



**ASSOCIAÇÃO OPERAÇÃO SORRISO DO BRASIL**

FINANCIAL STATEMENTS  
DECEMBER 31, 2023  
With independent auditor's report

# ASSOCIAÇÃO OPERAÇÃO SORRISO DO BRASIL

## FINANCIAL STATEMENTS

DECEMBER 31, 2023

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## **Independent auditor’s report**

**To the Management and Associates**  
**Associação Operação Sorriso do Brasil**  
**São Paulo - SP**

### **Opinion**

We have audited the financial statements of Associação Operação Sorriso do Brasil (“Association”), which comprise the statement of financial position as at December 31, 2023, the statement of surplus or deficit, statement of comprehensive surplus or deficit, statement of changes in net worth and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Associação Operação Sorriso do Brasil as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil applicable to non-profit entities.

### **Basis for 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 the financial statements section of our report. We are independent of the Association in accordance with the relevant ethical principles set out in the Code of Ethics for Professional Accountants and professional standards issued by the Federal Accounting Board (“CFC”), 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 audit opinion.

### **Responsibilities of management and those charged with governance for the financial statements**

The management of the Association is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil applicable to non-profit entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Association or to cease its operations, or has no other realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Association'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 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an 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 the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Association'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 related to events or conditions that may cast significant doubt on the Association'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 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 Association 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 that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

São Paulo, March 20, 2024.

**Crowe Macro Auditores Independentes**  
CRC 2SP033508/O-1

A handwritten signature in blue ink, appearing to read "Roberson de Sousa Cardoso".

**Roberson de Sousa Cardoso**  
Accountant - CRC1SP 325546/O-9

A handwritten signature in blue ink, appearing to read "Fabio Debiaze Pino".

**Fabio Debiaze Pino**  
Accountant - CRC1SP 251154/O-9

**Associação Operação Sorriso do Brasil**

Statements of financial position as at December 31  
In reais (R\$)

<b>Assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>Liabilities and net worth</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4	39,483	799,052	Accounts payable		14,760	473
Inventories	5	133,180	75,697	Labor obligations	8	197,786	150,834
Other receivables	6	158,387	62,069	Tax obligations		889	396
		<b>331,050</b>	<b>936,818</b>	Other obligations	6	131,452	57,015
						<b>344,887</b>	<b>208,718</b>
<b>Noncurrent assets</b>				<b>Current liabilities</b>			
Property and equipment	7	1,049,575	1,220,722	Provision for contingent liabilities	9	47,337	247,918
		<b>1,049,575</b>	<b>1,220,722</b>			<b>47,337</b>	<b>247,918</b>
<b>Net worth</b>				<b>Net worth</b>			
				Net worth	10	1,598,023	1,509,140
				Donations reserve		102,881	102,881
				Surplus for the year		(712,503)	88,883
						<b>988,401</b>	<b>1,700,904</b>
<b>Total assets</b>		<b>1,380,625</b>	<b>2,157,540</b>	<b>Total assets</b>		<b>1,380,625</b>	<b>2,157,540</b>

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

**Associação Operação Sorriso do Brasil**

Statements of surplus or deficit for the years ended December 31

In reais (R\$)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Operating revenues</b>			
<b>With restriction</b>			
Volunteer work	<b>12.1</b>	<b>329,542</b>	<b>341,027</b>
<b>Without restriction</b>			
Individual donations		40,234	21,521
Corporate donations	<b>12.2</b>	792,195	1,114,245
Anonymous donations		179,858	174,207
Donations from abroad	<b>12.2</b>	2,966,005	1,822,058
Donations of products and services	<b>12.2</b>	459,936	323,165
<b>Total revenues without restriction</b>		<b>4,438,228</b>	<b>3,455,196</b>
<b>Total operating revenues</b>		<b>4,767,770</b>	<b>3,796,223</b>
<b>Costs of programs</b>			
Cost of assistance programs	<b>13</b>	(3,603,827)	(1,886,949)
Volunteer work	<b>12.1</b>	(329,542)	(341,027)
<b>Total costs of programs</b>		<b>(3,933,369)</b>	<b>(2,227,976)</b>
<b>Operating expenses</b>			
Personnel expenses	<b>14</b>	(1,080,695)	(844,312)
Administrative expenses	<b>15</b>	(689,064)	(677,066)
Other income (expenses), net		200,582	2,500
		<b>(1,569,177)</b>	<b>(1,518,878)</b>
<b>Surplus (deficit) before finance income (costs)</b>		<b>(734.776)</b>	<b>49,369</b>
Finance income (costs), net	<b>16</b>	22.273	39,514
<b>Surplus (deficit) for the year</b>		<b>(712.503)</b>	<b>88,883</b>

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

**Associação Operação Sorriso do Brasil**

Statements of comprehensive surplus or deficit for the years ended December 31  
In reais (R\$)

	<u>2023</u>	<u>2022</u>
Surplus (deficit) for the year	(712.503)	88,883
Other comprehensive surplus (deficit)	-	-
<b>Total comprehensive surplus (deficit)</b>	<b><u>(712.503)</u></b>	<b><u>88,883</u></b>

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



**Associação Operação Sorriso do Brasil**

Statements of changes in net worth

In reais (R\$)

<b>Description</b>	<b>Net worth</b>	<b>Donations reserve</b>	<b>Surplus (deficit) for the year</b>	<b>Total</b>
<b>Balances at December 31, 2021</b>	<b>1,192,484</b>	<b>102,881</b>	<b>316,656</b>	<b>1,612,021</b>
Transfer of surplus for the prior year	316,656	-	(316,656)	-
Surplus for the year	-	-	88,883	<b>88,883</b>
<b>Balances at December 31, 2022</b>	<b>1,509,140</b>	<b>102,881</b>	<b>88,883</b>	<b>1,700,904</b>
Transfer of surplus for the prior year	88,883	-	(88,883)	-
Deficit for the year	-	-	(712,503)	<b>(712,503)</b>
<b>Balances at December 31, 2023</b>	<b>1,598,023</b>	<b>102,881</b>	<b>(712,503)</b>	<b>988,401</b>

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

**Associação Operação Sorriso do Brasil**

Statements of cash flows for the years ended December 31

In reais (R\$)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Surplus (deficit) for the year	(712,503)	88,883
<b>Adjustments to reconcile surplus (deficit) for the year to funds from operating activities</b>		
Provision for contingent liabilities	(200,581)	-
Depreciation and amortization	171,147	163,671
	<u>(741,937)</u>	<u>252,554</u>
<b>Cash flows from operating activities</b>		
Inventories	(57,483)	8,183
Other receivables	(96,318)	(37,955)
Accounts payable	14,287	(579)
Labor obligations	46,952	24,800
Tax obligations	493	116
Other obligations	74,437	57,015
<b>Net cash generated (used) by operating activities</b>	<u>(759,569)</u>	<u>304,134</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(110,534)
<b>Cash used in investing activities</b>	-	<u>(110,534)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(759,569)</u>	<u>193,600</u>
Cash and cash equivalents at the beginning of the year	799,052	605,452
Cash and cash equivalents at the end of the year	39,483	799,052
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(759,569)</u>	<u>193,600</u>

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

## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022

In reais (R\$)

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### 1. General information

Associação Operação Sorriso do Brasil (“Operação Sorriso” or “Association”) is a non-profit civil association governed by private law and engaged in philanthropic activities, whose operations started on December 8, 2006. The Association is located at Avenida Brigadeiro Faria Lima, nº 2.413, São Paulo, SP, and its activities are governed by its statutes, the provisions of Law 9,790 of March 23, 1999 and Decree 3,100 of June 30, 1999, and other applicable legal provisions. The Association was established to operate for an indeterminate period of time.

The purpose of the Association is to provide support and assistance for the carrying out of scientific, medical and educational actions in the areas of reconstructive plastic surgery and aesthetic surgery for children, teenagers and youth, and occasionally to underprivileged adults as well, in compliance with the provisions of the sole paragraph of Article 3 of Law 9,790 of March 23, 1999.

In 2023, four surgical programs were carried out in the cities of Mossoró/RN, Barbalha/CE, Parintins/AM and Santarém/PA. In addition to providing surgical and multidisciplinary care for patients with cleft lip and palate, the programs have also intensified educational activities offered free of charge to local health professionals, with the aim of strengthening local care for these patients. A total of 304 families were assisted and 162 surgeries were carried out.

In order to build autonomy in the primary care of cleft lip and palate patients in the communities in which it operates, Operação Sorriso offers a variety of training in plastic surgery, oral and maxillofacial surgery, dentistry, speech therapy, pediatrics, psychology and nursing to 100 professionals in the communities where it carried out the surgical programs. In addition to this training, 230 community health agents from the Baixo Amazonas region were trained and 600 families in the municipality of Parintins (AM) were impacted by Oral Health Education activities.

The educational activities included participation in the Education and Cleft Lip and Palate Awareness and Palate Week event held in Porto Velho (RO) in September, and the First Continuing Education Program - Webinar with cleft lip and palate specialists from Center for Craniofacial Anomalies (“CTAC”) of Rio de Janeiro - which had 720 participants from all over the country, following the 12 classes offered.

Believing in the importance of supporting the development, specialization and training of multidisciplinary Centers and Units in the North and Northeast regions, Operação Sorriso directly supported the units in Porto Velho (RO), Santarém (PA) and Natal (RN) by donating medical supplies, dental equipment, nasofiberscopes and surgical instruments. It also donated medical supplies to Hospitals Wilson Rosado (Mossoró/RN), Hospital e Maternidade São Vicente de Paulo (Barbalha/CE), Hospital Regional Dr. Jofre Matos Cohen (Parintins/AM) and Hospital e Maternidade Sagrada Família (Santarém/PA).

Continuing a successful partnership with the Genome Project, from the University of São Paulo, 4 undergraduate research scholarships were awarded to students studying Biology, Psychology or Speech Therapy in Porto Velho (RO), Santarém (PA), Mossoró (RN) and São Paulo (SP) for the project “Assessment of the executive function of individuals with CLP X individuals without CLP through neuropsychological scales and questionnaires”.

Finally, in partnership with Instituto Coalizão Saúde and J&J MedTech, Operação Sorriso brought together experts from all over the country to discuss the journey of the cleft lip and palate patient, understand their challenges and propose improvements for a faster, more effective and more peaceful journey. The discussion was carried out through 3 workshops (2 virtual ones and 1 in person) and resulted in the publication of a Technical Note on Cleft Lip and Palate and a proposed line of care to be shared with the interested public and municipal, state and federal health authorities.

## **Associação Operação Sorriso do Brasil**

Notes to the financial statements at December 31, 2023 and 2022  
In reais (R\$)

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### **2. Presentation and preparation of the financial statements**

#### **2.1 Statement of compliance in respect of accounting practices**

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the provisions of Resolution 2015/ITG2002(R1) of the Federal Accounting Council (CFC), which approved Technical Interpretation ITG 2002 (R1) - "Non-profit Entities".

The financial statements were approved by the Association's management on March 20, 2024

#### **2.2 Basis of measurement**

The financial statements have been prepared on a historical cost basis except for non-derivative financial instruments that are measured at fair value through profit or loss.

#### **2.3 Functional currency**

These financial statements are presented in Brazilian reais (R\$), which is the Association's functional currency. All financial information presented in reais has been rounded to the nearest thousand, unless otherwise indicated.

#### **2.4 Use of estimates and judgments**

The preparation of financial statements in accordance with accounting practices adopted in Brazil requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

### **3. Summary of significant accounting policies**

Significant accounting policies adopted in the preparation of the financial statements are as follows:

#### **(a) Financial instruments**

The Association financial assets are classified in the "Loans and receivables" category. The classification depends on the purpose for which financial assets were acquired or financial liabilities were incurred. This category includes nonderivative financial assets with fixed or determinable receipts and payments that are not quoted in an active market. They are recognized in current assets or current liabilities, except for maturities greater than 12 months after the end of the reporting period, which are classified as noncurrent assets or noncurrent liabilities.

Financial liabilities are measured at amortized cost using the effective interest method.

At December 31, 2023 and 2022, the Association financial instruments comprise cash and cash equivalents (Note 4), other receivables (Note 6), accounts payable and other obligations (Note 6).

#### **(b) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and in banks readily convertible into a known amount of cash and subject to an insignificant risk of change in value. They are stated at cost, plus yield accrued which does not exceed their fair value.

## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022

In reais (R\$)

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### (c) Accounts receivable

Accounts receivable comprise donations received from domestic or foreign companies that commit to making donations.

### (d) Property and equipment

Property and equipment are stated at acquisition cost less accumulated depreciation calculated under the straight-line method at annual rates that take into consideration the estimated useful life and residual value of the assets (see note 7).

### (e) Intangible assets

Software licenses acquired are capitalized on the basis of the costs incurred to acquire and bring the software to its specific use. These costs are amortized over the estimated useful life under the straight-line method.

### (f) Impairment testing of assets

Management reviews annually the net carrying amount of the assets to assess events or changes in economic, operating or technological circumstances that may indicate evidences of impairment. Whenever these evidences are identified, and the net carrying amount exceeds the recoverable amount, a provision for impairment is recognized adjusting the net carrying amount to the recoverable amount.

### (g) Provision for contingent liabilities

Provisions are recognized when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

### (h) Net worth

This balance comprises donations received from third parties, plus or less the surplus or deficit for each year.

The transfer of surplus/deficit to net worth occurs upon approval of the associates' meeting.

### (i) Other noncurrent assets and liabilities

Current and noncurrent assets and liabilities are stated at known or estimated amounts, plus, when applicable, the related charges, inflation adjustment and/or exchange rate changes through the end of the reporting period.

## 4. Cash and cash equivalents

Description	2023	2022
Cash	1,739	379
Banks	10	110
Financial investments	37,734	798,563
<b>Total</b>	<b>39,483</b>	<b>799,052</b>

The Association has investment policies that determine investments in low-risk securities with a yield based on percentages of the CDI (interbank deposit certificate rate) variation. This balance refers basically to investments in low-risk investment funds at traditional institutions.

## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022  
In reais (R\$)

### 5. Inventories

Description	2023	2022
Supplies inventory	133,180	75,697
<b>Total</b>	<b>133,180</b>	<b>75,697</b>

The inventory amounts refer to materials to be used in future programs. Durable materials return to the storeroom at the end of each program. The inventories comprise materials or consumer goods that will be used in the assignments of the Association.

### 6. Other receivables

Description	2023	2022
Sponsorship credits - (a)	131,452	57,015
Advances to suppliers	13,592	233
Other receivables	13,343	4,821
<b>Total</b>	<b>158,387</b>	<b>62,069</b>

(a) The values of the sponsorship credits correspond to a donation made by Azul Linhas Aéreas in April 2022. Azul granted a credit in the amount of BRL 250,000, of which: BRL 125,000 for use in AZUL airline tickets, in national stretches, to support the project and BRL 125,000 to use in cargo transportation. On the other hand, the Association undertakes to give visibility to the Azul's brand, through disclosure on their website - on the partners page, annual report, videos of the missions (if any), banners, reports and apostille of the volunteers in the missions (when available) and publicizing the partnership on social networks and the media.

### Sponsorship movement in 2023

Description	Valor
Acquired receivables	250,000
write-offs made	(118.548)
<b>Total</b>	<b>131.452</b>

### 7. Property and equipment

Description	Depreciation rate	2023			2022
		Cost	Accumulated amortization	Net	Net
Machinery and equipment	10%	3,578	(1,824)	1,754	1,979
Furniture and fixtures	10%	28,257	(22,836)	5,421	8,174
Medical equipment	10%	1,463,699	(462,503)	1,001,196	1,147,566
Computers and peripherals	20%	133,381	(92,177)	41,204	63,003
		<b>1,628,915</b>	<b>(579,340)</b>	<b>1,049,575</b>	<b>1,220,722</b>

### Changes in 2023

Description	2022	Additions	2023
<b>Cost</b>			
Machinery and equipment	3,578	-	3,578
Furniture and fixtures	28,257	-	28,257
Medical equipment (i)	1,463,699	-	1,463,699
Computers and peripherals	133,381	-	133,381
<b>Total cost</b>	<b>1,628,915</b>	<b>-</b>	<b>1,628,915</b>
(-) Accumulated depreciation	(408,193)	(171,147)	(579,340)
<b>Property and equipment, net</b>	<b>1,220,722</b>	<b>(171,147)</b>	<b>1,049,575</b>

## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022  
In reais (R\$)

### Changes in 2022

Description	2021	Additions	2022
<b>Cost</b>			
Machinery and equipment	3,578	-	3,578
Furniture and fixtures	28,257	-	28,257
Medical equipment (i)	1,353,165	110,534	1,463,699
Computers and peripherals	133,381	-	133,381
<b>Total cost</b>	<b>1,518,381</b>	<b>110,534</b>	<b>1,628,915</b>
(-) Accumulated depreciation	(244,522)	(163,671)	(408,193)
<b>Property and equipment, net</b>	<b>1,273,859</b>	<b>(53,137)</b>	<b>1,220,722</b>

(i) The additions refer to 1 (one) Fiber Nasopharyngolaryngoscope, medical and surgical equipment to reduce import costs and allow greater autonomy for the Association in scheduling surgical programs in Brazil.

### 8. Labor obligations

Description	2023	2022
Provision for vacation pay and related charges	144,644	111,346
Payroll taxes payable	53,142	39,488
<b>Total</b>	<b>197,786</b>	<b>150,834</b>

### 9. Provision for contingent liabilities

In the normal course of its activities, the Association is subject to tax, civil and labor lawsuits. As at December 31, 2023 and 2022, the Association was not a party to any lawsuits.

Management, based on the opinion of its legal counsel and experts, when applicable, assesses the matters that may give rise to future challenges and determines the need to recognize a provision for contingent liabilities. The balances as at December 31, 2023 amounting to R\$ 47,337 (2022 amounting to R\$ 247,918) refer to potential labor liabilities under discussion, for which there are no administrative or judicial proceedings in progress at the moment.

### 10. Net worth

Net worth is presented in inflation adjusted amounts and comprises the opening net worth, plus the surplus less the deficit incurred since the Association's foundation date.

### 11. Tax aspects

#### (a) Corporate Income Tax (IRPJ) and Social Contribution on Profit (CSLL)

Since the Association is a non-profit entity, it is entitled to exemption from the federal taxes levied on profit, in accordance with Articles 167 to 174 of the Income Tax Regulation approved by Decree 3,000 of March 26, 1999 and Article 195 of the Federal Constitution.

#### (b) PIS and COFINS

As regards the social contribution to the Social Integration Program (PIS), the Association is subject to the payment of this contribution, calculated on the payroll at the rate of 1%, as provided for in Article 13 of Executive Act 2,158-35 of August 24, 2001.

In regard to the Social Contribution for Social Security Financing (COFINS), the Association is entitled to exemption from the payment of this tax on revenues related to its activities, pursuant to Laws 9,718/98 and 10,833/03, and is subject to the payment of this tax on its other revenues.

## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022  
In reais (R\$)

### 12. Operating revenues

#### 12.1 Operating revenues with restriction

The corrective surgeries of Operação Sorriso do Brasil are performed by a team of volunteer health professionals. This work is recognized as donation and accounted for through “working hours” in accordance with the professional category, and the rate per professional is determined according to the table disclosed and collective agreements of the labor unions of each category. In 2023, the amount determined was R\$ 329,542 (R\$ 341,027 in 2022).

#### 12.2 Operating revenues without restriction

##### (a) Corporate donations

These consist of donations made by companies through deposits into the Association’s current account, as follows:

Description	2023	2022
Igreja de Jesus Cristo dos Santos dos últimos Dias – <b>LDS</b>	456,530	340,800
Drogasil S.A.	174,232	26,756
Citibank	75,000	21,000
Mol Impacto Ltda.	49,177	-
Stripe Brasil Soluções de Pagamento Ltda.	22,016	-
Agropecuária Terra Grande Ltda.	10,000	-
Cartos Sociedade de Crédito Direto S. A	5,000	10,000
Energia Sustentável do Brasil S.A. – <b>ESBR</b>	-	582,789
Associação Citiesperança	-	65,000
Comerc Comercializadora de Energia Elétrica – <b>COMERC</b>	-	50,400
Auto Suture do Brasil Ltda.	-	15,000
Others	240	2,500
<b>Total</b>	<b>792,195</b>	<b>1,114,245</b>

##### (b) Donations from abroad

These are funds received in foreign currency from the parent company (Operation Smile Inc.) or from international partner organizations, as follows:

Description	2023	2022
Operation Smile	2,541,171	1,502,470
Foundation ENGIE	266,503	-
White Martins	150,777	254,821
The UK Online Giving Foundation	5,603	59,442
Charities Aid Foundation America	1,664	-
YourCause, LLC	287	2,790
United Way Worldwide	-	2,535
<b>Total</b>	<b>2,966,005</b>	<b>1,822,058</b>

##### (c) Individual donations

These consist of donations made by individuals through direct deposits into the Association’s current account.



## Associação Operação Sorriso do Brasil

Notes to the financial statements at December 31, 2023 and 2022  
In reais (R\$)

### (d) Donations of products and services

These comprise donations of surgical products from manufacturers of these products, as well as services rendered to the Association on a pro-bono basis, and are broken down as follows:

Description	2023	2022
Johnson & Johnson BR Ind. e Com. Ltda.	221,301	29,381
Azul Linhas Aéreas	118,548	192,985
Alfa Computer Assessoria em Informática	39,840	39,840
Hasbro	33,797	16,010
Schivartche Advogados	25,000	25,000
Silimed	17,550	-
Eco Diagnóstica LTDA	2,060	4,492
Cristália Prod. Químico Farmacêuticos Ltda.	1,754	10,157
White Martins Gases Industriais LTDA	-	5,300
Others	86	-
<b>Total</b>	<b>459,936</b>	<b>323,165</b>

### 13. Costs of programs

In compliance with the provisions of item VI of Article 3 of Decree 2,536/98, in 2023 and 2022 the Association granted the following gratuities for the execution of assistance programs:

Description	2023	2022
Air tickets	(1,114,128)	(530,352)
Medical supplies	(613,682)	(271,625)
Personnel expenses	(595,765)	(434,098)
Transportation services	(470,906)	(212,643)
Lodging services	(432,724)	(183,888)
Meals	(148,777)	(67,337)
Non-medical supplies	(83,111)	(69,015)
Courses and training	(51,388)	(7,626)
Distribution of gifts/prizes/presents/kits	(27,347)	(3,528)
Warehousing	(20,927)	(47,707)
Forms of materials	(5,549)	(26,488)
Others	(39,523)	(32,642)
<b>Total</b>	<b>(3,603,827)</b>	<b>(1,886,949)</b>

### 14. Personnel expenses

Description	2023	2022
Personnel expenses (salaries)	(762,475)	(592,276)
Personnel charges	(318,220)	(252,036)
<b>Total</b>	<b>(1,080,695)</b>	<b>(844,312)</b>

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### 15. Administrative expenses

Description	2023	2022
Depreciation	(171,149)	(163,671)
Communication and marketing	(103,327)	(123,317)
Advisory and consulting services	(95,827)	(153,365)
Accounting advisory services	(75,048)	(33,230)
Rentals	(53,000)	(42,000)
IT advisory services	(51,844)	(47,477)
Maintenance	(36,346)	(15,194)
Common area maintenance fees and water	(24,360)	(15,979)
Telephone	(11,025)	(14,187)
Office supplies	(3,962)	(3,002)
Website expenses	(3,749)	(1,606)
Postal/motorcycle delivery/express delivery (DHL) services	(3,471)	(9,683)
Others	(55,956)	(54,355)
<b>Total</b>	<b>(689,064)</b>	<b>(677,066)</b>

### 16. Finance income (costs), net

Description	2023	2022
Finance income	31,504	56,587
Finance costs	(9,231)	(17,073)
<b>Total</b>	<b>22,273</b>	<b>39,514</b>

### 17. Risk management

Through its operations, the Association is exposed to the following financial risks:

- Credit risk;
- Liquidity risk.

As in all other businesses, the Association is exposed to risks arising from the use of financial instruments. This note describes the Association's objectives, policies and processes to manage these risks and the methods used to measure them. Further quantitative information on these risks is presented throughout these financial statements.

#### General objectives, policies and processes:

Management has overall responsibility for determining the Association's risk management objectives and policies and holds the ultimate responsibility for them. It has assigned the authority to design and operate processes that ensure the effective implementation of the objectives and policies to the Association's finance function.

Management's general objective is to establish policies that seek to reduce the risk, to the extent possible, without inappropriately affecting the Association's competitiveness and flexibility. Further details on these policies are presented below.

#### a) Credit risk

Credit risk is the risk of financial loss to the Association if an associate or counterparty to a financial instrument does not fulfill its contractual obligations. The financial instruments potentially subject to credit risk for the Association comprise mainly cash and cash equivalents, which are held with creditworthy financial institutions and can be redeemed at any moment upon request.

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Notes to the financial statements at December 31, 2023 and 2022

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The carrying amount of the financial assets represents the maximum credit exposure. All cash and cash equivalents are held with first tier Brazilian banks.

### b) Liquidity risk

Liquidity risk is the risk of the Association not being able to fulfill its financial obligations as they become due. The Association's policy is to ensure that it will always have sufficient cash to enable it to fulfill its obligations when they become due, under normal and stress conditions, without incurring unacceptable losses or risking damages to the Association's reputation.

The key to success in liquidity management is the degree of certainty in cash flow projections. If the future cash flows are very uncertain, the liquidity risk increases.

The Association monitors the risk of cash shortage by monitoring the maturity dates of the existing financial liabilities. The Association's financial liabilities are comprised of trade payables and labor and tax obligations.

### 18. Insurance coverage

The Association has insurance coverage in amounts considered sufficient by Management to cover any risks on its assets and/or liabilities.

The scope of the work of our auditors does not include the issuance of an opinion on the sufficiency of the insurance coverage.

### 19. Exemptions enjoyed and tax relief

In compliance with ITG 2002 (R1) – Non-profit Entities, approved by CFC Resolution 1,409/12, the Association presents below the amount of tax relief determined in 2023 and 2022 if the tax obligation was due. Therefore, in our judgment, we considered the following taxes and contributions and related rates and point out that they refer to estimated calculations of tax relief covering the main taxes and contributions, since the Association is not required to maintain tax bookkeeping. The amounts are comprised as follows:

Below we present the amount of tax relief determined:

Description	2023	2022
PIS and COFINS (3.65% on revenues)	174,024	138,562
IRPJ and CSLL (34% on the surplus for the year)	-	30,220
<b>Total</b>	<b>174,024</b>	<b>168,782</b>

### 20. Events after the reporting period

In conformity with Brazilian accounting standards, Management made its assessments and reached the conclusion that there are no significant events to be disclosed between the end of the reporting period and the date of approval of the financial statements.

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