto Ibirapitanga (2023)	R\$ 200,000.00	R\$ 200,000.00	R\$ 0.00	R\$ 0.00	R\$ 0.00	R\$ 0.00	0%
Umane - Covitel II (2023)	R\$ 2,490,000.00		R\$ 2,490,000.00		R\$ 2,484,699.31	R\$ 5,300.69	0%
Resolve to Save Lives (2022)	R\$ 941,520.00	R\$ 830,425.45	R\$ 111,094.55		R\$ 111,094.55	R\$ 0.00	0%
OPAS Integrated Platform (2022)		R\$ 813,722.06	R\$ 114,688.53		R\$ 114,688.53	R\$ 0.00	0%
Porticus D005 - Connect the dots (2022)		R\$ 547,641.40	R\$ 34,487.27			R\$ 34,487.27	2%
Cactus D003 - Mental Health (2022)		R\$ 490,035.44	R\$ 24,169.56			R\$ 24,169.56	2%
Gates Foundation D008 Gender Based (2022)		R\$ 1,384,990.16	R\$ 542,953.55	R\$ 207,262.40	R\$ 673,277.66	R\$ 76,938.29	5%
UMANE D006 COVITEL (2022)		R\$ 1,418,925.60	R\$ 28,631.4			R\$ 28,631.40	200%
FJLES				R\$ 59,794.12	R\$ 59,794.12	R\$ 0.00	0%
Cactus D024 - Mental Health (2023)				R\$ 255,000.00	R\$ 255,000.00	R\$ 0.00	0%
Raia Drogasil - Mental Health (2023)				R\$ 255,000.00	R\$ 248,668.55	R\$ 6,331.45	0%
UNICEF (2023)				R\$ 275,934.02		R\$ 275,934.02	18%
Ibirapitanga (2023)				R\$ 595,000.00		R\$ 595,000.00	39%
Resolve to Save Lives Cardiovascular - D25 (2023)				R\$ 386,918.10	R\$ 284,669.89	R\$ 102,248.21	7%
Resolve to Save Lives 717 - D27 (2023)				R\$ 305,519.45	R\$ 247,717.75	R\$ 57,801.70	4%
Society for the Study of Addiction				R\$ 9,995.88		R\$ 9,995.88	1%
Patrick McGovern				R\$ 326,369.45	R\$ 146,791.30	R\$ 179,578.15	12%
Total			<u>R\$ 3,697,232.91</u>	<u>R\$ 3,058,545.63</u>	<u>R\$ 6,048,500.50</u>	<u>R\$ 1,518,406.44</u>	<u>100%</u>

VITAL STRATEGIES BRASIL

Notes to the financial statements

For the years ended December 31, 2023 and 2022

(In Brazilian Reais)

10. Net assets

The Association's net assets are composed of funds and rights, acquired or received as contribution, donation, legacy, subvention, aid, earnings or in any other legal manner and shall be managed and solely used for the fulfillment of its purposes.

Surplus or deficit will be fully allocated to the fulfillment of the Association's purposes, as described in Note 1.

11. Related-party transactions

Liabilities	2023	2022
Advances on trade association contribution Vital Strategies Inc. (Note 11)	723,763	683,844
	<u>723,763</u>	<u>683,844</u>
Results	2023	2022
Revenues Vital Strategies Inc.	13,814,038	11,849,293
	<u>13,814,038</u>	<u>11,849,293</u>

Compensation to key personnel

There is no compensation to board members.

12. Administrative and operating personnel expenses

Description	2023	2022
Salaries	(6,559,169)	(5,514,221)
Year-end bonus	(579,531)	(493,481)
Vacation pay	(827,127)	(713,747)
PIS on payroll	(77,115)	(64,609)
INSS	(2,076,060)	(1,747,284)
FGTS	(620,903)	(516,871)
Benefits	(1,702,014)	(1,133,025)
	<u>(12,441,919)</u>	<u>(10,183,238)</u>

VITAL STRATEGIES BRASIL

Notes to the financial statements

For the years ended December 31, 2023 and 2022

(In Brazilian Reais)

13. General operating and administrative expenses

Description	2023	2022
Asset lease	(88,240)	(23,998)
Copies	(199,516)	(63,835)
Services rendered by natural persons or legal entities	(3,883,574)	(4,380,639)
Meals	(75,550)	(27,315)
Domestic travel	(1,907,420)	(1,314,044)
Donations	(492,900)	(992,984)
Advertising and publicity	(-)	(32,772)
Office rent	(143,199)	(103,775)
Assets of permanent use	(124,307)	(372,705)
Software maintenance	(-)	(7,862)
Water, electricity and gas	(33,144)	(45,837)
Others	(221,860)	(208,968)
	<u>(7,169,710)</u>	<u>(7,574,734)</u>

14. Provisions for legal claims

In the ordinary course of conducting its business, the Association is involved in labor, civil and tax lawsuits. In accordance with the legal advisors' assessment, the Association has a labor proceeding filed on June 10, 2022, with the likelihood of possible loss amounting to R\$ 458,112.76. The proceeding dated April 08, 2020 became final and was sent to the definitive archive. Accordingly, it was not recorded in the financial statements for the years ended December 31, 2023 and 2022.

15. Taxes and contributions

Since the Association is a nonprofit organization, it presents the following scenario regarding taxes and contributions:

- Income and Social Contribution taxes: it is entitled to exemption from payment of federal taxes levied on surplus, as per Decree No. 76.186 of September 02, 1975, articles 167 to 174, of the Income Tax Regulations (RIR), approved by Decree No. 3.000 of March 26, 1999 and article 195 of the Federal Constitution;
- PIS: it is subject to the payment of PIS contribution calculated on payroll at the rate of 1%, in accordance with Law No. 9.532/97;
- COFINS: it is exempt from paying COFINS levied on revenues from its own activities, in accordance with Laws No. 9.718/98 and 10.833/03. It is only mandatory that the Association pay COFINS on service rendering.

16. Insurance (unaudited)

The Association adopts an insurance policy that considers the concentration of risks and their significance, in amounts considered sufficient by the Association's Management, taking into consideration the nature of its activities and its insurance consultants' opinion. The amounts of insurance coverage as at December 31, 2023, are as follows:

- Civil liability insurance for directors and officers - Tokio Marine: R\$ 5,000,000;
- Comprehensive Business Insurance - Axa (as from May 2023); Itaú as from May 2024: R\$1,150,000;
- Miscellaneous Risk Insurance - Axa (as from May 2023); Itaú as from May 2024: R\$40,000;
- Basic Insurance - Axa (as from May 2023); Itaú as from May 2024: - INV, Lightning, Explosion/Implosion: R\$ 1,000,000;
- Electrical Damage Insurance - Axa (as from May 2023); Itaú as from May 2024: R\$50,000.

17. Subsequent events

We did not observe any other subsequent event between the closing date and the issue of this document that was worth disclosing in these notes.