



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL

CNPJ (TIN): 07.492.589/0001-31

BALANCE SHEET, DECEMBER 31

In Brazilian reais

ASSETS	Note	2021	2020
CURRENT ASSETS		<u>1,047,105.79</u>	<u>1,416,496.64</u>
CASH AND CASH EQUIVALENTS	4	<u>895,044.69</u>	<u>1,304,756.25</u>
UNRESTRICTED CASH			
Cash		312.99	456.61
Current account in banks		55,678.01	71,236.87
Immediate liquidity investments		738,520.03	1,154,858.66
RESTRICTED CASH			
Current account in banks		1.26	71,361.14
Immediate liquidity investments		100,532.40	6,842.97
CREDITS RECEIVABLE		<u>104,146.18</u>	<u>29,735.47</u>
UNRESTRICTED			
Amounts Receivable - Donations		95,513.19	25,490.02
Other Amounts Receivable		6,732.38	4,245.45
Vacation Pay Advance		1,090.91	-
Expenses, Following Year		809.70	-
INVENTORIES		<u>47,914.92</u>	<u>82,004.92</u>
EDUCATION ACTIVITY			
UNRESTRICTED			
Donated Products for Sale		1,076.52	1,076.52
Products For Sale		46,838.40	80,928.40
NON-CURRENT ASSETS		<u>731,077.11</u>	<u>763,007.30</u>
FIXED ASSETS	5	<u>731,077.11</u>	<u>763,007.30</u>
UNRESTRICTED		<u>681,679.40</u>	<u>705,542.92</u>
Fixed Assets		858,775.80	832,417.06
(-) Accumulated depreciation		(177,096.40)	(126,874.14)
RESTRICTED		<u>49,397.71</u>	<u>57,464.38</u>
Fixed Assets		152,285.10	145,863.10
(-) Accumulated depreciation		(102,887.39)	(88,398.72)
TOTAL ASSETS		<u>1,778,182.90</u>	<u>2,179,503.94</u>

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL

CNPJ (TIN): 07.492.589/0001-31

BALANCE SHEET, DECEMBER 31

In Brazilian reais

LIABILITIES

	Note	2021	2020
CURRENT LIABILITIES		<u>445,260.63</u>	<u>622,007.44</u>
UNRESTRICTED			
Suppliers		10,569.03	-
Social and Labor Liabilities/Obligations	6	100,836.10	66,699.80
Tax Liabilities/Obligations		19,768.50	16,052.95
Accrued Vacation Pay		109,422.90	106,897.24
Charges on Accrued Vacation Pay		37,203.85	8,551.80
Funds from Running Projects	7	7.94	7.94
Funds from Running Agreements	7	100,525.55	78,196.22
Donated Goods for Sale		1,076.52	1,076.52
Deferred Revenues - Running Agreements (depreciations)	'	33,484.26	28,173.58
Creditors - Fixed Assets	8	-	316,351.39
Other Amounts - Municipality of Porto Alegre		32,365.98	
NON-CURRENT LIABILITIES		<u>826,295.25</u>	<u>29,290.80</u>
Deferred Revenues - Running Agreements (depreciations)	5	15,913.45	29,290.80
Provision for Social Charges, Preliminary Injunction - Employer's INSS (Social Security) and PIS (Social Integration Program)		810,381.80	-
NET EQUITY	9	<u>506,627.02</u>	<u>1,528,205.70</u>
Equity		1,528,205.70	1,351,994.43
(Deficit) Surplus for the period		(1,021,578.68)	176,211.27
TOTAL LIABILITIES		<u>1,778,182.90</u>	<u>2,179,503.94</u>

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL

CNPJ (TIN): 07.492.589/0001-31

INCOME STATEMENT FOR THE PERIOD

In Brazilian reais

	2021	2020
REVENUES	<u>1.760.736,14</u>	<u>1.779.549,14</u>
OPERATING REVENUES - RESTRICTED	678.771,77	698.220,46
REVENUES FROM AGREEMENTS AND PROJECTS - note 7	663.358,94	682.735,00
Funcriança Agreement	511.990,48	605.133,07
FASC Agreement	151.368,46	77.601,93
REVENUES FROM AGREEMENTS AND PROJECTS - DEPRECIATIONS note 5	15.412,83	15.485,46
Funcriança Agreement - Depreciations	8.234,92	8.340,84
Funcriança Agreement - Depreciations	891,24	891,24
CMDCA Agreement - Depreciations	667,79	665,88
Institutional Development Project - Depreciation	3.884,88	3.884,88
Ministry of Sports Project - (Depreciations)	-	453,42
Public Notice CMDCA Agreement	1.734,00	1.249,20
OPERATING REVENUES - UNRESTRICTED	1.081.964,37	1.081.328,68
DONATIONS CONTRIBUTIONS - note 10	889.065,61	799.003,78
Donations from Individuals	37.504,01	24.722,48
Donations from Legal Entities	195.785,24	131.254,74
Donations from Legal Entities - Materials	5.350,70	1.643,12
MPOI and PAYPAL Donations - Sundry	250.425,66	124.883,44
Donations from Institutions/Foundations	400.000,00	500.000,00
Integral Development Index Donations	-	16.500,00
OTHER OPERATING REVENUES	182.404,82	279.152,29
Financial Revenues	48.001,75	29.204,44
Social Promotional Revenues - note 11	134.403,07	249.947,85
VOLUNTARY WORK	10.493,94	3.172,61

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL
CNPJ (TIN): 07.492.589/0001-31
INCOME STATEMENT FOR THE PERIOD

In Brazilian reais

	2021	2020
OPERATING EXPENSES	(2,782,314.82)	(1,603,337,87)
EXPENSES FROM AGREEMENTS/PROJECTS note 7	(663,358.94)	(682,735.00)
Funcrância Agreement	(511,990.48)	(605,133.07)
FASC Agreement	(151,368.46)	(77,601.93)
EXPENSES FROM AGREEMENTS/PROJECTS - DEPRECIATION note 5	(15,412.83)	(15,485.46)
Funcrância Agreement - Depreciations	(8,234.92)	(8,340.84)
Funcrância Agreement - Depreciations	(891.24)	(891.24)
CMDCA Agreement - Depreciations	(667.79)	(665.88)
Institutional Development Project - Depreciation	(3,884.88)	(3,884.88)
Ministry of Sports Project - (Depreciations)	-	(453.42)
Public Notice CMDCA Agreement	(1,734.00)	(1,249.20)
OPERATING EXPENSES - ADMINISTRATIVE	(2,093,049.11)	(901,944.80)
Personnel	(619,591.09)	(376,526.71)
Social Charges	(99,143.43)	(31,592.71)
Provision for Social Charges, Preliminary Injunction - Employer's INSS (Social Security) and PIS (Social Integration Program)	(810,381.80)	-
Accrued Vacation Pay	(2,525.66)	(47,735.24)
Social Charges on Accrued Vacation Pay	(28,652.05)	(3,818.84)
Utilities and Services	(68,684.51)	(33,763.35)
Fight Against COVID - note 11 - a	(158,108.28)	(111,692.78)
Outsourced Services	(82,062.02)	(38,875.93)
Maintenance and Housekeeping	(39,835.83)	(24,992.30)
Materials	(32,732.58)	(20,140.69)
Events	(30,925.46)	(12,016.89)
WBD 20 Years Book	(35,114.45)	(58,746.60)
General Expenses	(21,749.67)	(18,172.74)
Depreciation Expenses - note 5	(50,222.26)	(49,707.08)
Financial Expenses	(13,320.02)	(74,162.94)
VOLUNTARY WORK	(10,493.94)	(3,172.61)
SURPLUS OR DEFICIT FOR THE PERIOD	(1,021,578.68)	176,211.27

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL
CNPJ (TIN): 07.492.589/0001-31

STATEMENT OF CHANGES IN NET EQUITY
Balances at 01/01/2020 and Balances at 31/12/2021
In Brazilian reais

CHANGES	EQUITY	ACCUMULATED SURPLUS AND DEFICIT	NET EQUITY
BALANCES AT 01/01/2019	724,133.80	627,860.63	1,351,994.43
Surplus or (Deficit) for the period		176,211.27	176,211.27
Transfer to Equity	627,860.63	(627,860.63)	-
BALANCES AT 31/12/2020	1,351,994.43	176,211.27	1,528,205.70
Surplus or (Deficit) for the period		(1,021,578.68)	(1,021,578.68)
Transfer to Equity	176,211.27	(176,211.27)	-
BALANCES AT 31/12/2021	1,528,205.70	(1,021,578.68)	506,627.02

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL

CNPJ (TIN): 07.492.589/0001-31

CASH FLOW STATEMENT

INDIRECT METHOD

In Brazilian reais

	2021	2020
OPERATING ACTIVITIES		
(Deficit) Surplus for the period	(1,021,578.68)	176,211.27
(+) Depreciation and amortization	65,635.09	65,192.54
Adjusted surplus for the period	(955,943.59)	241,403.81
(Increase) Decrease in Employees Advances	(1,090.91)	-
(Increase) Decrease in Receivables – Donations	(70,023.17)	31,091.46
(Increase) Decrease in Other Receivables	(2,486.93)	(4,245.45)
(Increase) Decrease in Goods Inventory	34,090.00	(74,768.40)
(Increase) Decrease in Expenses for the Following Year	(809.70)	-
Increase (Decrease) in Suppliers	10,569.03	(2,099.87)
Increase (Decrease) in Social and Labor Liabilities/Obligations	34,136.30	(1,767.20)
Increase (Decrease) in Tax Liabilities/Obligations	3,715.55	171.67
Increase (Decrease) in Accrued Vacation Pay and Related Charges	31,177.71	51,554.08
Increase (Decrease) in Funds from Running Agreements	22,329.33	75,062.19
Increase (Decrease) in Creditors - Fixed Assets	(316,351.39)	62,289.18
Increase (Decrease) in Other Amounts – Municipality of Porto Alegre	32,365.98	-
Increase (Decrease) in Deferred Income - Running Agreements (depreciations)	(6,415.83)	(15,485.46)
Increase (Decrease) in Provision for Social Charges, Preliminary Injunction - Employer's INSS (Social Security) and PIS (Social Integration Program)	810,381.80	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(374,355.82)	363,206.01
INVESTMENT ACTIVITIES		
Fixed asset investments	(35,355.74)	(31,360.32)
NET CASH USED IN INVESTING ACTIVITIES	(35,355.74)	(31,360.32)
NET CHANGE IN CASH/CASH EQUIVALENTS	(409,711.56)	331,845.69
CASH AND CASH EQUIVALENTS BALANCE, BEGINNING OF THE YEAR	1,304,756.25	972,910.56
CASH AND CASH EQUIVALENTS BALANCE, END OF THE YEAR	895,044.69	1,304,756.25

(The accompanying notes to the Financial Statements are an integral part of this statement.)



STEPS - SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL
CNPJ (TIN): 07.492.589/0001-31

VALUE-ADDED STATEMENT
In Brazilian reais

	2021	2020
Revenues		
Revenues from Agreements/Projects	663,358.94	682,735.00
Revenues from Agreements/Projects (depreciations)	15.412.83	15,485.46
Total Revenues	678,771.77	698,220.46
Cost of Social Area Activities		
Administrative, Maintenance and General Expenses	400.470.80	353,628.29
Individuals and Legal Entities	82,062.02	38,875.934
Total Contracted Services	482,532.82	392,875.93
Gross Value Added	196,238.95	305,656.24
Withholdings		
Depreciation of Movable Assets	65,635.09	65,192.54
Total Depreciation	65,635.09	65,192.54
Net Added Value Produced	130,603.86	240,463.70
Added Value Received in Transfers		
Financial Revenues	48,001.75	33,994.92
Social Promotions	134,403.07	262,412.30
Cash/Material Donations	889,065.61	714,151.70
Total Transfer Revenues	1,071,470.43	1,078,156.07
Total Added Value to Distribute	1,202,074.29	1,318,619.77
Personnel	1,560,294.03	459,673.50
Agreement Expenses	663,358.94	682,735.00
Surplus/Deficit for the Year	(1,021,578.68)	215,850.76
Added Value Distribution	1,202,074.29	1,318,619.77

(The accompanying notes to the Financial Statements are an integral part of this statement.)



MANAGEMENT'S NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021 AND 2020
(Amounts stated in R\$)

NOTE 1. BUSINESS CONTEXT

STEPS – Sociedade Tênis, Educação e Participação Social (*Tennis, Education and Social Participation Charity*), founded on June 10, 2005, it is a non-profit, charitable and social assistance association governed by private law and operating for an indefinite term, with headquarters and jurisdiction in the Municipality of Porto Alegre at Rua Heitor Vieira, 68, Belém Novo, 91780-000, state of Rio Grande do Sul, holder of CNPJ (Corporate Taxpayer ID) No. 07.492.589/0001-31, declared as State Public Utility by Decree No. 1130, of 06/24/1946, Municipal Public Utility by Law No. 11,324, of 08/01/2012, and registered with the Municipal Council for the Rights of Children and Adolescents under No. 652. It is organized in accordance with the legislation in force in Brazil and governed by its bylaws, which in its art. 6 defines its purposes, as follows:

- I - to suggest, promote, advise and carry out actions, activities, projects and programs on a continuous basis, free of charge and related to the development and growth of children, adolescents, youth and the elderly in a situation of social vulnerability and personal risk;
- II - to establish a center for research, studies and development related to children, adolescents, youth and the elderly according to the specific legislation;
- III - promote and organize courses, workshops, displays and exhibitions to encourage alternatives to the development of adolescents, youth and the elderly for the labor world;
- IV - to educate children, adolescents, youth and the elderly for life and for work, engaging them in creative, productive and participatory leisure, enabling them as people and as citizens;
- V - to assist children, adolescents, youth and the elderly in social vulnerability and risk situations, offering them educational, professional, psychological, moral and civic guidance;
- VI - to provide social-educational assistance to children and adolescents in social vulnerability and risk situations, in an open regime, complementing the school period, grouping them according to their age, with sports and cultural activities
- VII - activities of orientation and promotion of integration into the labor market;
- VIII - promotion and integration of people with disabilities into the community life;
- IX - the social and professional development of adolescents and young people, as workers and citizens, respecting their peculiar condition as developing people.



STEPS – Sociedade Tênis, Educação e Participação Social's primary and main objective is to ensure that all services, programs, projects and social assistance benefits are free of charge, as per the first paragraph of Article 6 of its Bylaws.

The funds received by means of donations or through other means are fully invested in the entity's core activities.

The Projects and agreements that the entity developed for its target audience in 2020 are presented below:

Conselho Municipal dos Direitos da Criança e do Adolescente – CMDCA (Municipal Council for the Rights of Children and Adolescents):

The Promotion Agreement No. 020/2020, Resolutions Nos. 140/2019, 183/2019, 073/2020 and 163/2020 – CMDCA, which began in 2020 and continued in 2021, was signed with the Municipal Council for the Rights of Children and Adolescents in 2020. Since there was a delay in the approval and transfers under this Agreement, the institution had to use its own funds to defray the expenses provided for in such Agreement. In 2021, transfers were received in January, June, July, August and September.

The Promotion Agreement No. 009/2021, Resolutions Nos. 183/2019 and 204/2021 – CMDCA, which was signed with the Municipal Council for the Rights of Children and Adolescents in November 2021, will continue with transfers during 2022, and aims to promote the social inclusion of children and adolescents in vulnerability situations, using sports, education and culture as tools for empowerment, growth and social transformation, seeking to ensure equal opportunities for all and reduce inequalities, regardless of age, gender, ethnicity, religious belief, or socioeconomic status.

Fundação de Assistência Social e Cidadania – FASC (Social Assistance and Citizenship Foundation):

The main objective of the Collaboration Agreement No. 246/2017, signed between STEPS and the *Fundação de Assistência Social e Cidadania*, is the performance, on a mutual cooperation basis, of the Socialization and Bond Strengthening Service for children and adolescents between 6 and 14 years old, belonging to families in situations of social or personal vulnerability, eligible and/or beneficiaries of programs and benefits of the Single Registry for Social Programs of the Municipal and Federal Governments. The focus of the service is the creation of a space for socialization, education for participation and citizenship, development of protagonism and autonomy for children and adolescents, based on the interests, demands and potential of this age group. In 2020, due to the COVID-19 pandemic,



the Collaboration Agreement transfers were suspended, which enabled the realization of only part of the planned project.

NOTE 2. PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared and are being presented in accordance with the Brazilian Accounting Standards – NBC TG. They were prepared considering historical cost as the basis of value and adjusted to reflect the "assigned cost" of fixed assets and financial assets at their fair value against the surplus for the year.

The preparation of financial statements in accordance with the Brazilian Accounting Standards – NBC TG requires the use of certain critical accounting estimates and also the exercise of judgment by the Entity's Management in the process of applying accounting policies. The areas that require a higher level of judgment and are more complex, as well as those whose assumptions and estimates are significant for the financial statements, are disclosed in Note 3.

The Entity also follows the CFC Resolution No. 1409/12, which approved the ITG 2002 – Non-profit entity. This interpretation establishes specific criteria and procedures for evaluation, recognition of transactions and changes in equity, structuring of financial statements and the minimum information to be disclosed in the notes to the financial statements of non-profit entities.

NOTE 3. MAIN ACCOUNTING PRACTICES ADOPTED

- a) Adjustments to Present Value - a specific analysis was carried out, based on the Brazilian Accounting Standards – NBC TG, regarding the effects on adjustment to present value of asset and liability accounts arising from short-term operations, with no significant or relevant effect being determined, which is why the elements of short-term assets and liabilities were not recorded at present value.
- b) Recovery of Assets - an analysis on the recoverability of amounts recorded in fixed assets was carried out with the objective of verifying if there is any indication that an asset may have suffered significant devaluation. As a result of this analysis, no situations were identified that indicate that the assets are recorded in the books at a higher value than that which can be recovered through use or sale.
- c) Cash and cash equivalents – they represent cash on hand and demand deposits in a bank account, as well as funds that have the same characteristics of cash liquidity and immediate availability.



- d) Immediate Liquidity Investment - financial investments are stated at the original amounts invested, plus pro-rata earnings until the date of the financial statements.
- e) Fixed assets - they are stated at acquisition cost, combined with depreciation using the straight-line method, at the annual rates mentioned in note 5, which takes into account the assets' economic useful life.
- f) Rights and liabilities/obligations (current and non-current) - rights and liabilities/obligations are stated at their updated amounts on the balance sheet date, meeting the realization and/or liquidation criteria.
- g) Tax Liabilities and Social Contributions - they were calculated in accordance with the relevant and current legislation, comprising charges on the payroll ("INSS", "FGTS" (Government Severance Indemnity Fund for Employees) on the payroll), Income Tax Withheld at Source, PIS/COFINS (Employees' Profit Participation Program/Tax for Social Security Financing), CSSLL (Social Contribution on Net Income) and ISSQN (Services Tax) withheld on payments to third-party Legal Entities.
- h) Accrued Vacation Pay and Charges - these were calculated based on the rights acquired by employees up to the balance sheet date.
- i) Financial Instruments - they include cash and cash equivalents, financial investments, monthly installments receivable, loans to counterparties and other receivables, financing, as well as accounts payable and other debts.
- j) Deferred Income - it refers to the depreciation values of Fixed Assets acquired with funds from the CMDCA, FUNCRIANÇA and MINISTRY OF SPORTS Agreements to be depreciated.
- k) Activity operating revenues - they represent revenues from social promotions, among others, obtained through the work of volunteers and supporters of the STEPS – Sociedade Tênis, Educação e Participação Social's cause and serve to complement the funds needed to meet current expenses of the assistance performed and are recorded by the accrual basis, with the exception of revenues from spontaneous donations that are appropriated on the date of actual receipt.
- l) Activity operating expenses - they refer to expenses incurred with the entity's core activities, projects, personnel and administrative expenses, and are recorded on the accrual basis.
- m) Use of Estimates - when preparing the financial statements, it is necessary to use estimates to account for certain assets, liabilities and other transactions. Therefore, the Entity's financial statements include estimates referring to the necessary provisions for contingent liabilities and similar ones. Actual results may vary from estimates.
- n) Determination of Surplus or Deficit, Current and Non-Current Assets and Liabilities - the surplus or deficit, calculated on the accrual basis, includes income, charges and monetary variations calculated at official



indices or rates, levied on current and non-current assets and liabilities, as well as, when applicable, the effects of asset adjustments to market or realization value. The rights and liabilities/obligations were classified according to the realization or enforceability period provided for in the legislation.

NOTE 4. CASH AND CASH EQUIVALENTS

As determined by CFC Resolution No. 1296/10 (NBC TG 03) – Statement of Cash Flows and CFC Resolution No. 1376/11 (NBC TG 26 – R5) – Presentation of Financial Statements, the amounts recorded in this subgroup represent currency in cash and demand deposits in a bank account, as well as funds that have the same characteristics of cash liquidity and immediate availability and that are subject to an insignificant risk of change in value.

Cash and/or cash equivalent balances comprise the following amounts:

ACCOUNTS	2021 (R\$)	2020 (R\$)
UNRESTRICTED		
Cash	312.99	456.61
Current account in banks	55,678.01	71,236.87
Immediate liquidity investments	738,520.03	1,154,858.66
RESTRICTED		
Current account in banks	1.26	71,361.14
Immediate liquidity investments	100,532.40	6,842.97
TOTAL	895,044.69	1,304,756.25

NOTE 5. FIXED ASSETS

Fixed assets were accounted for at acquisition or construction cost, less depreciation for the period, resulting in the net book value.

The fixed assets, as of December 31, are represented as follows:

Item	2021			2020	
	RATES	COST	ACCUMULATED DEPRECIATION	NET VALUE	NET VALUE
UNRESTRICTED ASSETS					
Land **	-	320,000.00	-	320,000.00	320,000.00
Improvements	10%	341,459.05	(102,886.58)	238,572.47	272,718.35
Furniture and fixtures	10%	76,836.89	(41,143.33)	35,693.56	43,345.36
IT Equipment	20%	19,730.13	(14,745.78)	4,984.35	8,095.47
Equipment and Facilities	10%	61,135.50	(18,320.71)	42,814.79	37,969.51
Fixed Assets in Progress	-	39,614.23	-	39,614.23	23,414.23
Total		858,775.80	(177,096.40)	681,679.40	705,542.92



** Land - it refers to the acquisition of Possessory Rights, drawn up in a Public Deed of Assignment of Possessory Rights, number 062945, in Allotment Balneário Leblon, price for the transfer of possessory rights of R\$ 320,000.00 of which R\$ 120,000.00 is paid on the spot, remaining a balance of 200,000.00. In 2021, the outstanding balance was settled. The adverse possession process was filed with the real estate registry under number RI 668.410, Book A6, page 195 of the Real Estate Registry of the 3rd Zone. Once the public notice period was over, the document was registered, and thus the property passed permanently to STEPS.

Item			2021	2020	
	RATES	COST	ACCUMULATED DEPRECIATION	NET VALUE	NET VALUE
RESTRICTED ASSETS					
Furniture and fixtures - CDMCA	10%	2,269.73	(2,136.18)	133.55	360.47
IT Equipment - CDMCA	20%	19,762.01	(8,312.50)	11,449.51	4,186.51
Equipment and Facilities – CDMCA	20%	4,390.19	(4,390.19)	-	440.87
IT Equipment - FUNCRIANÇA	20%	10,425.30	(10,425.30)	-	-
Furniture and fixtures - FUNCRIANÇA	10%	89,745.92	(62,727.41)	27,018.51	37,795.51
IT Equipment - JOHN DEERE	20%	2,267.10	(2,267.10)	-	-
IT Equipment - INST. DEVELOPMENT PROJECT	20%	23,424.85	(12,628.71)	10,796.14	14,681.02
Total		152,285.10	(102,887.39)	49,397.71	57,464.38

<u>Net Value to Depreciate</u>	2021	2020
Short Term - Deferred Revenue	33,484.26	28,173.58
Long Term - Deferred Revenue	15,913.45	29,290.80
Total	49,397.71	57,464.38

Table of Changes in Fixed Assets:

Item	Balance at 12/31/2020	Additions	Write-off	Depreciation	Balance at 12/31/2021
UNRESTRICTED ASSETS					
Land **	320,000.00	-	-	-	320,000.00
Improvements	272,718.35	-	-	(34,145.88)	238,572.47
Furniture and fixtures	43,345.36	-	-	(7,651.80)	35,693.56
IT Equipment	8,095.47	-	-	(3,111.12)	4,984.35
Equipment and Facilities	37,969.51	10,158.74	-	(5,313.46)	42,814.79
Fixed Assets in Progress	23,414.23	16,200.00	-	-	39,614.23
Total	705,542.92	26,358.74	-	(50,222.26)	681,679.40

Item	Balance at 12/31/2020	Additions	Write-off	Depreciation	Balance at 12/31/2021
RESTRICTED ASSETS					
Furniture and fixtures - CDMCA	360.47	-	-	(226.92)	133.55
Equipment and Facilities - CDMCA	4,627.38	8,997.00	-	(2,174.87)	11,449.51
Furniture and fixtures - FUNCRIANÇA	37,795.51	-	(1,650.84)	(9,126.16)	27,018.51
IT Equipment - INST. DEVELOPMENT PROJECT	14,681.02	-	-	(3,884.88)	10,796.14



Total	57,464.38	8,997.00	(1,650.84)	(15,412.83)	49,397.71
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NOTE 6. SOCIAL AND LABOR LIABILITIES/OBLIGATIONS

This account comprises the balance payable for salaries and social liabilities/obligations, all of which settled in 2022 on their respective due dates, as shown in the table below:

ACCOUNTS	2021 (R\$)	2020 (R\$)
Salaries Payable	61,757.84	50,950.25
FGTS Payable	9,853.36	9,307.32
INSS Payable	29,224.90	6,442.23
Total	100,836.10	66,699.80

NOTE 7. FUNDS FROM RUNNING PROJECT AND AGREEMENTS

The Association's funds were used within its institutional purposes, in accordance with its Bylaws, stated by its expenses and equity investments.

Below we show the funds received in 2021:

Table of Use of Funds – Agreements

Description	Balance Realizable at 12/31/2020	Amounts Received	Net Income	Costing Expenses - Realized	Computers and Peripherals	Balance Realizable at 12/31/2021
CDMCA FUNCRIANÇA AGREEMENT	71,570.08	549,156.44	23.73	(511,990.48)	(8,997.00)	99,762.77
FASC AGREEMENT	6,626.14	145,292.92	212.18	(151,368.46)	-	762.78
	78,196.22	694,449.36	235.91	(663,358.94)	(8,997.00)	100,525.55

Table of Use of Funds – Projects

Description	Balance Realizable at 12/31/2020	Amounts Received	Net Income	PROJECT SURPLUS	Costing Expenses - Realized	Computers and Peripherals	Balance Realizable at 12/31/2021
MINISTRY OF SPORTS	7.94	-	-	-	-	-	7.94
Total	7.94	-	-	-	-	-	7.94



Description	Costing Expenses - Realized
Costing Expenses Realized in 2021 – Revenue from Agreements	663,358.94
Costing Expenses Realized in 2021 – Revenue from Projects	-
Total Recognized Revenue from Agreements and Projects	663,358.94

NOTE 8. CREDITORS – FIXED ASSETS

This account comprises the balance payable referring to the Public Deed of Assignment of Possessory Rights, number 062945 (land acquisition), adjusted by the IGPM as of June 30, 2015. On 06/08/2021, the balance was fully amortized.

NOTE 9. NET EQUITY

STEPS' Net Equity, in accordance with its Bylaws, consists of assets and values that may be added to this equity by:

I – allowances made by public entities, legal entities governed by private law or individuals, with the specific purpose of incorporating the assets;

II – and may be increased by allowances, subsidies, including social ones, legacies, values, revenues and others that it may receive, produce or acquire from individuals or legal entities, either public or private (art.76 of the Bylaws).

The Net Equity is presented in updated values and comprises the initial Net Equity, plus the amounts of the Surpluses and minus the Deficits that occurred.

There is no pending result/income, as the entity does not distribute results/income, in any form or pretext (CTN 14 and article 80 of the Bylaws).

The Association carries out cultural, educational, sports, assistance and social activities through its PROJECTS, managing public interests coordinated around an equity with a common and community purpose.

The Surplus for the period ended on December 31, 2020 in the amount of R\$ 176,211.27 (one hundred and seventy-six thousand, two hundred and eleven reals and twenty-seven cents) was incorporated into the Net Equity on 04/05/2021, according to the Minutes of the Ordinary General Meeting that approved the accounts.

The Deficit for the period ended on December 31, 2021 in the amount of R\$ 1,021,578.68 (one million, twenty-one thousand, five hundred seventy-eight reals and sixty-eight cents) is recorded in the account within Net Equity while it is not approved by the Members' Meeting, which after its approval will be incorporated into the Net Equity.

NOTE 10. DONATIONS AND CONTRIBUTIONS



Composition of donations received in 2021:

Description	R\$
DONATIONS FROM INDIVIDUALS, BANK ACCOUNT	37,504.01
DONATIONS PAYPAL X DOARE	250,425.66
DONATIONS – MATERIAL	5,350.70
DONATIONS FROM LEGAL ENTITIES, BANK ACCOUNT	195,785.24
“MISSÃO EM FOCO” – ITAÚ SOCIAL	400,000.00
TOTAL DONATIONS RECEIVED DURING 2021	889,065.61

In 2019, the Association was chosen as one of thirteen Brazilian institutions to join Fundação Itaú Social’s “Missão em Foco” (Mission in Focus) Program. The program aims to contribute to the organization’s institutional development and strengthening. Participation in the Program, which will run until 2023, in addition to systematic support in the management and technical areas, provides for an annual financial transfer to the Association. In 2021, the amount donated was R\$ 400,000.00. Another benefit of the program is annual access to a specialized service (hired by Fundação Itaú Social) chosen by the Association. This benefit has already enabled the creation of WimBelemDon’s Philanthropic Endowment Fund (Endowment) and the systematization of our KPI platform.

NOTE 11. OTHER OPERATING REVENUES

The continuity of the restrictions related to the coronavirus pandemic in 2021 made us keep on the Fight Against Covid campaign. The campaign (started in March 2020) aims to raise funds for the purchase of basic food items. In 2021, we received a total of R\$ 126,084.24 from the following institutions: BNP Paribas, Fundação Itaú Social, Montebravo, Instituto Stop Hunger and Fundo Luz Alliance (a partnership between Brazil Foundation and model Gisele Bündchen from Rio Grande do Sul). During the twelve months of the year, we deliver basic food baskets to the families of our students and other families in the territory, in partnership with “CRAS do Extremo Sul” (Social Assistance Reference Center of the South End) and public schools in the region.

In order to contribute to raising funds, the Association carried out a second delivery edition of Ué?!SOPA! (Soup delivery) which generated revenue of R\$ 57,764.00. In addition to this event, two other events contributed to the institution’s fundraising. The 2nd National Tambaqui Festival brought in revenue of R\$ 10,815.00, while Piscar 2021 raised R\$ 20,000.00.

Continuing with the actions that aim to increase economic sustainability and care for the environment, we received a donation of R\$ 15,400.00 from the law firm Rafael Pandolfo Advogados. The purpose of this donation was to purchase “Homebiogas” equipment (which transforms organic waste into cooking gas) and supplies for setting up an organic hydroponic garden. These actions are added to the rainwater



collection and use system (6,000 liters capacity), solar energy capture system (38 photovoltaic panels), indoor furniture made from certified wood and garden furniture made from reusing plastic shopping bags.

NOTE 12. LEGAL CONTINGENCIES

The entity currently has only one lawsuit as plaintiff, having already been granted the claim for concession of provisional relief, proposed by STEPS – Sociedade Tênis, Educação e Participação Social, through a lawsuit filed against the UNION – NATIONAL TREASURY with the following objective:

- a) declare the plaintiff's status as a charitable social assistance entity and recognize the inexistence of a legal-tax relationship that would oblige it to pay the employer's social security contribution and the PIS (Social Integration Program) levied on payroll by recognizing the immunity crystallized in article 195, § 7, of the Federal Constitution, in accordance with the statement of reasons;
- b) order the Union to refund the amounts unduly paid as employer's social security contribution and PIS on payroll, duly restated by the SELIC interest rate as of the five years prior to the filing of the lawsuit.

In August 2021, the 2nd Panel unanimously denied the entity's claims and, on 01/24/2022, the entity filed a Special and Extraordinary Appeal. The case is still pending trial and, according to the legal counsel's guidance, the entity started to pay the PIS and INSS amounts, as well as provisioned the last five years that were not paid.

The entity currently has no lawsuits as defendant.

NOTE 13. TAX IMMUNITY REQUIREMENTS

The only Complementary Law that brings requirements for the enjoyment of tax immunity is the National Tax Code (CTN).

Article 14 of the National Tax Code sets the requirements for the enjoyment of tax immunity, and its fulfillment can be proven by its bookkeeping (Financial Statements, Journal and General Ledger) in which we transcribe:

- a) they do not distribute any part of their assets or income, in any way;
- b) they fully use, in the country, their funds in the maintenance of their institutional objectives;
- c) they keep the accounting of their income and expenses in books with formalities that ensure their accuracy.

STEPS – Sociedade Tênis, Educação e Participação Social meets all the requirements listed above for the enjoyment of tax immunity.

NOTE 14. SUBSEQUENT EVENT – CORONAVIRUS PANDEMIC

Throughout the year 2021, we provided differentiated assistance/service to the students, due to the restrictions caused by the coronavirus pandemic. We went through individualized assistance, in small



groups, until we reached the larger groups. At no point in time were we able to repeat the pre-pandemic way of working. There is a great expectation that we will resume this format in 2022, thanks to the progress of vaccination and the reduction of the overall pandemic scenario. Even so, in view of the threat of new variants of the virus, care and concern are still maintained.

In the economic sphere, we have several factors that contribute to a scenario of uncertainty: the pandemic itself, the international instability resulting from the Russian invasion of Ukraine, and the great polarization that we will have in the upcoming October elections. If, on the one hand, these factors can hinder our fundraising process for next year, on the other hand, we have a certain tranquility thanks to the excellent work done in 2021, where we exceeded the mark of R\$ 1,900,000.00 raised through the Child and Adolescent Incentive Law. These funds will allow WimBelemDon to go through the year keeping its activities, growing its team and increasing the number of students assisted/served daily.

Porto Alegre, RS, December 31, 2021.

MARCELO RUSCHEL DA COSTA
SUPERINTENDENT
CPF (TIN): 395.723.310-00

EDUARDO CHAVES BORSA
CRCRS 56594
CHAVES-BORSA S/S LTDA.
CRC-RS No. 2564

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

To the
Managers of
STEPS – SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL
Porto Alegre, RS

Opinion

We have audited the financial statements of STEPS – SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL, which comprise the balance sheet as of December 31, 2021, and the related statements of income, changes in net equity and cash flows for the year then ended, as well as the related notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the equity and financial position of STEPS – SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL as of December 31, 2021, the performance of its operations and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are described in the following section entitled “Auditor's responsibilities for the financial statements’ audit”. We are independent of the Entity in accordance with the relevant ethical principles provided in the Accountant's Code of Professional Ethics and the professional standards issued by the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

As disclosed by the Entity through note 12 – Legal Contingencies, in January 2018, STEPS – SOCIEDADE TÊNIS, EDUCAÇÃO E PARTICIPAÇÃO SOCIAL obtained from the 13th Federal Court of Porto Alegre a provisional remedy, based on evidence, suspending the enforceability of the payment of the social contribution due to PIS on payroll and the employer social security contribution due by it. In August 2021, the 2nd Panel unanimously denied the Entity's claims and, following the guidance of its legal counsel, it started to pay the PIS and INSS amounts, as well as it provisioned the last five years that were not paid. On January 24, 2022, the Entity filed a Special and Extraordinary Appeal and the case is still pending trial.

This matter did not give rise to a change in our opinion on the financial statements.

Other matters

Value-Added Statement

The value-added statement (VAS) for the year ended December 31, 2021, prepared under the responsibility of the Entity's management and presented as supplementary information for IFRS purposes, has been submitted to audit procedures performed in conjunction with the audit of the Entity's financial statements. In forming our opinion, we assessed whether this statement is reconciled with the financial statements and accounting records, as applicable, and whether its form and content comply with the criteria defined in CFC Resolution No. 1138/08 – Value-Added Statement.

In our opinion, this Value-Added Statement has been properly prepared, in all material respects, in accordance with the criteria defined in this Resolution and is consistent with the financial statements taken as a whole.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control that it determined as 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, by disclosing, whenever applicable, matters related to its going concern and the use of this basis of accounting in the preparation of the financial statements.

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 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 will always detect any material misstatements that exist. Misstatements can arise from fraud or error and are considered material when, individually or jointly, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with Brazilian and international standards on auditing, we exercised professional judgment and maintained professional skepticism throughout the audit. Additionally:

- We obtained 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.
- We evaluated the adequacy of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

- We concluded on the adequacy of management's use of the going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We communicated with those responsible for management regarding, among other things, the planned scope, timing of the audit and audit findings, including any deficiencies in internal controls that we have identified during our work.

Eldorado do Sul, March 25, 2022.

Digitally signed by
ROBERTO CALDAS
BIANCHESSI:
38051745000
Data: 30/03/2022
09:03:28 - 03'00'

AudiLink & Co. Auditors
CRC-RS 003688/F-0
Roberto Caldas Bianchessi
Accountant CRC/RS 040078/O-7 S-RS