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Dara Institute

**Individual and Consolidated Financial
Statements**

31 December 2024
with Independent Auditor's Report

Dara Institute

Individual and consolidated financial statements

31 December 2024 and 2023

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Independent auditor's report on the financial statements

To the Management and Associates of
the **Dara Institute**
Rio de Janeiro - RJ

Opinion

We have examined the financial statements of the Dara Institute ("Institute"), comprising the statement of financial position at 31 December 2024 and the related statements of activities, comprehensive activities, changes in net assets and cash flows for the year to that date, as well as the corresponding explanatory notes, including relevant accounting policies and other explanatory information.

In our opinion, these financial statements represent properly, in all relevant respects, the financial position of the Dara Institute at 31 December 2024, its financial performance and cash flows for the year ended on that date, in accordance with accounting practices applicable to not-for-profit entities in Brazil (ITG 2002 (R1)).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities under these standards are described below in the section "Auditor's Responsibilities for the Audit of the Financial Statements". We are independent of the Institute, in accordance with the relevant ethical principles set out in the Professional Code of Ethics for Accountants and in the professional standards issued by Brazil's Federal Board of Accountancy (*Conselho Federal de Contabilidade*) 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 as the basis for our opinion.

Responsibilities of management and governance for the financial statements

Management is responsible for preparing and presenting the financial statements fairly in accordance with accounting practices applicable in Brazil to not-for-profit entities (ITG 2002 (R1)) and for such internal oversight as Management determines is necessary to enable financial statements to be prepared free from significant misstatement, whether from fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue operating and, where applicable, to disclose matters related to its continuing operating and to how this accounting basis was used in preparing the financial statements, except in the event Management intends to liquidate the Institute or cease its operations or has no realistic manner of preventing its ceasing operations.

It is the duty of those responsible for the Institute's governance to oversee the process of preparing the financial statements.

Auditor's responsibilities for audit of the financial statements

Our goals are to obtain reasonable assurance as to 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they may reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement in 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 acts to override internal controls, collusion, forgery, intentional omissions or misrepresentations.
- 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 Institute's internal control.
- 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 as to events or conditions that may cast significant doubt on the Institute's 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 the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner compatible with the aim of achieving proper presentation.



**Shape the future
with confidence**

We have communicated with those responsible for governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

Rio de Janeiro, 11 August 2025.

ERNST & YOUNG
Auditores Independentes S.S Ltda.
CRC SP-015199/F

[signature]

Andreia Moura A. Routman
Accountant CRC RJ-103790/O

Dara Institute

Statements of financial position
31 December 2024 and 2023
(in R\$ thousand)

	Note	Parent		Consolidated	
		2024	2023	2024	2023
Assets					
Current assets					
Cash and Cash Equivalents	3	2,649	3,957	2,649	3,957
Accounts Receivable	5	29	-	29	-
Securities and Investments	4	17,282	18,293	17,282	18,293
Advances		13	76	13	76
Taxes recoverable		89	84	89	84
Prepaid expenses		11	1	11	1
Total current assets		20,073	22,411	20,073	22,411
Non-current assets					
Securities and Investments	4	1,100	1,212	1,100	1,212
Court deposit	6	1,267	1,409	1,267	1,409
Property, plant and equipment	7	6,519	6,810	6,519	6,810
Total current assets		8,886	9,431	8,886	9,431
Total assets		28,959	31,842	28,959	31,842
Liabilities and equity					
Current liabilities					
Suppliers		49	189	49	189
Social contributions	8	1,023	1,054	1,023	1,054
Tax liabilities	9	75	133	75	133
Provisions for staff benefits		354	390	354	390
Liabilities from sponsored projects	10	1,344	2,607	1,344	2,607
Total current liabilities		2,845	4,373	2,845	4,373
Net assets					
Capital fund	12	27,469	26,880	27,469	26,880
Accumulated (deficit) surplus		(1,355)	589	(1,355)	589
Total net assets		26,114	27,469	26,114	27,469
Total liabilities and net assets		28,959	31,842	28,959	31,842

The explanatory notes are an integral part of the individual and consolidated financial statements.

Dara Institute

Statements of activities
Years ending 31 December 2024 and 2023
(in R\$ thousand)

	Nota	Parent		Consolidated	
		2024	2023	2024	2023
Operating revenues					
Revenue from care services		6,556	7,319	6,556	7,319
Revenue from volunteer work		434	545	434	545
	13	6,990	7,864	6,990	7,864
Costs					
Care service costs	14	(5,750)	(7,924)	(5,750)	(7,924)
Gross surplus (deficit)		1,240	(60)	1,240	(60)
Overhead and administrative costs	15	(2,876)	(1,783)	(2,876)	(1,783)
Care service costs	15	(1,042)	(684)	(1,042)	(684)
Other revenues and operating costs	15	183	-	183	-
Operating (deficit) surplus		(2,495)	(2,527)	(2,495)	(2,527)
Financial revenues	16	1,637	3,446	1,637	3,446
Financial costs	16	(497)	(330)	(497)	(330)
Fiscal year's (deficit) surplus		(1,355)	589	(1,355)	589

The explanatory notes are an integral part of the individual and consolidated financial statements.

Dara Institute

Comprehensive statements of activities
Years ending 31 December 2024 and 2023
(in R\$ thousand)

	Parent and Consolidated	
	2024	2023
Year's (deficit) surplus	(1,355)	589
Other comprehensive income	-	-
Total year's comprehensive income	(1,355)	589

The explanatory notes are an integral part of the individual and consolidated financial statements.

Dara Institute

Statements of changes in net assets
Years ending 31 December 2024 and 2023
(in R\$ thousand)

	Capital fund	Retained surplus or deficit	Total
Balance at 31 December 2022	25,714	1,166	26,880
Transfer from retained surplus	1,166	(1,166)	-
Year's surplus	-	589	589
Balance at 31 December 2023	26,880	589	27,469
Transfer from retained surplus	589	(589)	-
Year's deficit	-	(1,355)	(1,355)
Balance at 31 December 2024	27,469	(1,355)	26,114

The explanatory notes are an integral part of the individual and consolidated financial statements.

Dara Institute

Statements of cash flows Years ended 31 December 2024 and 2023 (in R\$ thousand)

	Parent		Consolidated	
	2024	2023	2024	2023
Cash flow from corporate activities				
Year's surplus	(1,355)	589	(1,355)	589
Unrealised financial income	1,123	(2,171)	1,123	(2,171)
Monetary restatement	(100)	-	(100)	-
Depreciation and amortisation	327	255	327	255
Prior year adjustment	-	6	-	6
(Increase) decrease in assets and increase (decrease) in liabilities				
Advances	63	(23)	63	(23)
Clients	(29)	-	(29)	-
Prepaid expenses	(10)	-	(10)	-
Taxes recoverable	(5)	-	(5)	-
Court deposits	242	(437)	242	(437)
Suppliers	(140)	49	(140)	49
Tax liabilities	(58)	(90)	(58)	(90)
Payroll charges	(68)	139	(68)	139
Liabilities to sponsored projects	(1,262)	(2,563)	(1,262)	(2,563)
Net cash from (used in) operating activities	(1,272)	(4,246)	(1,272)	(4,246)
Cash flow from investment activities				
Additions to property, plant and equipment and intangibles	(36)	(116)	(36)	(116)
Net cash from investment activities	(36)	(116)	(36)	(116)
Increase in cash and cash equivalents	(1,308)	(4,362)	(1,308)	(4,362)
Cash and cash equivalents at start of year	3,957	8,319	3,957	8,319
Cash and cash equivalents at end of year	2,649	3,957	2,649	3,957

The explanatory notes are an integral part of the individual and consolidated financial statements.

Dara Institute

Explanatory notes to the individual and consolidated financial statements
31 December 2024
(in R\$ thousand)

1. General Information

The *Instituto Saúde Criança Renascer* (Child Health Rebirth Institute) came to be called the *Instituto Dara* (Dara Institute) on 16 March 2021.

The Dara Institute ("Institute") is a not-for-profit, civil society organisation constituted on 25 October 1991 with no political or party affiliation, established and domiciled in Brazil, with offices in Rio de Janeiro, RJ. It works to promote human health and development through the social determinants of health and by implementing and spreading an integrated approach to combating poverty, fostering families' self-sustainability and autonomy, the Family Action Plan (PAF), which is a social methodology consisting in the participatory creation of integrated targets and actions.

To achieve its goals, the Institute is organised into the following areas:

Health – it promotes integral health as a dynamic state of full physical, mental, spiritual and social wellbeing, on the assertion that health is more than the absence of disease.

Citizenship – it offers guidance to beneficiaries on their civil, social and political rights, as well as their duties as citizens.

Housing – it offers guidance to beneficiaries on decent, safe, comfortable, healthy and structured housing.

Education – it offers support to beneficiaries in securing their rights afforded by Brazil's National Education Policy (PNE) and guidance towards civic education to build autonomy.

Income Generation – it identifies capabilities and fosters the development of skills and behaviour to enable beneficiaries to generate income through new job opportunities and increased employability or to invest in entrepreneurship focused on the creative economy.

The Institute is maintained by donations from individuals and legal entities earmarked for causes or projects with specific purposes or for service provision, intended, among other things, to assist persons in conditions of social vulnerability.

The Institute is exempt from income tax and social contributions under Article 15 of Law No. 9.532/97, which stipulates that entitlement to exemption requires the Institute meet the following cumulative conditions. It shall:

- (a) not remunerate its managers, in any way, for services rendered;
- (b) apply its funds wholly to maintaining and developing its social purposes;

Dara Institute

Explanatory notes to the individual and consolidated financial statements – Continued
31 December 2024
(in R\$ thousand)

1. General information – Continued

- (c) maintain complete accounting records of its revenues and expenditures in bookkeeping to such formal standards as assure their proper accuracy;
- (d) keep in good order, for a period of five years from date of issue, any documents proving the origin of its revenues and execution of its expenditures, as well as any other actions or transactions as may change its equity position; and
- (e) submit a yearly income tax declaration.

The Institute gained exemption from Social Integration Programme (PIS) tax, a 1% rate on monthly payroll. That exemption took effect after ORDINARY/TAX case No. 0059775-49.2015.4.02.5101 (2015.51.01.059775-0) was adjudged on 06 November 2015, by the 7th Federal Court of Rio de Janeiro, which declared that the tax relation between the Institute and the Union regarding taxation under Article 13, III, of Provisional Order No. 2.158-35/2001 did not exist. A certificate of res judicata was issued in August 2017.

2. Summary of main accounting policies

The main accounting principles applied in preparing these financial statements are specified below. These policies were applied consistently to the fiscal years examined, except when indicated otherwise.

2.1. Base for preparation and presentation

The Institute's individual and consolidated financial statements for the fiscal year ended on 31 December 2024 were prepared and are presented in accordance with accounting practices applied in Brazil, which include the Pronouncements, Guidelines and Interpretations issued by Brazil's Accounting Standards Committee (*Comitê de Pronunciamentos Contábeis*, CPC) and in the provisions applicable to not-for-profit entities issued by the Federal Board of Accountancy (*Conselho Federal de Contabilidade*, CFC), especially ITG 2002 (R1) - Not-for-profit entities.

Preparation of individual and consolidated financial statements in accordance with the above standards requires that Management of the Dara Institute use certain accounting estimates and also exercise judgement in the process of applying accounting principles, although there are no excessively complex areas or situations requiring inordinate levels of judgement or estimates of significance to the financial statements.

The Dara Institute's individual and consolidated financial statements for the fiscal year ended on 31 December 2024 were authorised for release by the Management on 11 August 2025.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.2. Consolidation

The Institute has an exclusive fund and, accordingly, presented consolidated financial statements that include consolidation of that fund. The institute has no controlled entities.

2.3. Functional currency and presentation currency

The financial statements are presented in reals, which is the Institute's functional currency and also its presentation currency.

2.4. Cash and cash equivalents

These comprise cash in hand and bank deposits, stated at cost, and short-term, highly-liquid financial applications with low exposure to change in value, stated at cost plus yields returned at date of statement, with a counterpart entry in income for the fiscal year.

2.5. Financial assets

2.5.1. Classification

The Dara Institute classifies its financial assets, at initial recognition, into the following categories: measured at fair value by surplus or deficit.

a) Financial assets at fair value by surplus or deficit

Financial assets at fair value by surplus or deficit are financial assets maintained for trading. A financial asset is classified in this category if it was acquired primarily for short-term sale. Assets in this category are classified as current and non-current assets and are represented as Cash and cash equivalents and Securities.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.5. Financial assets--Continued

2.5.2. Recognition and measurement

Financial asset purchases and sales are normally recognised at date of trading. investments are initially recognised at fair value, plus transaction costs for all financial assets not classified at fair value by surplus or deficit. Financial assets at fair value by surplus or deficit are initially recognised at fair value, and transaction costs are charged to the statement of activities. Financial assets are written off when the rights to receive cash flows have expired or been transferred; in the latter case, providing the Institute has transferred significantly all the risks and benefits of ownership. Financial assets measured at fair value by surplus or deficit are subsequently recorded at fair value.

Surplus or deficit resulting from variations in fair value of financial assets measured at fair value by surplus or deficit are presented in the statement of activities under "Financial income, net" in the fiscal year in which they occur.

Dividends from financial assets measured at fair value by surplus or deficit are recognised in the statement of activities as part of "Financial income, net", when the Institute's right to receive dividends is established.

Fair values of publicly-traded investments are based on current purchase prices. If the market for a financial asset (or unlisted security) is inactive, the Institute establishes a fair value by valuation techniques. These techniques include the use of recent operations with third parties, referral to other substantially similar instruments, discounted cash flow analysis and options pricing models that make most possible use of information from the market and rely least on information from the Institute's Management itself.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.5. Financial assets--Continued

2.5.3. Financial asset impairment

a) Assets measured at amortised cost

At the date of each financial statement, the Institute assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of assets is impaired, and losses from impairment are incurred, only if there is objective evidence of impairment resulting from one or more events subsequent to the initial recognition of the assets (a "loss event") and if that loss event (or events) has an impact on estimated future cash flows from the financial asset or group of financial assets that can be reliably estimated.

The amount of impairment loss is measured as the difference between the assets' accounting value and the current amount of estimated future cash flows (excluding future credit losses not yet incurred) discounted at the original effective interest rate on the financial assets. The asset's accounting value is reduced and the value of the loss is recognised in the Institute's statement of activities.

2.5.4. Derivative financial instruments

There were no operations with derivatives during the 2024 and 2023 fiscal years.

2.6. Investment properties

Investment properties are initially measured at cost, including transaction costs. Their accounting value includes the replacement cost of a part of an investment property existing at the time the cost was incurred, if the recognition criteria were met, excluding the daily service costs of the investment property. After initial recognition, investment properties are presented at historical cost less provision for depreciation and, when applicable, for deficit from loss in recoverable value, although with additional disclosure of their fair value as reflects market conditions at the reporting date.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.6. Investment properties--Continued

Investment properties are written off when sold (that is, on the date the recipient gains control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the asset's accounting value is recognised in the statement of activities for the fiscal year of the write-off. In determining the amount arising from derecognition of the investment property, the Institute evaluates the effects of variable consideration, the existence of a significant financing component, non-cash consideration and consideration payable to the purchaser (where applicable).

Transfers are made to the investment property account, or from that account, only when there is some change in use. If an owner-occupied property becomes an investment property, the Institute records that property, in accordance with the policy described in the Property, Plant and Equipment item, by the date of change in use.

2.7. Property, Plant and Equipment

Property, plant, and equipment items are stated at historical acquisition cost less depreciation and any accumulated non-recoverable loss. Historical cost includes directly attributable expenses necessary to prepare the asset for the use intended by Management.

Depreciation is calculated by the straight-line method based on the assets' estimated useful lives.

2.8. Intangibles

Software

Software licences are capitalised on the basis of the costs incurred in acquiring the software and readying it for use, the same criterion being applied to software developed to order for the Institute. These costs are amortised over the software's estimated useful life. Software maintenance costs are recognised as expenses, as they are incurred.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.9. Current and non-current provisions and liabilities

A provision is recognised on the statement of financial position when the Institute has a legal obligation or one constituted as a result of a past event and it is likely that an economic resource will be required to meet that obligation. Provisions are recorded on the basis of the best estimates of the risk involved.

Current and non-current liabilities are stated at their known or calculable values plus, when applicable, the corresponding charges and monetary variations incurred up to the date of the statement of financial position.

2.10. Obligations from sponsored projects

Contributions from sponsors (agreements) to the Institute's projects are recorded in cash and cash equivalents with a counterpart entry in the liabilities account; the income is recognised when the obligation agreed in the agreement is fulfilled, with a counterpart entry in the income from sponsored projects account. This policy is applied because the Institute's Management has a contractual obligation to comply with rules on using donations, as well as the obligation to render accounts, which are examined and submitted to the sponsors' approval.

In this way, expenses and costs incurred in sponsors' projects administered by the Institute are recognised to the same extent as the income, so that at the end of the fiscal year, these revenues and expenditures do not affect the Institute's financial situation in that fiscal year.

2.11. Determination of the fiscal year's surplus (deficit) and recognition of donation revenues

Fiscal year surplus (deficit) is determined on an accrual basis.

Revenues from donations and voluntary third-party contributions originate from donations by physical and legal persons and are recorded when received and are applied to projects and social programmes run by the Institute.

The Institute recognises revenue when: (i) the amount of revenue can be measured with certainty; (ii) it is likely that future economic benefits will flow to the Institute and (iii) when specific criteria for each of the Institute's activities are met, as described below.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.11. Determination of fiscal year surplus and recognition of donation revenues--Continued

a) Earmarked donations and agreements

Donations earmarked for projects are recorded on receipt as liabilities (to Liabilities from sponsored projects) and are appropriated into income on monthly straight-line bases as the funds are applied in accordance with the rules stipulated by the donor/sponsor.

b) Financial revenues

Financial revenues comprise basically interest revenues from financial investments. Financial revenue is recognised using the effective interest rate method.

c) Gratuities

Federal Board of Accounting (*Conselho Federal de Contabilidade*, CFC) Interpretation - ITG 2002 (R1) determines that benefits granted as gratuities – such as volunteer work – be measured and recognised for accounting purposes.

- (i) The Institute's management measures the value of volunteer work on the basis of available market values charged by the Institute for similar services. The amount determined in the 2024 fiscal year was R\$434 (R\$544 in 2023).

None of the above amounts represented a corresponding cash disbursement, but they were recognised, in 2024, as revenue and expense/cost in the surplus (deficit) statement, in equal amounts, thus generating no impact on the year's surplus (deficit).

2.12. Taxes and contributions

The Institute is exempt from paying Income Tax, Social Health Contribution Tax (*Contribuição Social para a Saúde*, CSS), Social Security Funding Contribution (*Contribuição para Financiamento da Seguridade Social*, COFINS) and Social Integration Programme Tax (*Programa de Integração Social*, PIS).

2.13. Cash-flow statement

The cash-flow statement was prepared by the indirect method.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

2. Summary of main accounting policies--Continued

2.14. Changes in main accounting policies

The institute has accompanied updates to accounting standards applied to its sector and maintains a permanent review process to ensure its standards are in compliance.

The updates have not affected the financial statements for the fiscal year reported here.

2.15. Adjustments to comparative 2023 balances

In the process of preparing the financial statements for 2024, minor divergences were identified between the comparative balances originally presented for 2023 and the final balances determined in the trial balance for that fiscal year.

The adjustments involved reclassifications and occasional corrections, with individual impacts of less than R\$6,000 and no material effect on the Institute's financial position or statement of activities. The statements for 2023 have been updated exclusively for purposes of comparison with a view to greater consistency in the final accounting records.

3. Cash and cash equivalents

	Parent		Consolidated	
	2024	2023	2024	2023
Cash	1	2	1	2
Banks	134	23	134	25
Financial investments	2,514	3,930	2,514	3,930
Total	2,649	3,957	2,649	3,957

High-liquidity short-term financial investments are readily convertible into a known amount of cash and are subject to insignificant risk of change in value. The Institute has financial investments in fixed-income investment funds that yield on the basis of the Selic rate and Bank Deposit Certificates (*Certificados de Depósito Bancários*, CDBs) at 100% of the Interbank Deposit (DI) rate.

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Explanatory notes to the individual and consolidated financial statements--Continued

31 December 2024

(in R\$ thousand)

4. Securities

	Parent		Consolidated	
	2024	2023	2024	2023
Saúde Criança FIM (i)				
Fund assets	18,382	19,505	18,382	19,505
	18,382	19,505	18,382	19,505
Short term	17,282	18,293	17,282	18,293
Long term	1,100	1,212	1,100	1,212
	Liquidity		Amount	%
Immediate			17,282	94.02%
Over 90 days			1,100	5.98%
Total			18,382	100%

(i) The Multimarket Investment Fund (*Saúde Criança Fundo de Investimento Multimercado*, FIM) is an exclusive investment by the Institute and forms part of the Rebirth Forever (*Renascer para Sempre*) project, whose long-term policy goal is to strengthen the Institute's asset sustainability and assure the minimum financial stability necessary to good institutional performance without depending on inconstant donations. The fund portfolio includes products with differing redemption times and liquidity is conditional on cash availability, the fund quotas are measured at fair value. Profitability in the 2024 fiscal year was 4.59% (12.52% in 2023).

5. Receivables

	Parent and Consolidated	
	2024	2023
Clients	29	-
Total	29	-

6. Court deposit

	Parent		Consolidated	
	2024	2023	2024	2023
Court deposits	1,267	1,167	1,267	1,167
Out-of-court settlements (*)	-	242	-	242
Total	1,267	1,409	1,267	1,409

(*) Amount relating to out-of-court settlement with Rey and Alpha pharmacists, received in 2024.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued

31 December 2024

(in R\$ thousand)

6. Court deposit--Continued

The Institute brought civil suit No. 0215732-72.2017.4.02.5101 before the 10th Federal Court of Rio de Janeiro, against the Federal Union, in order to obtain recognition of its entitlement to the tax exemption provided for in Article 150, VI, "c" of CF/88, given that the requirements of complementary law had been met, in this case Article 14 of the National Tax Code (*Código Tributário Nacional*, CTN), which would enable the Institute to enjoy exemption from the employer's quota of social security (INSS) contributions. That exemption was withdrawn by denial of the application to renew the Institute's Social Assistance Beneficent Entities Certificate (*Certificado de Entidades Benéficas de Assistência Social – MDS, CEBAS*), with effect on publication in the federal official gazette (*Diário Oficial da União*, D.O.U.) of Opinion 047479/2017 in Order No. 185/2017 on 06 November 2017. Since July 2019, following guidance from its legal advisors, the Institute has deposited the amount from which it would be exempt and awaits a court decision as to the amounts backdated and recorded in court deposits. The deposits are updated monthly by the Selic rate.

On 19 January 2024, in an order published in the D.O.U, the Institute was authorised to enjoy the above exemption, valid for three years from the date of publication.

7. Property, plant, and equipment

	Annual rate of Depreciation	Parent and Consolidated		
		2024		
		Cost	Accumulated depreciation	Net
Buildings	2.52%	8,344	(2,463)	5,881
Fixtures	10%	713	(294)	419
Machinery and equipment	10%	319	(304)	15
Furniture and appliances	10%	106	(18)	88
Vehicles	20%	45	(45)	-
ICT equipment	20%	295	(179)	116
		9,822	(3,303)	6,519

	Annual rate of Depreciation	2023		
		Cost	Accumulated depreciation	Net
Buildings	2.52%	8,344	(2,252)	6,092
Fixtures	10%	713	(235)	478
Machinery and equipment	10%	317	(300)	17
Furniture and appliances	10%	99	(7)	92
Vehicles	20%	44	(38)	6
ICT equipment	20%	295	(179)	116
		9,785	(2,975)	6,810

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued

31 December 2024

(in R\$ thousand)

7. Property, plant and equipment--Continued

	Annual rate of Depreciation	Parent and Consolidated			
		2023	Additions	Depreciations	2024
Buildings	2.52%	6,092	-	(211)	5,881
Fixtures	10%	478	-	(59)	419
Machinery and equipment	10%	17	2	(4)	15
Furniture and appliances	10%	92	7	(11)	88
Vehicles	20%	6	-	(6)	-
ICT equipment	20%	125	27	(36)	116
		6.810	36	(327)	6.519

	Annual rate of Depreciation	Parent and Consolidated				
		2022	Additions	Depreciations	Transfers	2023
Buildings	2.52%	6,260	-	(168)	-	6,092
Fixtures	10%	34	-	(43)	487	478
Machinery and equipment	10%	17	4	(4)	-	17
Furniture and appliances	10%	37	61	(6)	-	92
Vehicles	20%	15	-	(9)	-	6
ICT equipment	20%	111	39	(25)	-	125
Property, plant and equipment in progress	-	475	12	-	(487)	-
		6,949	116	(255)	-	6,810

8. Social and labour charges

Social and labour charges are payroll liabilities, which are withheld and paid in on their due date.

	Parent		Consolidated	
	2024	2023	2024	2023
INSS	990	1.025	990	1.025
FGTS	33	29	33	29
Total	1.023	1.054	1.023	1.054

9. Tax liabilities

Taxes payable on third-party services, such as income tax, social contributions and service tax, are recorded in this group.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
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9. Tax liabilities--Continued

	Parent and Consolidated	
	2024	2023
Income tax	52	45
Social contributions	-	69
Service tax	23	19
Total	75	133

10. Funding for projects in progress

These liabilities represent funds already received, partly or wholly, in connection with projects to be executed. They are written down from liabilities monthly with a counterpart entry in the project revenues account to the extent they are applied to execution of the projects. Composition by project is as follows:

	2023	Additions	Write-downs	2024
SC Johnson (i)	98	428	(526)	-
TJRJ (ii)	256	217	(473)	-
Silicon Valley (iii)	2.253	-	(2.253)	-
Daras Afro-Brazilian culture (iv)	-	538	-	538
Arteiras (v)	-	606	-	606
Conectadas (vi)	-	200	-	200
	2.607	1.989	(3.252)	1.344

(i) SC Johnson: by way of play activities that use art and the act of playing, this project is designed to identify mental health challenges that impair development of the Institute's child public and to contribute to mental health promotion by play and socialisation. The children's families receive care from the team of social assistants and thence the psychologists are able to lay out a precise diagnosis combining information from project sessions and family structure data.

(ii) TJRJ: this project consists in cooperation between the parties to develop integrated strategies and action to improve the socioeconomic conditions of families in situations of social vulnerability served by the Rio de Janeiro State Court of Justice.

The targets of this partnership, as framed by the stages and phases set out in the work plan execution schedule, are:

- (a) Diagnosis and engagement;
- (b) Team capacity-building;
- (c) Oversight and monitoring of implementation;
- (d) Evaluation of outcomes;
- (e) Administration by the Dara Institute.

(iii) Silicon Valley Community Foundation (SVCF): this funding was received with a view to strengthening the common good, improving the quality of life of the most vulnerable and solving the most challenging problems.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
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10. Funding for projects in progress--Continued

- (iv) Daras - Cultura Afro-Brasileira (Daras Afro-Brazilian Culture): activities run by the Dara Institute with an emphasis on cultural actions, free of charge, directed preferentially to the 50-60 black and mixed-race women in situations of social vulnerability, with a view to initiating a process of discovery and strengthening of their identity. The process takes place by way of culture workshops and talks addressing Afro-Brazilian culture and directed to placement in the work market and creative economy, culminating in a Festival/Exhibition, where the products crafted during the workshops are on show and for sale.
- (v) Arteiras (Artful): capacity-building in art for 60 women with a history of social vulnerability, by way of art-therapy workshops, conversation groups and individual care. Main output: workshop; secondary output: festival.
- (vi) Conectadas (Connected): designed to build capacity and empower 40 women in situations of social vulnerability in Rio de Janeiro by the art of photography, so as to promote both personal expression and professional development. Main output: workshop/course; secondary output: exhibition.

11. Contingencies

On the opinion of its legal advisors, the Institute's Management concluded that no litigation or grievances with likely or possible outcomes unfavourable to the Institute existed at 31 December 2024, as at December 2023, or any other circumstance requiring the recognition of provisions.

12. Capital fund

This represents the assets from the founders' initial funding, plus (minus) any surpluses (deficits) identified since the date it was constituted.

A deficit in the amount of R\$1,355 relating to fiscal year 2024 was incorporated into the net assets in the following fiscal year, at the Regular General Assembly (RGA) on 24 March 2025, after approval by the Audit Committee, in accordance with the Articles of Association.

Audit Committee approval for the incorporation of a surplus in the amount of R\$589 originating in fiscal year 2023, in accordance with the Articles of Association, occurred at the RGA of 25 March 2024. Also, revenue generated by the Dara Institute is applied wholly to its social objectives, as mentioned in Note 1.

In the event the Institute be extinguished, which shall occur only with the approval of two thirds of members of the General Assembly, its assets shall be transferred to another not-for-profit institute of a similar nature, registered with the National Social Assistance Council (*Conselho Nacional de Assistência Social*, CNAS), and with the approval of the Public Prosecutor's Office (*Ministério Público*).

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued

31 December 2024

(in R\$ thousand)

13. Revenue

The Institute runs care programmes to serve the community. The expenses and expenditures relating to these projects for the 2024 and 2023 fiscal years, as well as the revenue base, are stated as follows:

	Parent and Consolidated	
	2024	2023
Revenue from donations		
Revenue from donations (physical persons)	640	768
Revenue from donations (legal person)	4.909	4.961
Revenue from consultancy	218	240
Revenue from volunteer work	434	545
	6.201	6.514
Revenue from donations to programmes and projects		
SC Johnson	526	102
Queen Silvia's Foundation	-	155
TJRJ	263	242
United States Consulate	-	3
Cultural Incentive Law - ISS	-	363
Santander	-	200
Silicon Valley Community Foundation	-	0
Criança Esperança	-	81
Instituto PHI	-	202
Total revenue from sponsored projects	789	1.348
Other revenue	-	2
Total operating revenue	6.990	7.864

14. Cost of care

	Parent and Consolidated	
	2024	2023
Care staff costs	(3.291)	(3.395)
Care staff benefit charges	(1.032)	(2.057)
Public service and occupational care costs	(33)	(51)
Medicines for families	(271)	(506)
Special milks for families	(19)	(17)
Meals for families	(18)	(207)
Medical instruments and supplies for families	(65)	(21)
Internet for families	-	(2)
Donations of work tools to families	-	(8)
Courses and training for families	(46)	(125)
Housing – maintenance, repairs and rent for families	(242)	(383)
Travel for families	(47)	(156)
Donations to families	(31)	(60)
General costs of care	(219)	(157)
Professional care services	(364)	(623)
Material for courses for families	(36)	(101)
Medical examinations for families	(13)	(36)
Care-related communication costs	(23)	(19)
Care costs	(5.750)	(7.924)

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
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15. Overhead and administrative costs and others

	Parent and Consolidated	
	2024	2023
Payroll	(1.171)	(693)
Overhead and administrative costs	(1.701)	(1.078)
Volunteer work costs	(4)	(12)
	(2.876)	(1.783)
Costs of services rendered		
Other operating revenues and costs	(1.042)	(684)
	183	-
	(3.735)	(2.467)

16. Net financial income

	Parent and Consolidated	
	2024	2023
Financial revenues		
Financial investments	187	657
Capital fund	1.336	2.268
Other revenues	114	521
	1.637	3.446
Financial costs		
Tax on financial investments	-	(163)
Bank costs	(21)	-
Interest and fines	(16)	-
Other costs	(13)	(73)
Deficit from multimarket investment fund	(447)	(94)
	(497)	(330)
Total	1.140	3.116

17. Financial instruments

The Institute is exposed to the following risks from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
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17. Financial instruments--Continued

The information below gives the Institute's exposure to each of the risks mentioned, the Institute's goals, policies and processes for measuring and managing risk and managing the Institute's capital. Additional quantitative disclosures are included in the course of these accounting statements.

Risk management structure

Management is responsible for developing and monitoring the Dara Institute's risk management.

The Institute's risk management policies were established to identify and analyse the risks the Institute is exposed to, set risk limits and appropriate controls and monitor risks and failure to comply with the limits set. The risk policies and systems are reviewed regularly to reflect changes in market conditions and in the Institute's activities.

Management supervises and monitors compliance with the Institute's risk policies and procedures and reviews the established risk structure.

	2024		2024	
	Parent		Consolidated	
	Accounting value	Fair value	Accounting value	Fair value
Assets measured at fair value by surplus or deficit				
Cash and cash equivalents	2.649	2.649	2.649	2.649
Securities	18.382	18.382	18.382	18.382
Assets measured at fair value by surplus or deficit				
Suppliers	49	49	49	49
Liabilities from sponsored projects	1.344	1.344	1.344	1.344
	2023		2023	
	Parent		Consolidated	
	Accounting value	Fair value	Accounting value	Fair value
Assets measured at fair value by surplus or deficit				
Cash and cash equivalents	3.957	3.957	3.957	3.957
Securities	19.505	19.505	19.505	19.505
Assets measured at fair value by surplus or deficit				
Suppliers	189	189	189	189
Liabilities from sponsored projects	2.607	2.607	2.607	2.607

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
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17. Financial instruments--Continued

Hierarchical fair value

There are three types of level for classifying fair value of financial instruments; the hierarchy prioritises unadjusted prices quoted for the financial asset or liability on the active market. The hierarchical levels classification can be described as follows:

- Level 1 – Data originating from the active market data (unadjusted quoted price), which can be accessed daily, including on the date fair value is measured.
- Level 2 – Data extracted from a pricing model based on observable market data.
- Level 3 - Data extracted from a pricing model based on non-observable market data.

At 31 December 2024 and 2023 classification by hierarchical level returned level 2. We stress that no financial instruments classified as Levels 1 and 3 were observed during the period of analysis nor did transfers between levels occur in that same period.

Credit risk

Credit risk is the risk of financial loss to the Institute in the event a counterpart in a financial instrument fail to meet their contractual obligations. Historically, the Institute has suffered no significant losses from non-performance of financial obligations.

Credit risk results from cash and cash equivalents, such as bank deposits and financial investments. These risks are minimised by using leading banks. Individual risk limits are determined on the basis of decisions by the Board.

Liquidity risk

Liquidity risk is the risk the Institute will find it difficult to meet such obligations associated with its financial liabilities as are settled with cash payments or some other financial asset. The Institute's approach to managing liquidity is to guarantee, as far as possible, that there is always enough liquidity to meet its obligations at maturity, under normal and stress conditions, without causing unacceptable losses.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
31 December 2024
(in R\$ thousand)

17. Financial instruments--Continued

Market risk

Market risk is the risk entailed for the Institute's surpluses and deficits by changes in market prices, such as exchange or interest rates. The goal of market risk management is to manage and control exposure to market risks within acceptable parameters and at the same time improve returns.

The Institute is exposed to floating rates that affect both financial revenue and financial costs. Median market expectations, according to data from Brazil's Central Bank (Focus Report), baseline date 04 July 2025, indicated:

	Effective rate in 2024	Effective rate estimated for 2025
CDI	10.40%	14.90%
IGP-M	3.52%	2.25%
Selic	10.50%	15.00%

Market values of financial assets and liabilities were determined on the basis of available market information and appropriate valuation methodologies. Using different market assumptions and/or estimation methodologies may have different effects on estimated market values. Based on that estimate, Management considers the financial instruments' accounting value to equal their fair value.

Measurement of financial instruments

The Institute's financial instruments are measured at amortised cost. The fair values of the Institute's financial instruments are equal to their accounting values.

18. Insurance

The Institute has a policy to contract insurance coverage against fire and sundry risks for active property, plant and equipment assets in amounts considered sufficient to cover any possible adverse events, which have been specified on expert guidance and contemplate the nature of their activity and the degree of risk involved.

Dara Institute

Explanatory notes to the individual and consolidated financial statements--Continued
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(in R\$ thousand)

18. Insurance--Continued

The Institute has insurance coverage as follows:

- (a) Property - Rua das Palmeiras, 65, Rio de Janeiro - RJ.
Events: fire, explosions and smoke of any kind - R\$2,000, aggravated robbery and/or theft of goods and merchandise - R\$80, electrical damage - R\$30 and wind damage - R\$30.
- (b) Vehicles: Volkswagen Gol 10.12V Flex 4p (2020/2019) - R\$1 collision, fire, robbery and theft.
- (c) Life: the maximum insured capital is R\$116, with coverage for death, accidental death, permanent and (or) accidental disability, loss of employment, basic food basket allowance, immediate financial assistance and family funeral assistance.

It is beyond the scope of our auditors' work to issue an opinion as to the sufficiency of insurance coverage. Its appropriateness was determined and evaluated by the Institute's Management.

19. Subsequent events

In January 2025 the Institute began negotiations with the tenant of the Jardim Botânico property, at Rua Jardim Botânico No. 86 - Rio de Janeiro, regarding the asset identified under Investment Property in the amount of R\$44. At present, procedures and values are under consideration by the lawyers representing the Dara Institute and the tenant to conclude the sale during the 2025 fiscal year.

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Document signed digitally

VERA REGINA GAENSLY CORDEIRO
Date: 12 August 2025 3.43.16 p.m.-03.00
Verify at <https://validar.iti.gov.br>

ASSOCIACAO SAUDE CRIANCA RENASCER
CNPJ: 40.358.848/0001-01

VERA REGINA GAENSLY CORDEIRO
CPF: 405.842.327-72

CHAIR

PATRICIA BARRETO
DOS SANTOS
13230068777

signed digitally by PATRICIA
BARRETO DOS SANTOS
13230068777
Date: 12 August 2025 2.22.17
p.m.-03'00'

SOMAT CONTABILIDADE E GESTÃO LTDA
CNPJ: 09.420.095/0001-77

CRC-RJ 004435/O-5
PATRICIA BARRETO DOS SANTOS

CRC RJ 118.268/O-2 - ACCOUNTANT