

Financial Statements

United Way Brasil.

December 31, 2022 and 2021

with Independent Auditor's Report

United Way Brasil.

Financial Statements
December 31, 2022 and 2021

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Independent Auditor's Report on Financial Statements

To the Board of Trustees
United Way Brasil
São Paulo – SP

Opinion

We have audited the financial statements of United Way Brasil, ("Entity"), which comprise the statement of financial position at December 31, 2022 and the respective statements of surplus, of comprehensive surplus, of changes in net equity and of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting practices.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way at December 31, 2022, the performance of its operations and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil for small and medium size companies - CPC – Technical Pronouncement – PME – Accounting for small and medium-sized entities and ITG 2002 (R1) – Non-profit Entities.

Basis for the Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities, under those standards, are further described in the "Auditor's responsibilities for the audit of financial statements" section of our report. We are independent of the Entity and comply with the relevant ethical principles set forth in the Code of Professional Ethics and Standards issued by Brazil's National Association of State Boards of Accountancy and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to support our opinion on the financial statements.

Management responsibility for the financial statements

The Entity management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil for small and medium-sized entities - CPC – Technical Pronouncement – PME – Accounting for small and medium-sized entities, and for internal controls it determined as necessary to allow the preparation of the financial statements free of material misstatements, 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, where applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements 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 as a whole are free of 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 will always detect material misstatements when they exist. Misstatements can arise from fraud or error and are considered material if they individually or jointly could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.


As part of the audit conducted in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatements 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 one resulting from error, as fraud may involve override of internal controls, collusion, forgery, intentional omissions or misrepresentations.
- Gain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related 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, whether a material uncertainty exists related to events or conditions that may cast substantial doubt about the Companies' ability to continue as a going concern. If we conclude that a 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.
- We evaluated the overall presentation, structure and contents of the financial statements, including disclosures and whether the financial statements reflect the corresponding transactions and events in a manner compatible with the objective of fair presentation.

We communicated with those in charge of governance about, among other aspects, the planned extent, the timing of audit and significant audit findings, including significant deficiencies, if any, in internal controls found during our services.

We also provide those in charge of governance with a statement of compliance with the significant ethical requirements, including those applicable to independence, and communicate all relationships or matters, if any, that might considerably affect our independence, including, where applicable, the respective qualifications.

São Paulo (SP), March 14, 2023.


Aderbal Alfonso Hoppe
Partner
Accountant CRC-1SC020036/O-8-T-SP
TATICCA Auditores Independentes S.S.
CRC 2SP-03.22.67/O-1

United Way Brasil.
Statements of financial position
December 31, 2022 and 2021
(In Reais)

Assets	Note	2022	2021	Liabilities and net equity	Note	2022	2021
Current				Current			
Cash and cash equivalents	5	172,913	224,571	Trade accounts payable		-	83,235
Marketable securities	6	6,351,898	4,684,574	Bank loans		-	2,266
Marketable securities - Fund	6	594,645	594,645	Labor charges	10	101,427	166,258
Accounts receivable	7	510,572	900,305	Taxes payable	11	31,241	42,699
Other assets		9,685	6,048	Associated projects to be carried out	12	5,867,527	4,833,636
				Unearned income	13	-	424,971
Total current assets		7,639,713	6,410,143	Total current liabilities		6,000,195	5,553,065
				Non-current			
				CONDECA - property and equipment		5,641	-
				Total non-current liabilities		5,641	-
Non-current				Net equity			
Accounts receivable - long term	8	-	516,909	Net equity		1,389,092	1,161,551
Collateral deposit		6,000	6,600	Surplus for the year		261,994	227,541
Property and equipment	9	11,209	8,505				
Total non-current assets		17,209	532,014	Total net equity		1,651,086	1,389,092
Total assets		7,656,922	6,942,157	Total liabilities and net equity		7,656,922	6,942,157

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

United Way Brasil.

Statements of surplus

December 31, 2022 and 2021

(Amounts expressed in Reais)

	Note	2022	2021
Operating revenue			
International specific projects	14.a)	1,500,021	1,736,279
National specific projects	14.b)	782,063	1,596,839
Common fund projects	14.c)	3,209,248	3,601,985
Total revenue from activities	14	5,491,332	6,935,103
Restricted			
CONDECA	14.d)	897,157	-
Total revenue from restricted activities		897,157	-
Institutional donations	15	2,746,209	2,654,975
Sustainability fund	16	-	-
Voluntary work	21	87,670	95,500
Sundry revenue		2,833,879	2,750,475
Total operating revenue		9,222,368	9,685,579
Operating costs and expenses			
General expenses	18	679,509	-
Personnel expenses	19	217,515	-
Voluntary work	21	-	-
Operating costs and expenses		897,025	-
Restricted			
Costs with incentive projects - CONDECA			
General expenses	14.d)	(679,509)	-
Finance costs	14.d)	(132)	-
Personnel expenses	14.d)	(217,515)	-
Operating costs and expenses - restricted		(897,157)	-
Total operating costs and expenses		(132)	-
Surplus before finance results		9,222,236	9,685,579
Finance income	17	-	-
Finance costs	17	132	-
		132	-
Surplus for the year		9,222,368	9,685,579

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

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Statements of comprehensive surplus
December 31, 2022 and 2021
(In Reais)

	<u>2022</u>	<u>2021</u>
Surplus for the year	261,994	227,541
Total comprehensive surplus for the year	<u><u>261,994</u></u>	<u><u>227,541</u></u>

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

United Way Brasil.

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

	Net equity	Surplus / deficit for the year	Total
Balances at December 31, 2020	416,145	745,406	1,161,551
Transfer to net equity	745,406	(745,406)	-
Surplus for the year	-	227,541	227,541
Balances at December 31, 2021	1,161,551	227,541	1,389,092
Transfer to net equity	227,541	(227,541)	-
Surplus for the year	-	261,994	261,994
Balances at December 31, 2022	1,389,092	261,994	1,651,086

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

United Way Brasil.

Statements of cash flows
December 31, 2022 and 2021
(In Reais)

	2022	2021
Cash flows from operating activities		
Surplus / deficit for the year	261,994	227,541
Depreciation	3,234	2.718
Finance income from marketable securities	595,662	168.126
	860,890	398.385
Change in assets and liabilities		
(Increase)/decrease in assets		
Accounts receivable	906,642	123.217
Other assets	(3,037)	14.114
Taxes to be offset		
Prepaid expenses	-	32.266
Increase/(decrease) in liabilities		
Trade accounts payable	(83,235)	39.219
Bank loans	(2,266)	2.266
Salaries, vacation and social charges	(64,831)	3.389
Taxes payable	(11,458)	(5.373)
Other liabilities	(424,971)	74.154
CONDECA – fixed assets	5,641	-
Associated projects to be carried out	1,033,891	1.023.346
Cash flows from operating activities	2,217,266	1,704,983
Cash flows from investing activities		
Capital expenditures	(5,938)	(6.487)
Marketable securities	(2,262,986)	(1.566.076)
Cash flows used in investing activities	(2,268,924)	(1,572,563)
Net change in cash and cash equivalents	(51,658)	132,420
At beginning of period	224,571	92,150
At end of period	172,913	224,571
Increase / (decrease) in cash and cash equivalents	(51,658)	132,420

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

United Way Brasil

Notes to financial statements
December 31, 2022 and 20201
(In reais, except as stated otherwise)

1. General information

United Way Brasil ("Entity"), founded on March 26, 2001, is a non-profit, charitable civil association that engages in promoting and developing cultural, scientific, artistic, educational, social, sports, charitable, research and assistance projects in Brazil.

The Entity may also promote all acts inherent to these purposes, as well as carry out any activity related thereto, raising and managing its funds in order to meet its objectives. The donations received come from individuals and legal entities, whether associated or not, national or foreign. Donations made by the Entity must have a close and specific relationship with its purpose and be in accordance with the budget program prepared by the Board, in accordance with its Charter.

The Entity develops Early Childhood and Juvenile Programs, namely:

- **Early Childhood Program** - The "Crescer Aprendendo" Program has the role of enhancing the development of Early Childhood, by training parents and caregivers by providing quality knowledge and information in person and online, and support in the training of daycare center educators and improvement of the infrastructure of these spaces to ensure the full development of the children who attend public units of early childhood education in Brazil.
- **Juvenile Program** - The "Competências para Vida" Program aims to work on socio-emotional skills, to respond to the current challenges of inserting young people into the job market, looking at future trends through (a) "Individual Mentors", consisting of meetings in which employees of member companies make their time available and share experience with young people from supported projects (b) face-to-face meetings in the program are structured in modules and missions. Led by the Aspen Institute, United Way Brasil is the articulating organization of GOYN in Brazil, a global initiative that aims to transform São Paulo into a city where all young people have decent opportunities for work and income, which are aligned with their choices. The program is into its third year, strengthening a front to build and promote innovative collective initiatives in the outskirts of São Paulo that connect and align the training of young people living there (Young Power) in professions of the future.

2. Presentation of financial statements and summary of significant accounting practices

2.1. Basis of presentation and preparation of financial statements

The financial statements of the Entity, which comprise the statement of financial position at December 31, 2022 and 2021 and the respective statements of surplus, of comprehensive surplus, of changes in net equity and of cash flows for the period then ended, as well as the summary of significant accounting practices and other notes thereto, were authorized by the chairman of the Board of Trustees for issuance and disclosure on April 4, 2023.

United Way Brasil

Notes to financial statements

December 31, 2022 and 2021

(In reais, except as stated otherwise)

The financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil applicable to small and medium-sized entities (NBC TG 1000), which encompass the Brazilian corporation law and technical pronouncements, guidelines and technical interpretations issued by the Brazilian FASB (CPC), which have already been approved by Brazil's National Association of State Boards of Accountancy (CFC), in light of Technical Interpretation ITG 2002 – Non-profit Entity.

The accounting estimates involved in the preparation of the Entity's financial statements were supported by objective and subjective factors, based on Management's judgment to determine the appropriate amount to be recorded in the respective financial statements. Significant items subject to these estimates and assumptions have been described in Note 3.

The financial statements were prepared based on the historical cost, except for certain financial instruments, when they exist, measured at their fair values, as described in the accounting practices below. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

All amounts presented in these financial statements are expressed in reais, unless stated otherwise.

2.2. Functional currency and translation of balances and transactions in foreign currency

2.2.1. Functional and reporting currency

The financial statements were prepared and are presented in reais (R\$), which is the Entity's functional currency. The amounts disclosed in these financial statements are expressed in thousands, except when stated otherwise.

2.2.2. Transactions and balances in foreign currency

Foreign currency transactions, that is, all those that were not carried out in the entity's functional currency, were translated at the exchange rate on the date that the transactions were carried out. Monetary assets and liabilities in foreign currency are translated into the Entity's functional currency at the exchange rate on the base date of the accounting information. Non-monetary items in foreign currency recognized at their fair value are translated at the exchange rate in effect on the date when the fair value was determined.

2.3. Summary of significant accounting practices

2.3.1. Financial instruments

The Entity's financial assets and liabilities are recognized as of the date it becomes part of the contractual provisions of such financial instruments and mainly include cash and cash equivalents. The Entity's financial assets and liabilities are initially recorded at fair value, and their term is less than 360 days.

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Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through surplus or deficit are recognized immediately in the statement of surplus, and their subsequent measurement occurs at each date of the statement of financial position in accordance with the rules established for each type of classification of financial assets and liabilities.

2.3.2. Cash and cash equivalents

Cash and cash equivalents are assets held for the purpose of paying short-term obligations and not for investment or other purposes.

For an investment to be qualified as cash equivalents, it must be readily convertible into a known cash value, that is, be highly liquid, and subject to a low (negligible) risk of variation in the fair market value.

Cash and cash equivalents include cash, bank accounts, demand deposits and other short-term assets such as marketable securities with original maturity of 90 days from the date of contract or shorter period (where applicable).

2.3.3. Property and equipment

Property and equipment are recorded at cost, which includes all expenses incurred in the acquisition or preparation of assets, less depreciation. Depreciation is calculated and recognized using the straight-line method, according to the estimated economic useful life and projected net book value of each item.

The Entity reviews at least annually its estimates of the useful lives of its assets and, if it observes significant changes in the estimates, recognizes the effects of these changes in the statement of surplus in a prospective way.

Estimated useful lives for the current and comparative periods are as follows:

Furniture and fixtures	10 years
IT and communication equipment	5 years
Computers and peripherals	5 years

An item of property and plant is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset (calculated as the difference between the net sale value and the book value of the asset) is included in the statement of surplus, in the year in which the asset is written off.

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2.3.4. Valuation at recoverable amount of assets

Non-current assets are revised annually to identify evidence of non-recoverable losses, or, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When this is the case, the recoverable amount is calculated to check for losses. When there is a loss, it is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount, which is the higher of the asset's net selling price and the value in use of an asset. For valuation purposes, assets are grouped into the smallest group of assets for which there are separately identifiable cash flows. In the years 2022 and 2021, no losses on assets were recognized by the Entity's management.

2.3.5. Financial liabilities

The Entity recognizes financial liabilities initially on the date they are originated. All other financial liabilities are initially recognized on the trade date on which the Entity becomes a party to the contractual provisions of the instrument. The Entity writes off a financial liability when its contractual obligations are withdrawn or canceled.

2.3.6. Determination of surplus

Revenues and expenses are recognized in accordance with the accrual method and with NBC TG 07 – Government Grants and Assistance.

Donation revenues are classified into three subgroups: (a) donations for specific international projects; (b) donations for specific national projects; and (c) donations to the common fund. The purpose of this practice is to demonstrate how the Entity's revenues are earned and to align donations for specific purposes with the corresponding expenses.

Amounts received and used in projects are recorded as follows:

- **Receipt of funds:** When funds are received, a debit is made to cash and cash equivalents or marketable securities, and a credit is made to associated projects to be carried out in current liabilities.
- **Consumption and expense:** In case of expenses with donations and tax incentive funds, the related expenses are recognized as a contra-entry to debit to liabilities of associated projects to be carried out.
- Revenues from contributions and donations are recorded on a cash basis, i.e. in accordance with donations values incoming to bank current account, after the foreign exchange procedures.
- In case of surplus in accounts in a given year, surplus is fully allocated to the maintenance and to the development of the Entity purposes.

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Notes to financial statements
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2.3.7. Determination of fair value

Various policies and accounting disclosures of the Entity require the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods presented in Note 14.1. Where applicable, additional information on the assumptions used in determining fair values is disclosed in notes specific to that asset or liability.

3. Significant accounting judgments, estimates and assumptions

(i) Judgments

The preparation of the Entity's financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the base date of the financial statements. Assets and liabilities subject to estimates and assumptions include mainly: provisions for impairment of assets, where applicable, in addition to the provision for legal claims.

(ii) Estimates and assumptions

The main assumptions related to sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the date of the statement of financial position, which may result in different amounts at settlement, are discussed below:

a) *Impairment of assets*

Management reviews annually and/or when a specific event occurs the net book value of assets in order to assess events or changes in economic, operational or technological circumstances, which may indicate impairment or loss of their recoverable value. If such evidence is identified and the net book value exceeds the recoverable value, a provision for impairment is set up, adjusting the net book value to the recoverable value. These losses are charged to the statement of surplus (deficit) for the year when identified. At December 31, 2022 and 2021, based on management's assessment, no evidence of impairment was identified, whereupon no provision was recognized.

b) *Provisions for legal contingencies*

The Entity is not a party to legal and/or administrative proceedings. Provisions, where applicable, are established for claims related to lawsuits for which it is probable that an outflow of funds will be made to settle the claim and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, case law, most recent court decisions and their significance in the legal system, as well as the assessment of external lawyers.

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Provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, conclusions of tax inspections or additional exposures identified based on new matters or court decisions. Actual results may differ from Management's estimates.

Contingent liabilities assessed as possible losses are only disclosed in a note and contingent liabilities assessed as remote losses are neither established nor disclosed.

4. Pandemic Impacts – COVID 19

Due to the events related to the Covid-19 pandemic, Management assessed the possible impacts for the Entity in relation to the closing of the year ended December 31, 2022 and concluded that there are no impacts that require adjustments or additional disclosures in the financial statements.

5. Cash and cash equivalents

	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash and banks - unrestricted	4,536	-
Cash and banks – restricted	<u>168,377</u>	<u>224,571</u>
	<u>172,913</u>	<u>224,571</u>

Cash equivalents are held for the purpose of meeting short-term cash commitments and are comprised of cash balances and demand bank deposits.

6. Marketable securities

	<u>12/31/2022</u>	<u>12/31/2021</u>
Short-term investments – unrestricted	1,033,196	655,049
Marketable securities - 2022	594,645	-
Sustainability fund	-	594,645
Short-term investments – restricted	<u>5,318,702</u>	<u>4,029,525</u>
	<u>6,946,543</u>	<u>5,279,219</u>

These short-term investments refer substantially to bank deposit certificates and fixed income funds and are remunerated at rates ranging between 85% and 95% of the Interbank Deposit Certificate (CDI) in 2022 and 2021.

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The sustainability fund was created to provide greater security for the organization, having a reserve in case the Entity ceases to exist in order to settle severance pay, but also having the possibility to invest safely when in financial crises. In the long run, a reserve fund must be maintained to make up for the organization's fixed costs for a time and to have reserves for decommissioning.

7. Accounts receivable

(a) Short-term accounts receivable:

	12/31/2022	12/31/2021
UWB Management	225,253	153,587
Specific National Projects	207,000	-
Common Fund Projects	78,319	746,718
	<u>510,572</u>	<u>900,305</u>

Short-term accounts receivable consist of monthly transfers from associates as of December to foster projects "Crescer Aprendendo" and "Competências para Vida", except for the transfer from Accenture, which is intended to foster project Goyñ.

8. Long-term accounts receivable

(b) Long-term accounts receivable:

	12/31/2022	12/31/2021
Specific International Projects – Long Term	-	430,201
UWB Management – Long Term	-	86,708
	<u>-</u>	<u>516,909</u>

Long-term accounts receivable are comprised of a two-year project in association with the Bernard Van Leer Foundation, with transfers as set forth in the contract.

9. Property and equipment

The property and equipment balance is comprised as follows:

	Annual depreciation rate - %	Cost	Accumulated depreciation/disposal	Net	
				12/31/2022	12/31/2021
Furniture and fixtures	10	2,200	(1,631)	569	789
IT equipment	20	26,411	(21,412)	5,000	7,716
Computers and peripherals – CONDECA	20	5,938	(297)	5,641	-
Total		<u>34,550</u>	<u>(23,340)</u>	<u>11,209</u>	<u>8,505</u>

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9.1. Movement of property and equipment cost

Cost movement	2021	Acquisitions	Disposals	2022
Furniture and fixtures	2,200	-	-	2,200
IT equipment	26,411	-	-	26,411
Computers and peripherals - CONDECA	-	5,938	-	5,938
Total cost	28,611	5,938	-	34,550

9.2. Movement of property and equipment depreciation

Depreciation movement	2021	Acquisitions	Disposals	2022
Furniture and fixtures	(1,411)	(220)	-	(1,631)
IT equipment	(18,695)	(2,717)	-	(21,412)
Computers and peripherals - CONDECA	-	(297)	-	(297)
Total depreciation	(20,106)	(3,234)	-	(23,340)
Net balance	(8,505)	(2,704)	-	(11,209)

10. Labor charges

	12/31/2022	12/31/2021
Accrual for vacation and related charges	66,010	117,384
INSS payable	31,944	40,575
Payables to free lancers	2,777	-
Other	696	929
FGTS payable	-	7,370
	101,427	166,258

11. Tax charges

	12/31/2022	12/31/2021
Withholding income tax - IRRF	24,959	39,415
Social Contribution Tax on Gross Revenue for Social Security	4,562	1,276
CSLL/COFINS/PIS Law N° 10833	1,421	2,008
Service Tax – ISS	-	-
	31,241	42,699

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12. Associated projects to be carried out (projects in progress)

Following are the projects in progress during, the year and their movement, showing total funds received, as well as the amounts used in the execution of the projects (consumption):

	Balances at 01/01/2022	Amounts received	Interest income	Property and equipment	Consumption	Balances at 12/31/2022
International Specific Projects (a)	1,441,230	1,449,825	13,046	-	(1,500,021)	1,404,080
National Specific Projects (b)	347,184	1,126,558	1,642		(782,063)	693,321
Common Fund (c)	3,045,222	2,591,092	659,520	-	(3,209,248)	3,086,586
CONDECA (d)	-	1,541,860	44,478	(5,641)	(897,157)	683,540
Total associated projects to be carried out	4,833,636	6,709,335	718,686	(5,641)	(6,388,489)	5,867,526

- **Amounts received/raised:** amounts received or raised to support associated projects;
- **Consumption:** expenses incurred in long-term projects throughout the year, as shown in Note 14;
- **Interest income:** yield from short-term investments intended for the projects;
- **Property and equipment:** Assets acquired in connection with a restricted project.

The nature of the associated projects is as follows:

All funds whose nature is International Specific Projects, National Specific Projects and Common Fund Projects are intended for the United Way Brasil Programs: with a focus on young people in the “Competências para Vida” Program and “O Futuro é Jovem (Goyn) Program which aims to work on social and emotional skills, to respond to the current challenges of the insertion of young people in the labor market, looking at future trends through (a) "Individual Mentoring" (b) face-to-face meetings; and (c) personal finance mentoring; and (d) promoting productive inclusion in labor market. And for early childhood in the “Crescer Aprendendo” Program it plays the role of enhancing the Early Childhood development, through the training of parents and caregivers, providing quality knowledge and information in person and online. And support in the training of daycare center educators and improvement of the infrastructure of these spaces to ensure the full development of the children who attend public units of early childhood education in Brazil.

a) International specific projects:

These consist of funds managed by companies/organizations which play as international partners associated with the focus of performance of education for young people in the “Competências para Vida” Program, early childhood in the “Crescer Aprendendo” Program and Emergency Support.

b) National specific projects:

These consist of funds managed by companies/organizations which play as national partners associated with the focus of performance of education for young people in the “Competências para Vida” Program, early childhood in the “Crescer Aprendendo” Program and Emergency Support.

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c) **Common fund:**

These consist of funds managed by associated companies by calling for funds from employees and matching from related parties associated with the focus of performance of education for Young people in the “Competências para Vida” Program, early childhood in the “Crescer Aprendendo” Program and Emergency Support.

d) **CONDECA:**

CONDECA (State Council for the Rights of Children and Adolescents of São Paulo) was established in 1992 by State Law No. 8074. It was created with the aim of participating in the development of public policies to assist children and adolescents in the state of São Paulo. Through biannual public call notices, CONDECA encourages the creation of innovative actions that ensure the rights of the young population. Consequently, it allows Civil Society Organizations (CSOs) to develop work aimed at children and adolescents. Thus, within the criteria established by the notices, the CSOs submit project proposals to CONDECA, in order to obtain approval to raise funds. The proposed projects address different pillars of action and may cover some thematic axes, such as: education, health, work and income, social assistance, recreation and sport, culture and art, food security, among others.

13. Unearned income

Amounts for payment of management and Gran Eli Lilly costs for the 12-month period in the subsequent year.

In year 2022, the agreement with the company Eli Lilly to support management costs was not renewed.

	<u>12/31/2022</u>	<u>12/31/2021</u>
Unearned income	-	424,971
	<u>-</u>	<u>424,971</u>

14. Revenues – voluntary contributions and donations

These are made up of donations from individuals and companies and consist of programs in which employees of associated companies donate their time and share technical experience with the young people in the supported projects. English, accounting and personnel department routines are taught, as well as advice in the areas of entrepreneurship and personal finance, as well as community activities.

In regard to Note 12, revenues are calculated in view of expenses incurred in projects, since cost centers of projects cannot generate results.

These consist of values donated to the Entity by the employees and associated companies listed below:

United Way Brasil

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(In reais, except as stated otherwise)

a) Donations received from International Specific Projects

	<u>12/31/2022</u>	<u>12/31/2021</u>
Donations received from international specific projects - companies	1,500,021	1,686,140
Donations received from international specific projects - individuals	-	50,139
	<u>1,500,021</u>	<u>1,736,279</u>

b) Donations to specific projects

	<u>12/31/2022</u>	<u>12/31/2021</u>
Donations received from national specific projects- companies	766,057	1,564,087
Donations received from national specific projects - individuals	16,006	32,752
	<u>782,063</u>	<u>1,596,839</u>

c) Donations to Common Fund program

	<u>12/31/2022</u>	<u>12/31/2021</u>
Donations to fund activities - individuals	2,648,592	923,361
Donations to fund activities - companies	560,656	2,670,479
	<u>3,209,248</u>	<u>3,593,840</u>

Revenues from donations to projects - total

	6,926,958	4,553,402
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d) CONDECA

	<u>12/31/2022</u>	<u>12/31/2021</u>
Third party services	496,983	-
General and administrative	182,527	-
Salaries, vacation and 13th monthly pay	165,526	-
Social charges	54,071	-
Benefits	(2,082)	-
Finance costs	132	-
	<u>(897,157)</u>	<u>-</u>

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15. Institutional donations

The main donations in 2022 were as follows: Owens Illinois (O-I) donated R\$ 269,000.00 (corresponding to USD 50,000) to strengthen the institutional area of United Way Brasil. The resources were directed to enable the payment of the IR and Communication Manager's salary.

	12/31/2022	12/31/2021
Institutional donations	2,746,209	2,654,976
	2,746,209	2,654,976

16. Sustainability fund

	12/31/2022	12/31/2021
Development fund	-	8,145
	-	8,145

The sustainability fund was created to provide greater security for the organization, having a reserve in case the Entity ceases to exist in order to settle severance pay, but also having the possibility to invest safely when in financial crises. In the long run, a reserve fund must be maintained to make up for the organization's fixed costs for a time and to have reserves for decommissioning.

17. Finance income (costs)

	12/31/2022	12/31/2021
Short-term investment gains	595,662	168,126
Finance income	595,662	168,126
IRRF on short-term investments	(64,291)	(18,727)
Foreign exchange differences payable	(184,127)	(40,893)
Tax on Financial Transactions IOF	(29,005)	(20,955)
Other	(33,928)	(7,156)
Finance costs	(311,350)	(87,731)
Finance results	284,312	80,395

United Way Brasil

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18. General expenses

	<u>12/31/2022</u>	<u>12/31/2021</u>
General and administrative	(2,703,928)	(4,423,871)
Third party services	(3,765,213)	(3,029,787)
Travel expenses	(168,062)	(2,542)
Marketing and funding from associates	(62,649)	(25,960)
Tax expenses	(12,513)	(519)
	<u>(6,712,365)</u>	<u>(7,482,679)</u>

19. Personnel expenses

	<u>12/31/2022</u>	<u>12/31/2021</u>
Salaries, vacation and 13 th monthly pay	(1,150,292)	(1,326,853)
Social charges	(283,296)	(365,921)
Benefits	(113,906)	(267,480)
	<u>(1,547,494)</u>	<u>(1,960,254)</u>

20. Financial instruments

The Entity operates only with non-derivative financial instruments that include financial investments and cash and cash equivalents, as well as accounts payable and salaries, vacation and charges, whose values are stated at the respective market values.

Sensitivity analysis of financial instruments

Considering the aforesaid financial instruments indexed to rates previously set in the contract, the Entity considers the opportunity cost due to a possible devaluation of the interest rate applied to the market, however it hedges itself from fluctuations inherent to the operation and adapts its fundraising to the projected cash flow, therefore being able to maintain fixed installments of scheduled disbursements that are in line with the applied strategy.

In order to analyze the sensitivity of short-term investments, Management adopted as a probable scenario the depreciation of 25% of the current Interbank Deposit Certificate (CDI), as follows:

United Way Brasil

Notes to financial statements
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			Base scenario	Adverse scenario	Remote scenario
	12/31/2022	Risk	14.25%	25%	50%
				10.69%	7.13%
Short-term investments classified as	5,279,219	CDI	752,289	80,419	53,638
marketable securities					

20.1 Estimated fair value

The book values included in the statement of financial position, when compared with the values potentially arising from their trading in an active market or, in their absence, with net present value adjusted based on the current interest rate in the market. During this year, the Entity did not engage in any transactions with derivatives.

20.2 Non-derivative financial instruments

All “non-derivative” financial assets (including assets designated at fair value through surplus or deficit) are initially recognized on the trading date on which the Entity becomes a party to the contractual provisions of the instrument.

CPC 38 – Financial Instruments: Recognition and Measurement sets out a three-level hierarchy for fair value, which prioritizes information when the Entity measures fair value in order to maximize the use of observable information and minimize the use of non-observable information. CPC 38 outlines three levels of information that must be used to measure fair value:

Level 1 – Prices traded (non-adjusted) in active markets for identical assets or liabilities;

Level 2 – Other information available, except that of Level 1, where traded (non-adjusted) prices for similar assets and liabilities in non-active markets or other information available and that can be used indirectly (derived from prices);

Level 3 – Information not available in connection with a minor or no market activity which are significant for definition of fair value of assets and liabilities.

Measuring the fair value of the Association’s financial instruments is classified as Level 2 (represented by short-term investments).

Due to the characteristics and form of operation and equity position at December 31, 2022, the Entity is subject to the following factors:

United Way Brasil

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Liquidity risk

Liquidity risk is the risk that the Entity will have difficulties in fulfilling the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Entity's approach to liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or at risk of damaging the Entity's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, have on the Entity's earnings, on the value of its holdings in financial instruments. These fluctuations in prices and fees can cause changes in the Entity's revenues and costs. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time optimize the return.

In relation to interest rates, aiming to mitigate this type of risk, the Entity centralizes its investments in operations with profitability rates that follow the variation of the CDI and fixed income funds.

21. Voluntary work

Revenues from voluntary work, when available, are measured at fair value, taking into account the amounts that the Entity would pay if it contracted these services in a similar market. As established in ITG2002 (R1) – Non-profit Entities, the Entity values revenues from voluntary work, including members of the management bodies. Revenues from voluntary work are recognized in the statement of surplus for the year as revenues in the operating income group as a contra-entry to operating expenses.

At December 31, 2022 and 2021, the Entity received voluntary work from members of the Management bodies, in the exercise of their administrative and financial functions, which would be equivalent to total fair value of R\$ 87,670 in 2022 and R\$ 95,500 in 2021.

22. Management fees

The Entity's charter provides for the non-compensation of members of the Entity's bodies, with the exception of compensation for the Managing Director. The Entity does not distribute amounts of equity or income for any purpose, and fully invests in the country the funds allocated to the maintenance of its activities.

23. Tax immunity

The Entity is non-profit, thus enjoying tax exemption, which ensures the non-payment/withholding of Corporate Income Tax (IRPJ), Social Contribution on Net Profit (CSLL), being subject however to the payment of the Social Contribution on Gross Revenue for the Social Security Program (PIS) based on payroll, of the Social Contribution on Gross Revenue for the Social Security Funding (COFINS) based on financial revenues earned, and contributions due to Social Security.

United Way Brasil

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23.1 Foregone tax revenues:

The Entity enjoys tax exemption, according to Law No. 9532, of December 10, 1997, which requires the maintenance of certain obligations, such as: (a) fully investing its funds in maintaining and developing its objectives; (b) keeping a complete bookkeeping of surplus and deficit with formalities that ensure the respective accuracy; (c) regularly preserving for a five-year period from the date of issue the documents that demonstrate the origin of surplus and deficit, as well as the performance of any other acts or operations that may change equity situation; (d) filing an annual income tax return, in accordance with the provisions of an act of the Brazilian IRS; and (e) other requirements determined by law.

In compliance with item 27, letter “c” of ITG 2002 (R1) – Non-profit Entity, following is the list of taxes subject to the tax subject matter of foregone tax revenues for the years ended December 31, 2022 and 2021. For such purpose, in our view, we considered the following taxes and contributions and respective rates, levied on revenue (5% ISS and 3.65% PIS/COFINS - cumulative regime deducted from PIS on payroll paid in the year); and levied on the surplus for the year (34% IRPJ and CSSL).

24. Accumulated surplus

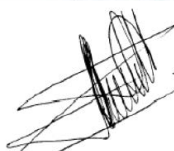
The accumulated surplus will be used in Entity-related activities and cannot be distributed in any form.

LUCIENE LOPES SANFILIPPO
Chairman of the Advisory Board

Maria Gabriella Bighetti Thomaz da Silva
Director

Rogério Gerlah Paganatto
Accountant

CRC 1SP131987/O-3



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CPF 129.306.908-60

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Assinaturas

✓ **Maria Gabriella Bighetti Thomaz da Silva**

CPF: 125.607.048-38

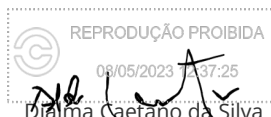
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Maria Gabriella Bighetti Thomaz da Silva

✓ **Djalma Caetano da Silva**

CPF: 139.726.798-40

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Djalma Caetano da Silva

✓ **LUCIENE LOPES SANFILIPPO**

CPF: 246.337.668-64

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LUCIENE LOPES SANFILIPPO

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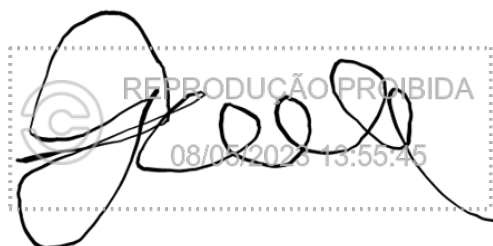
Anexos

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