



Financial statements **2024**



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Message from the board

Achievements and support advanced our mission in 2024

A year marked by significant milestones for the Pequeno Príncipe Complex. Following a particularly difficult 2023, and amid an ongoing national healthcare crisis in Brazil, we made progress in managing both revenue and costs, facing adversity with determination and focus, supported by companies, individuals, and public authorities. Financial stability, a long-standing goal, became more tangible: we significantly reduced the healthcare services deficit while maintaining strong results in education.

This performance was made possible thanks to the collective effort of our staff, the implementation of more rigorous resource management measures, and the trust of our partners and donors. By allocating resources to our projects, they have enabled us to advance structural improvements, acquire equipment, enhance diagnostics, and deliver high-quality essential services — transforming these into real life opportunities for thousands of boys and girls. With these advances, we balanced our financials while remaining true to the mission that inspires us: to provide excellent care to children and adolescents from throughout Brazil.

The support of each donor has been and continues to be essential. Approximate-

ly 18% of our 2024 revenue was raised through contributions from the community.

The sustainability of an institution like Pequeno Príncipe is built not only on numbers; but on the commitment of all those who believe in the transformative impact of our work.

In the realm of healthcare delivery, we celebrated significant achievements. In 2024, we reached an average occupancy rate of 78.7%, demonstrating that even amid increased competition in the healthcare sector, we remain a national benchmark in pediatrics. Our daily commitment is to ensure that every patient receives compassionate, specialized care aligned with medical best practices.

The Pelé Pequeno Príncipe Research Institute also continues to be a source of pride. Beyond advancing high-impact projects — such as the vaccine against adrenocortical tumor (ACT) and cellular regeneration research —, the Institute has strengthened its academic standing, reflected in improved Brazilian Coordination of Superior Level Staff Improvement (Capes, in Portuguese) evaluation scores. Each achievement underscores our teams' dedication to transforming science into hope, increasing chances of cure, and enhancing quality of life.

In the educational sphere, Pequeno Príncipe College achieved the highest possible score in the Ministry of Education's recertification assessment, demonstrating our commitment to excellence in health education. The Medicine, Biomedicine, and Pharmacy programs also received top marks.

Another highlight was the progress of the Pequeno Príncipe North project, which reinforces our vision of sustainability combined with innovation. This initiative, which bends health-care, research, education, environmental awareness, and culture, has the potential to become a global model for sustainable practices and comprehensive care.

The Pequeno Príncipe Hospital not only achieved strong operational and financial performance but was also recognized among the best pediatric hospitals worldwide. For the fourth consecutive year, the U.S. magazine *Newsweek* rated it the top exclusively pediatric hospital in Latin America.

With the perpetuation of our mission in mind, we launched Futurin — Funds for Life — Endowment, created to guarantee today's and tomorrow's children the right of access to quality healthcare.

Looking ahead to 2025, we are confident of our path forward. Our goals include achieving an annual average occupancy rate exceeding 80%, thus further strengthening the sustainability of our operations. Our commitment to child health remains unwavering, as does our belief that together we can transform lives.

To all who are part of this journey — donors, partners, professionals, children, adolescents, and families —, we extend our most heartfelt thanks. May we continue side by side, building a legacy of health, science, and hope for generations to come.

With deep gratitude,



**José Álvaro da
Silva Carneiro**

Corporate Director of the Dr. Raul Carneiro
Hospital Association for Childhood Protection



Independent auditors' report on the financial statements

To the management, board of directors, and sponsors of
**Dr. Raul Carneiro Hospital Association for
Childhood Protection**

Curitiba — state of Paraná

Opinion

We have audited the accompanying financial statements of Dr. Raul Carneiro Hospital Association for Childhood Protection (“company”), which comprise the statement of financial position as of December 31, 2024, and the statements of surplus (deficit), statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dr. Raul Carneiro Hospital Association for Childhood Protection as of December 31, 2024, 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 (ITG 2002).

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 entity in accordance with the relevant ethical requirements set forth in the International Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council — and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Restatement of the amounts corresponding to the prior year

As mentioned in note 2.17, due to the correction of an error related to the matters described in that note, the corresponding amounts related to the year ended December 31, 2023, presented for comparative purposes, were adjusted and are being restated as provided for in CPC 23 — Accounting Policies, Changes in Accounting Estimates and Errors. Our opinion is not qualified in relation to this matter.

Other matters

Audit of the amounts corresponding to the prior year

The amounts for the year ended December 31, 2023, presented for comparison purposes, were examined by us, whose report was issued dated May 16, 2024, containing a qualification due to differences between the carrying amount and the financial report in the property and equipment group. For the year 2024, all matters described in this paragraph regarding the audit of the prior year financial statements have been analyzed, substantially resolved, and adjusted for the year 2024. Therefore, we did not include these matters in our report.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the company and its subsidiaries or to cease their operations, or has no realistic alternative to avoid doing so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our qualified 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 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 opinion. The risk of not detecting material misstatement resulting from fraud is higher than that arising from error, once the fraud may involve the act of dodging the internal controls, collusion, falsification, omission or false intentional representations;
- obtain an understanding of the internal controls relevant to the audit to design auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 company to cease to continue as a going concern; and
- 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 communicated 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.

Curitiba (state of Paraná), April 18, 2025.
Grant Thornton Auditoria e Consultoria Ltda.
CRC PR-011.979/F-I

Marcello Palamartchuk
Accountant CRC IPR-049.038/O-9

Dr. Raul Carneiro Hospital Association for Childhood Protection

Statements of financial position as of December 31, 2024 and 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

(Amounts in thousands of US Dollar.)

Assets

	Notes	2024	2023
Current assets		32,506	45,656
Cash and cash equivalents	4	3,907	4,822
Short-term investments	5	10,794	18,765
Trade receivables	6	4,393	5,136
Resources from unrealized agreements	7	10,796	13,329
Inventories	8	1,681	1,594
Other receivables	9	933	2,008
Expenses for the following year	-	2	2
Non-current assets		45,518	36,686
Long-term receivables		9,533	497
Long-term deposits	5	8,008	-
Trade receivables	6	311	398
Other receivables	9	1,214	99
Investments	10	114	145
Right-of-use assets	11.1	3,013	628
Property, plant, and equipment	12	32,829	35,372
Intangible assets		29	44
Total assets		78,024	82,342

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

Dr. Raul Carneiro Hospital Association for Childhood Protection

Statements of financial position as of December 31, 2024 and 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

(Amounts in thousands of US Dollar.)

Liabilities and net assets

	Notes	2024	2023
Current liabilities		22,435	30,196
Trade payables	13	3,891	3,342
Bank borrowings	14	1,164	5,584
Payroll taxes	15	4,911	5,887
Tax liabilities	16	476	690
Resources from unrealized grants	7	10,796	13,264
Lease liabilities	11.2	522	693
Prepaid income	17	89	128
Other liabilities	-	586	608
Non-current liabilities		8,264	8,644
Bank borrowings	14	2,124	3,773
Tax liabilities	16	759	1,002
Lease liabilities	11.2	2,491	-
Prepaid income	17	17	136
Provision for legal claims	18	2,873	3,733
Equity	19	47,325	43,502
Net assets		40,593	36,750
Valuation adjustment to equity		11,860	11,938
Surplus for the year		16,261	4,736
Accumulated translation adjustment		(21,389)	(9,922)
Total liabilities and net assets		78,024	82,342

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

Dr. Raul Carneiro Hospital Association for Childhood Protection

Statements of surplus (deficit) for the years ended December 31, 2024 and 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

(Amounts in thousands of US Dollar.)

	Notes	2024	2023 Restated
GROSS OPERATING REVENUE	20	94,138	83,633
Healthcare income		59,314	49,280
Brazilian Public Health System (SUS)	20.1	25,626	16,670
Agreements	-	31,655	29,841
Private	-	2,034	2,769
Education income		19,250	17,678
Tuition fees	-	18,898	17,365
Other income	-	352	313
Use of funds raised	20.2	15,573	16,675
Social grants	-	8,483	8,875
Private initiative campaigns	-	7,090	7,800
(-) Deductions from income		(6,605)	(6,035)
Disallowances of agreements	21	(1,947)	(1,648)
Gratuities granted	26.2	(3,477)	(3,252)
Scholarships	26.2	(1,181)	(1,136)
NET OPERATING INCOME	20	87,532	77,597
(-) Cost of services rendered	22	(56,037)	(57,038)
Cost of the healthcare sector	-	(46,694)	(49,112)
Education cost	-	(6,808)	(5,294)
Research cost	-	(2,535)	(2,632)
GROSS SURPLUS		31,496	20,559
Operating expenses	23	(17,934)	(17,848)
Personnel expenses	23.1	(8,923)	(8,725)
Administrative and general expenses	23.2	(10,189)	(9,781)
Expenses with taxes and contributions	27	(15,538)	(13,261)
Exemptions enjoyed	27	15,538	13,261
Other income (expenses)	23.3	1,178	658
Surplus before finance income and costs		13,562	2,711
Finance income	24	2,848	2,596
Finance costs	24	(1,120)	(1,573)
Surplus for the year		15,290	3,734

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

Dr. Raul Carneiro Hospital Association for Childhood Protection

Statements of changes in net assets for the years ended December 31, 2024 and 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

(Amounts in thousands of US Dollar.)

	Net assets	Valuation adjustment to equity	Accumulated surplus/ (deficit)	Surplus available to the Meeting	Accumulated translation adjustment	Total net assets
December 31, 2022	36,750	12,038	-	902	(12,901)	36,789
Realization of deemed cost	-	(100)	100	-	-	-
Surplus for the year	-	-	3,734	-	-	3,734
Surplus available to the General Meeting for allocation	-	-	(3,834)	3,834	-	-
Translation adjustment	-	-	-	-	2,979	2,979
December 31, 2023	36,750	11,938	-	4,736	(9,922)	43,502
Realization of deemed cost	-	(78)	78	-	-	-
Merger of the surplus into equity	3,843	-	-	(3,843)	-	-
Surplus for the year	-	-	15,290	-	-	15,290
Surplus available to the General Meeting for allocation	-	-	(13,368)	15,368	-	-
Translation adjustment	-	-	-	-	(11,467)	(11,467)
December 31, 2024	40,593	11,860	-	16,261	(21,389)	47,325

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

Dr. Raul Carneiro Hospital Association for Childhood Protection

Statement of cash flows — indirect method the years ended December 31, 2024 and 2023

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail. Amounts in thousands of US Dollar.)

	2024	2023
Operating activities		
Surplus/deficit for the year	15,290	3,734
Adjusted for:		
Depreciation and amortization	2,095	1,859
Value of the write-off of property and equipment/intangible assets	345	1,532
Provisions for lawsuit	(860)	174
Allowance for expected credit losses	-	80
Depreciation of rights-of-use assets	491	574
Adjustment to present value — Lease liabilities	20	68
Interest on bank borrowings	843	-
Translation adjustment — Equity	(11,467)	2,979
Translation adjustment — Assets and liabilities	5,371	(2,245)
Adjusted surplus for the year	12,128	8,755
Trade receivables	1,053	(1,342)
Inventories	(87)	373
Resources from unrealized agreements	2,533	385
Other receivables	(41)	(734)
(Increase) decrease in assets	3,458	(1,318)
Trade payables	549	408
Payroll taxes	(976)	1,136
Tax liabilities	(457)	342
Resources from unrealized grants	(2,468)	(390)
Prepaid income	(158)	(100)
Other liabilities	(22)	(146)
Increase (decrease) in liabilities	(3,532)	1,250
Net cash provided by operating activities	12,054	8,686
Investing activities		
Operations with short-term investments	(37)	(4,355)
Increase in property and equipment/intangible assets/investments	(7,609)	(6,845)
Net cash used in investing activities	(7,646)	(11,200)
From financing activities		
Bank borrowing operations	(4,761)	4,423
Lease payments	(562)	(669)
Net cash from financing activities	(5,323)	3,754
Increase (decrease) in cash and cash equivalents	(915)	1,241
Cash and cash equivalents at beginning of year	4,822	3,581
Cash and cash equivalents at end of year	3,907	4,822

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

Notes to the financial statements for the year ended December 31, 2024

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

1. General information

The Dr. Raul Carneiro Hospital Association for Childhood Protection is a non-profit civil institution, of public utility, and is registered with the Brazilian National Registry of Legal Entities (CNPJ, abbreviation in Portuguese) under No. 76.591.569/0001-30. The Association is headquartered in the city of Curitiba, state of Paraná, at 1472 Iguaçu Avenue, Água Verde. It was founded on August 18, 1956 to foster healthcare for children and adolescents aged from 0 to 18, through health assistance, teaching, and research, as well as charitable social assistance, promoting the provision of these services to comply with the rules that classify the institution as philanthropic and thus exempting it from taxes.

It is worth highlighting that in providing healthcare services, the organization offers up to seventy percent (70%) of its workforce to the Brazilian Public Health System (known as SUS), closing the year above 60%, which is the minimum required by law.

The sources of income are healthcare services provided by Pequeno Príncipe Hospital, by the Pequeno Príncipe Vaccine Center, education services provided by Pequeno Príncipe College, as well as donations and grants and agreements associated with scientific projects at the Pelé Pequeno Príncipe Research Institute and the other units of the Complex. All income is fully applied to the maintenance and development of its institutional objectives. These are units maintained by Dr. Raul Carneiro Hospital Association for Childhood Protection, the managing organization of the Pequeno Príncipe Complex:

- Pequeno Príncipe Hospital (which incorporates the former César Pernetta Children's Hospital);
- Pequeno Príncipe College;
- Pelé Pequeno Príncipe Research Institute; and
- Pequeno Príncipe Vaccine Center.

To enjoy exemption from social contributions, the entity must have the Certification of Beneficent Entity of Social Assistance in the Healthcare Area (CEBAS, abbreviation in Portuguese), which is renewed every three years by the Ministry of Health (after hearing

the Ministry of Education for the areas of specialization of the Pequeno Príncipe College). And the last CEBAS obtained by the entity is valid for the period from January 1, 2019 to December 31, 2021. The entity requested renewals for subsequent years, within the deadlines set, with the Ministry of Health, according to SEI MS No. 25000.165706/2021-80, and is awaiting their approval.

The issue of these financial statements was authorized by management on April 17, 2025.

2. Basis of preparation of financial statements

The financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, fully complying with Law No. 11,638/07 and Law No. 11,941/09, the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC, in Portuguese) and approved by the Brazilian Federal Accounting Council (CFC, also in Portuguese), and in accordance with ITG 2002 (RI) Non-Profit Entity.

2.1. Restatement of financial statements as at December 31, 2023

The Association is restating the financial statements for the year ended December 31, 2023, for better alignment with current accounting practices and improved understanding of the financial statements taken as a whole with the requirements set forth in CPC 23 — Accounting Policies, Changes in Accounting Estimates and Errors, as presented below.

Statement of surplus (deficit) for the year	2023 (Presented)	Adjustments (a)	2023 (Restated)
Net operating income	80,076	-	80,076
Cost of services rendered	(51,210)	(7,650)	(58,860)
Gross profit	28,866	(7,650)	21,215
Operating expenses	(26,068)	7,650	(18,418)
Personnel expenses	(16,654)	7,650	(9,004)
Operating surplus (deficit) before finance surplus (deficit)	2,798	-	2,798
Surplus for the year	3,853		3,853

a) In 2024, the entity reviewed its cost center structure, identifying the need to reclassify the support cost centers. Previously considered expenses, these centers are currently accounted for as costs. On the other hand, the fundraising cost centers, which were considered costs, are now accounted for as expenses. The support centers include a Milk Dispensary, Technical Board, Pharmacy, Nursing Management, Psychology Service,

Psychiatry Service, Supplies Sector, among others, that support the production centers (ICUs, Surgical Center, outpatient clinics, for example), thus being classified as costs.

2.2. Foreign currency transaction

The functional currency of Dr. Raul Carneiro Hospital Association for Childhood Protection is the *Reais*, which is the main currency of operations and the environment in which the company operates. For presentation purposes, the financial statements are converted from the functional currency (*Reais*) to the presentation currency (US Dollar) at the closing exchange rates, and average rates (income statement for the year). The translation adjustment was accounted in the equity.

	2024	2023
Dollar – Closing exchange rate	6.1923	4.8413
Dollar – Average rate	5.3920	4.9953

3. Summary of significant accounting policies

3.1. Classification of current and non-current items

In the statement of financial position, assets and liabilities falling due or expected to be realized within the next 12 months are classified as current items, and those with a maturity or expectation of realization exceeding 12 months are classified as non-current items.

3.2. Offsetting between accounts

As a general rule, in the financial statements, neither assets nor liabilities and neither income nor expenses are offset against each other, except when offsetting is required or permitted by a Brazilian accounting pronouncement or standard, and this offsetting reflects the essence of the transaction.

3.3. Financial instruments

Financial assets are classified in the initial recognition as measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management classifies its financial assets upon initial recognition.

a. Financial assets measured at amortized cost

They are financial assets held within the business model, whose purpose is to maintain them to receive contractual cash flows. The contractual terms of financial assets give rise, on specific dates, to cash flows that exclusively form payments of principal and interest on the principal amount outstanding.

b. Financial assets measured at fair value through other comprehensive income

These are financial assets maintained within business models whose purpose is achieved both by the receipt of contractual cash flows and the sale of financial assets, and the contractual terms of the financial asset give rise, on specified dates, to cash flows that constitute exclusively payments of principal and interest on the principal amount outstanding.

c. Financial assets measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss, unless they are measured at amortized cost or at fair value through other comprehensive income. A financial asset is classified in this category if it was acquired mainly for the purpose of selling in the short term. Financial assets in this category are classified as current assets.

Recognition and measurement

The regular purchases and sales of financial assets are recognized on the trading date; i.e., which is the date when the institution commits to buy or sell the asset. Investments are initially recognized at amortized cost. All other financial assets (including assets stated at fair value through profit or loss) are initially recognized on the trade date on which the institution becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from investments have expired or been transferred; in the latter case, provided that the institution has significantly transferred all the risks and rewards of ownership. Financial assets measured at fair value through profit or loss are, subsequently, accounted for at fair value.

Borrowings and receivables are recorded at amortized cost using the interest effective rate method.

Gains or losses resulting from fluctuations in the fair value of financial assets measured at fair value through profit or loss are presented in statements of surplus (deficit) in the period in which they occur.

d. Derecognition (write-off) of financial instruments

A financial instrument is written off when:

- the rights to receive cash flows from financial asset expire;
- transferred its rights to receive cash flows of the financial asset or has assumed an obligation to fully pay cash flows received, without significant delay, to a third party under terms of an “onlending” agreement; and (a) the company has substantially transferred all risks and benefits of the asset, or (b) did not transfer either retain substantially all the risks and rewards related to the asset, but transferred control over the asset; and
- a financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. When an existing financial liability is replaced by another of the same lender with substantially different terms, or the terms of an existing liability are significantly changed, this substitution or alteration is treated as a write-off of the original liability and recognition of a new liability, whereas the difference in the corresponding carrying amount is recognized in the statement of surplus (deficit).

3.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly-liquid short-term investments. As a result of internal decisions, funds with short-term investments may have a specific allocation, in accordance with the strategic planning and governance system.

3.5. Trade receivables

Trade receivables correspond to the amounts receivable from customers for the provision of services in the normal course of the entity's activities. Trade receivables are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method, net of allowance for impairment losses (losses on the collection of receivables). They are normally recognized at the invoiced amount, adjusted to present value, if relevant, and adjusted by the provision for impairment losses, if necessary.

3.6. Resources from unrealized agreements/unrealized grants

The resources from unrealized agreements are initially recognized as a debit in current assets in resources from unrealized agreements account, and as a credit in current liabilities in the resources from unrealized grants account, and subsequently are recognized in the statement of surplus (deficit) as the expenses for the agreements are incurred.

3.7. Inventories

Inventories are recorded at cost or recoverable amount, whichever is lower. The cost is determined using the average cost method.

3.8. Investments

Investments in works of art are valued using the cost method and submitted to the impairment test, and reduced to recoverable value when applicable. It is worth highlighting the formation of a collection linked to Edson Arantes do Nascimento (Pelé), and the efforts aimed at its upkeep.

3.9. Leases

3.9.1. Right of use

The cost of the right of use asset corresponds to the amount of the initial measurement of the lease liability, plus any initial direct costs incurred, less any lease incentives received.

Depreciation is calculated under the straight-line method from the start date of the contract until the first occurrence of either the end of the useful life of the right of use asset or the end of the lease term.

3.9.2. Lease liabilities

The measurement of lease operations corresponds to the total of future fixed rental payments, according to the period provided for in the contract signed between the lessor and the entity. These payment flows are adjusted to present value considering the incremental borrowing rate.

Financial charges are allocated based on the incremental borrowing rate, according to the remaining term of the contracts.

3.10. Property and equipment

Property and equipment items are presented at historical cost less depreciation. Historical cost includes expenditures directly attributable to the acquisition of items.

Subsequent costs are added to the related asset's carrying amount or recognized as a separate asset, as applicable, only when it is likely that associated future economic benefits will flow to the item and that the cost of item can be reliably measured. All other maintenance and repair costs are recorded as a contra entry to surplus (deficit) for the year, when incurred.

Depreciation is calculated using the straight-line method and considers the economic useful life of assets. The economic useful life of assets is reviewed periodically to adjust depreciation rates.

Residual values and useful lives of assets are reviewed and adjusted, if applicable, at the end of each year. An asset's carrying amount is immediately adjusted if it is greater than its estimated recoverable value.

3.11. Intangible assets

Acquired software licenses are recorded as capital expenditures at the costs incurred to acquire the software and prepare them for use.

Amortization is calculated under the straight-line method and considers the economic useful life of software licenses. The economic useful life is reviewed periodically to adjust the amortization rates.

3.12. Impairment of non-financial assets

Assets subject to depreciation are reviewed to confirm impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable value. The latter is the asset's fair value less sales costs or its value in use, whichever is higher.

For impairment purposes, assets are grouped into lower levels for which there are separate identifiable cash flows (cash generating units, or CGUs). Non-financial assets that have suffered impairment losses are reviewed for an analysis of a possible reversal of the loss on the reporting date of the financial statements.

3.13. Trade payables

Trade payables are obligations to pay for goods or services that were acquired from suppliers in the normal course of business and are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

In practice, they are normally recognized at the value of the corresponding invoice, adjusted to present value, when the effect is material.

3.14. Bank borrowings

Bank borrowings are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the redemption amount is recognized in the statements of surplus (deficit) during the period while the borrowings are in progress, under the effective interest rate method.

3.15. Provisions

Provision is recognized when the entity has an obligation on the date of financial statements as result of past events; it is probable that making a cash disbursement will be required to settle the obligation; and the value was estimated in an appropriate manner and following legal precepts.

Provisions are measured at the best estimate of the amount required to settle the obligation as of the date of the financial statements. When the effect of the time value of money is material, the value of the provision is the present value of the disbursement expected to be required to settle the obligation.

3.16. Revenue and expense recognition

Results from operations are recognized on the accrual basis for the years, both for income and cost recognition, observing the principle of opportunity.

3.17. Recognition of revenue from services

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the normal course of the entity's activities. Income is presented net of rebates and discounts.

The entity provides healthcare services by the Pequeno Príncipe Hospital and the Pequeno Príncipe Vaccine Center, education services by Pequeno Príncipe College, and donations and fees from individuals and companies, as well as grants from the public authorities on a non-profit basis.

Revenue recognition occurs as hospital and educational services are provided to the patient/student; that is, when the entity has fulfilled the performance obligation established with the client, and there has been a transfer of control to the client, along with the emergence of the right to receive any consideration in exchange for the goods or services rendered.

The entity recognizes revenue when it is possible to meet the following criteria:

- (i) identify the contract with the customer;
- (ii) identify the performance obligations in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations; and
- (v) recognize revenue when performance obligations are met.

3.18. Fair value measurement

Fair value is the price that would be received for the sale of an asset or paid by transfer of a liability of an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur:

- (i) in the main market for the asset or liability; and
- (ii) in the absence of a main market, in the most advantageous market for the asset or liability. The main or most advantageous market must be accessible to the entity.

The fair value of an asset or liability is measured based on the assumptions that market participants would use when setting the price of an asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described

below, based on the lowest level information that is significant to the fair value measurement as a whole:

Level 1 — Prices quoted (not adjusted) in active markets for identical assets and liabilities that the entity can have access to on the measurement date.

Level 2 — Valuation techniques for which the lowest level and most significant information for measuring fair value is direct or indirectly observable.

Level 3 — Valuation techniques for which the lowest level and most significant information for measuring fair value is not available.

Regarding fair value disclosure, the entity has determined classes of assets and liabilities based on the type, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. The corresponding disclosures at fair value of financial instruments and non-financial assets measured at fair value or at the time of disclosure of fair values are summarized in the respective notes.

3.19. Judgment and use of accounting estimates

The preparation of financial statements requires that the entity's management base its information on estimates to record certain transactions that affect assets and liabilities, income and expenses, as well as the disclosure of information on data of its financial statements. The results of this information and these transactions, when actually carried out in subsequent periods, may differ from these estimates.

The accounting policies and areas that require a greater degree of judgment and use of estimates in the preparation of the financial statements are:

- a) doubtful receivables are initially provisioned for and subsequently recorded as losses when the possibilities of recovery have been exhausted;
- b) recoverable amount of inventories and property and equipment and intangible assets;
- c) useful life and residual value of property and equipment and intangible assets;
- d) contingent liabilities that are provisioned according to the expectation of success, obtained and measured in conjunction with the entity's legal advisors; and
- e) rates and terms applied in determining the adjustments to present value of certain assets and liabilities.

4. Cash and cash equivalents

	2024	2023
Cash	4	10
Banks — Checking account	782	565
Highly-liquid short-term investments (*)	3,121	4,247
Total short-term investments	3,907	4,822

(*)	Income	2024	2023
Bradesco Bank	100% of CDI	594	486
Banco do Brasil Bank	99% of CDI	97	135
Itaú Bank	95% of CDI	1,658	74
Safra Bank	103% of CDI	-	1,164
Santander Bank	101% of CDI	738	1,388
Paraná Bank	107% of CDI	-	1,000
Sicredi	101.5% of CDI	34	-
Total short-term investments		3,121	4,247

5. Short-term investments and long-term deposits

(*)	Income	2024	2023
Safra Bank	103% of CDI	1,420	4,498
Santander Bank	101% of CDI	1,233	12,002
Bradesco Bank	-	-	695
Paraná Bank	108% of CDI	6,276	1,571
XP Investments	110% of CDI	1,043	-
BTG Pactual	121% of CDI	822	-
Short-term investments		10,794	18,765
Unicredi	105% of CDI	8,008	-
Long-term investments		8,008	-
Total short-term investments		18,802	18,765

The balance of the short term investments presented herein was formed to comply with the provisions of Article II of Chapter IV of the Association's articles, which provides for the creation of a fund made up of compulsory savings of at least 1% of the income from the services provided by its operational units, whose aim is to ensure the perpetuity of the cause expressed in its object. And, with the express authorization of the Superior Council and the General Meeting, a portion of the funds saved can be used to invest in new areas of activity, such as the implementation of

Pequeno Príncipe North — Juril Carnasciali Teaching and Research Hospital Complex (Pequeno Príncipe North), on a plot of land in the Bacacheri district, adjacent to the Air Base/Cindacta II area.

Unicredi's long-term investments mature in 2026, and the balance is expected to be redeemed only at that time.

6. Trade receivables

Hospital service clients	4,347	5,076
Clients with vaccine	-	1
Education clients	843	1,079
(-) Provision for losses (a)	(797)	(1,020)
Total current	4,393	5,136
Hospital service clients (b)	311	398
Total non-current	311	398
Total trade receivables	4,704	5,534

(a) Breakdown of balances by aging

Falling due	3,706	3,923
Past due for (days):		
1–30	199	236
31–90	204	457
91–120	67	61
>121	1,325	1,877
Total	5,501	6,554

(a) Provision established based on an analysis of trade receivables, considering factors such as payment histories and potential losses, economic conditions of clients, and market trends, as a preventive measure to anticipate possible future losses, according to note 3.5.

December 31, 2021	(857)
Formation of allowance for expected credit losses	(419)
Losses/Surplus (deficit)	336
December 31, 2022	(941)
Formation of allowance for expected credit losses	(330)
Recoveries/Reversals	323
Translation adjustment	(72)
December 31, 2023	(1,020)
Formation of allowance for expected credit losses	(241)
Losses/Surplus (deficit)	241
Translation adjustment	223
December 31, 2024	(797)

(b) Trade receivables in judicial collection. Thus, management understood it was consistent to reclassify the balances to long term.

7. Resources from unrealized agreements (assets)/unrealized grants (liabilities)

Refer to funds from parliamentary amendments, government transfers and agreements and tax incentive projects, such as the Fund for Children and Adolescents (FIA, abbreviation in Portuguese), the Brazilian National Program to Support Oncology Care (Pronon, also in Portuguese), the Brazilian National Program to Support Healthcare for People with Disabilities (known as Pronas/PcD), as well as donations from companies and individuals. Of the amount of US\$ 10,797.20 (assets), the result of a large and organized fundraising effort with the community (individuals and companies) and government agencies, US\$ 4,318.85, equivalent to 40%, will be used to invest in modernizing buildings and purchasing equipment, and US\$ 6,478.35, equivalent to 60%, will be used to maintain facilities, purchase medicines (mainly high-cost medicines), special materials and other hospital consumables, and to pay for specialized labor, especially at the Research Institute.

Please note that the funds raised must be used in accordance with the application plan for each fundraising project and/or agreement. All these projects have specific implementation plans and are subject to ongoing audits and rigorous rendering of accounts.

8. Inventories

	2024	2023
Central Pharmacy	1,295	1,112
Vaccines	105	113
Central warehouse	131	152
Laboratory and research materials (*)	143	203
Maintenance	6	14
Other material	1	0
Total	1,681	1,594

(*) Refers to materials used in research (Pelé Pequeno Príncipe Research Institute) and used by the Clinical Analysis Laboratory.

In 2024 and 2023, no provision was made, as there were no low-turnover inventories.

9. Other receivables

	2024	2023
Advances to employees	199	64
Advances to suppliers	119	515
Eunice Weaver Association of Paraná (AEW-PR) (a)	1,513	1,241
Inter Americano (a)	191	-
Prepaid expenses for conferences	-	99
Other receivables (a)	125	188
Total	2,148	2,107
Current assets	933	2,008
Non-current assets	1,214	99
Total	2,147	2,107

(a) Balances related to amounts transferred as borrowings to Eunice Weaver Association of Paraná (AEW-PR, abbreviation in Portuguese) and to *Centro Cultural Brasil Estados Unidos — Inter Americano*, aim to provide resources for economic activities implemented by the borrowing entities. In the case of AEW-PR, the amounts were invested in the capitalization of a commercial company specializing in the purchase and sale of medical devices, while for Inter Americano the amounts transferred are being used in an education activity called *Multiplica PP*. In both cases, the generated resources will be used for the amortization of the borrowings.

The amounts are not monetarily restated.

10. Investments

	Works of art	Total
December 31, 2022		
Cost	135	135
Net carrying amount	135	135
Additions	-	-
Write-offs	-	-
Translation adjustment	4	4
Closing balance	135	135
December 31, 2023		
Cost	145	145
Net carrying amount	145	145
Additions	-	-
Write-offs	-	-
Translation adjustment	10	10
Closing balance	145	145
December 31, 2024		
Cost	114	114
Net carrying amount	114	114
Additions	-	-
Write-offs	-	-
Translation adjustment	(31)	(31)
Closing balance	114	114

The amount is related to works of art and mainly refers to various works acquired or donated to the Association, which form a collection that is exhibited in several places and consists of paintings, sculptures and other works, especially with king Pelé himself as a motif, a supporter of the Research Institute, and which may be used in the future to raise funds for the Association through auctions.

11. Leases

11.1. Right of use

a) Right of use assets

Right of use	Lease (*)	
Average effective period of contracts/useful life (years)	1 - 5	
	Real estate	Total
Balances at December 31, 2022	1,202	1,202
Depreciation	(667)	(667)
Translation adjustment	93	93
Balances at December 31, 2023	628	628
Additions	3,013	3,013
Depreciation	(491)	(491)
Translation adjustment	93	93
Balances at December 31, 2024	3,013	3,013

(*) Leases refer to rental contracts for properties used to provide medical, education, and administrative services.

11.2. Lease liabilities

Lease liabilities	Lease	Adjusted present value (AVP)	Total
Balances at December 31, 2022	1,388	(94)	1,294
Additions	-	-	-
Write-offs	-	-	-
Payments for the year	(721)	70	(702)
Translation adjustment	52	(2)	
Balances at December 31, 2023	719	(26)	693
Additions	3,576	(563)	3,013
Write-offs	-	-	-
Payments for the year	(562)	20	(542)
Translation adjustment	(157)	6	(151)
Balances at December 31, 2024	3,576	(563)	3,013
Amount classified as current	715	(193)	522
Portion classified as non-current	2,861	(370)	2,491

12. Property and equipment

Description	Land	Buildings and improvements	Sundry machinery and equipment	Hospital equipment	Facilities
December 31, 2022	6,379	7,787	2,235	5,629	289
Additions	434	856	1,486	1,741	4
Write-offs	-	(945)	(57)	(194)	(162)
Transfers	-	546	-	-	-
Depreciation	-	(710)	(434)	(1,138)	(7)
Revised depreciation based on useful life	-	194	125	230	(60)
Write-offs — Depreciation	-	264	34	157	1
Translate adjustment	496	607	174	438	22
Net carrying amount in 2023	7,309	8,599	3,563	6,863	87
December 31, 2023					
Cost	7,309	13,602	6,085	12,808	472
Accumulated depreciation	-	(5,003)	(2,522)	(5,945)	(385)
Net carrying amount	7,309	8,599	3,563	6,863	87
Additions	-	-	885	1,886	26
Write-offs	-	-	(290)	(649)	(49)
Transfers	-	804	-	-	-
Depreciation	-	(356)	(522)	(991)	(7)
Revised depreciation based on useful life	-	143	67	149	47
Write-offs — Depreciation	-	-	232	577	-
Translate adjustment	(1,595)	(1,876)	(778)	(1,498)	(20)
Net carrying amount	5,714	7,314	3,157	6,337	84
December 31, 2024					
Cost	5,714	11,439	5,352	11,250	345
Accumulated depreciation	-	(4,125)	(2,195)	(4,913)	(261)
Net book value	5,714	7,314	3,157	6,337	84
Depreciation rate		2.33–3.33%	4.55%–8.33%	7.69%	5.88%

There are no assets pledged as collateral.

Hospital furniture and fixtures	Computers and peripherals	Vehicles	Construction/ works in progress	Other property and equipment	Total
1,928	1,113	43	4,244	44	29,691
446	746	40	1,066	1	6,820
(107)	(62)	-	-	(1)	(1,528)
-	-	-	(546)	-	-
(273)	(452)	(12)	-	(24)	(3,050)
50	52	1	-	1	593
51	31	-	-	0	538
150	85	3	330	3	2,308
2,245	1,513	75	5,094	24	35,372
3,057	3,303	153	5,094	300	52,183
(812)	(1,790)	(78)	-	(276)	(16,811)
2,245	1,513	75	5,094	24	35,372
249	420	-	4,100	6	7,572
(197)	(272)	(11)	-	(2)	(1,470)
-	-	-	(804)	-	-
(227)	(442)	(14)	-	(9)	(2,568)
13	65	5	-	-	489
150	181	11	-	2	1,153
(491)	(329)	(16)	(1,112)	(4)	(7,719)
1,742	1,136	50	7,278	17	32,829
2,442	2,731	109	7,278	239	46,899
(700)	(1,595)	(59)	-	(222)	(14,070)
1,742	1,136	50	7,278	17	32,829
7.69–9.09%	16.67%	12.50%	-	10%	

Breakdown of property and equipment/construction in progress:

Description	2024	2023
Research Institute reform (Cabral unit)	-	484
Leasehold improvements	3,686	758
Economic-financial and environmental feasibility projects, architecture/engineering in Bacacheri, for the Pequeno Príncipe North	2,920	3,331
Renovation — Ramp Installation — Hospital	509	437
Work — Electric power distribution system	145	-
Restaurant renovation — College	-	67
Refurbishment of Block 5 — College	-	17
Work — Refurbishment of the Sagrado building	2	-
Work — PPCI — Underground exhaust system	17	-
Total	7,279	5,094

The works related to the first phase of construction of the Pequeno Príncipe North started at the end of the first quarter of 2024, as approved by permit 394,567, issued on June 30, 2023, by the Municipal Government of Curitiba, and are being carried out by the RTB Consortium, in accordance with the contract signed by the parties on February 7, 2024. The contracted consortium maintains a guarantee insurance policy for the execution of the work. The funds to carry out the work are duly programmed, as stated in note 5. By December 31, 2024, 43.26% of the total work had been carried out, according to measurements taken and paid for.

In 2024, the entity's management hired a company specialized in property and equipment inventories, seeking to promote the necessary adjustments in logistics and the assessment of the remaining useful life of its assets, with the respective reconciliation work and consequent adjustments being completed as of this date.

13. Suppliers

	2024	2023
Suppliers of materials and medicines	1,425	1,401
Suppliers of sundry materials	318	383
Suppliers — Goods	-	35
Suppliers of prostheses	47	568
Service providers	296	396
Suppliers — Medical fees	1,297	69
Equipment suppliers	47	-
Other trade payables	461	490
Total	3,891	3,342

14. Bank borrowings

	Charges	Guarantees	2024	2023
Bradesco Bank — Revolving credit	1.30% p.m.	Corporate guarantees	-	844
Santander Bank — ST	0.29% p.m.	Credit rights	247	229
Santander Bank — Secured account	1.42% p.m.	Credit rights	-	1,257
Safra Bank — Revolving	1.34% p.m.	Corporate guarantees	-	413
Banco do Brasil Bank — Revolving credit	1.21% p.m.	Corporate guarantees	-	2,066
Santander Bank	CDI+0.19% p.m.	SUS credits	524	293
Bradesco Bank	CDI+0.25% p.m.	SUS credits	393	482
Total short term			1,164	5,584
Santander Bank — Working capital	0.29% p.m.	Credit rights	399	740
Santander Bank	CDI+0.19% p.m.	SUS credits	1,047	1,798
Bradesco Bank	CDI+0.25% p.m.	SUS credits	679	1,235
Total long term			2,124	3,773
Grand total			3,289	9,357

Amounts payable by date	2024	2023
2023	-	5,584
2024	-	1,145
2025	1,201	1,145
2026	865	1,101
2027	790	381
2028	432	-
Total	3,288	9,357

All the borrowings obtained are denominated in local currency (US Dollar — USD) and do not have covenants.

15. Payroll taxes

	2024	2023
Salaries and wages payable	1,237	1,492
Social charges payable	674	710
Vacation payable	136	165
Nursing floor (*)	193	302
Provision for vacation and charges	2,644	3,170
Installment payment of FGTS	-	12
Other	27	36
Total	4,911	5,887

(*) Amounts referring to grants received for the payment of the nursing floor. Established by Law No. 14,434/2022, the amounts started to be transferred to the Association only in 2023.

16. Tax liabilities

	2024	2023
Withholding income tax (IRRF)	354	534
Other taxes withheld	36	53
Tax installment payments (a)	845	1,105
Total	1,235	1,693
Current tax liabilities	476	690
Non-current tax liabilities	759	1,002

(a) The balances are made up of PIS (abbreviation in Portuguese for Social Integration Program)/Cofins (term also in Portuguese for Contribution for Social Security Financing) installment payments and the maturities are between 2023 and 2035.

17. Prepaid income

	2024	2023
Bank branch income	85	195
Income from Blood Bank	21	69
Total	106	264
Current liabilities	89	128
Non-current liabilities	17	136

The entity has contracts with a financial institution to provide space for a bank branch on its premises and with Paraná Institute of Hemotherapy and Hematology (blood bank), both with a term of 60 months. So, the income was anticipated for the term of these contracts.

18. Provision for legal claims

The entity calculates provisions for contingencies by accounting for 100% of probable causes and 50% of possible causes to cover possible losses from legal proceedings.

	2024	2023
Labor contingencies	69	91
Civil contingencies	359	1,696
Total probable contingencies	428	1,787
Labor contingencies	94	59
Civil contingencies	4,599	3,772
Tax contingencies	-	-
Total possible contingencies	4,693	3,831
Total probable/possible contingencies	5,122	5,618
Recorded		
Probable contingencies	428	1,787
Possible contingencies	2,445	1,947
Total	2,873	3,734

19. Equity

The entity's net assets are represented by the capital of US\$ 27,799 (US\$ 30,641 in 2023), by the surplus for the year of US\$ 13,393 (US\$ 4,916 in 2023), and by the valuation adjustment to equity on assets of US\$ 6,136 (US\$ 7,949 in 2023).

On December 6, 2024, the Annual General Meeting decided to incorporate the surplus into the entity's net assets.

The balance of the surplus for the year will be made available to the General Meeting for allocation.

The balance of the valuation adjustment to equity refers to the record specifically of the cost effect attributed to property and equipment.

The statutory reserve mentioned in note 5 is included in the total value of net assets and is controlled by management.

20. Net operating income

	2024	2023
Healthcare income	59,314	49,280
Brazilian Public Health System — SUS	25,626	16,670
Agreements	31,655	29,841
Private	2,034	2,769
Education income	19,250	17,678
Tuition fees	18,898	17,365
Other income	352	313
Use of funds raised	15,573	16,675
Social grants	8,483	8,875
Private initiative campaigns	7,090	7,800
Gross operating revenue	94,138	83,633
Disallowances of agreements	(1,947)	(1,648)
Gratuities granted	(3,477)	(3,252)
Scholarships	(1,181)	(1,136)
(-) Deductions from income	(6,605)	(6,035)
Net operating revenue	87,532	77,597

20.1. SUS income from lawsuit

In 2024, this Association received the sum of US\$ 5,685.03 relating to the lawsuit filed on May 12, 2022 (number 1029422-51.2022.4.01.3400 — 3rd Federal Court of the SJDF) in which it claimed reimbursement for services provided to health insurance patients treated by the SUS, based on the TUNEP/IVR Table (Brazilian Single National Table of Equivalence of Procedures). Considering that the decision announced in the year 2024 was provisional (temporary), the aforementioned amount was allocated to short-term investments until the final decision is issued.

20.2. Use of resources from fundraising

In the year 2024, the use of resources from fundraising reached US\$ 13,562, which means an increase of 1% compared to the year 2023, decisively contributing to the current surplus (deficit).

21. Disallowances of agreements

Disallowances are recorded monthly, in accordance with the accrual basis of accounting, and arise from non-payment by healthcare and medical insurance plans, of amounts relating to procedures, medicines, materials, and fees applied to patient care.

In 2023, for a turnover of US\$ 30,794, there were disallowances of US\$ 1,700, which account for 5.52% of the turnover.

In the year 2024, for a turnover of US\$ 27,566, there were disallowances of US\$ 1,696, which account for 6.15% of the turnover. The increase in disallowances is due to new criteria adopted by the operators, and management is negotiating with them to remedy the situation.

22. Costs of services rendered

	2024	2023 Restated
Personnel cost	26,423	25,865
Materials and medicines	11,640	12,479
Medical fees	9,580	9,544
Foodstuffs	1,413	1,233
Maintenances	1,697	1,573
Professional services — Individuals/legal entity	1,264	1,190
Consumption material	751	766
Water, electricity, power, and telephone	793	604
Other costs	2,476	3,784
Total	56,037	57,038

23. Operating expenses

23.1. Personnel expenses

	2024	2023
Compensation	5,586	5,271
Social charges	798	676
Benefits	1,187	1,497
Provisions (vacation, Christmas bonus)	1,352	1,281
Total	8,923	8,725

23.2. Administrative and general expenses

	2024	2023
Depreciation and amortization (i)	2,201	2,048
Consumption material — General and admin.	870	1,527
Professional services for legal entities	3,778	2,463
Professional services for individuals	-	58
Administrative marketing	1,260	841
Water, electricity, telephone, and gas	166	550
Expenses on uncollectible receivables	127	316
Provision for losses in legal proceedings	-	8
Rental of real estate and equipment	404	707
Other general and administrative expenses	1,383	1,263
Total	10,189	9,781

(i) Due to a limitation of the integrated management system (known as MV), which does not segregate depreciation and amortization between costs and expenses, depreciation is fully recognized under general administrative expenses.

23.3. Other income (expenses)

	2024	2023
Income from rental of real estate	184	172
Parking income	104	61
Income from internship agreements	453	438
Income from clinical research	244	169
Other operating income	425	38
Tax expenses	(74)	(189)
Other operating expenses	(158)	(31)
Total	1,178	658

24. Finance income and costs

	2024	2023
Finance income		
Income from short-term investments	2,389	2,398
Discounts obtained	285	189
Interest received	174	9
Total finance income	2,848	2,596
Finance costs		
Interest paid/discounts granted	(95)	(143)
Bank fees and commissions	(182)	(207)
Charges on bank borrowings	(843)	(1,223)
Total finance costs	(1,120)	(1,573)
Finance surplus (deficit), net	1,728	1,023

25. Annual provision of services to SUS

During the year 2024, the provision of services to the SUS was carried out according to the standards established by Complementary Law No. 187/21 and by the service agreement signed with the Curitiba Municipal Department of Health, with all qualitative and quantitative targets being met.

26. Use of funds to free education

26.1. Statement of compliance with the minimum number of full scholarships

In compliance with Article 13-A of Law No. 187/2021 (Higher Education), Article 19 (Item I and II), and Article 20, and Law No. 11,096/05 (Higher Education), the institution granted one full scholarship for every nine paying students for the year 2024 to meet the Prouni Program, and complemented it with full and partial Prouni scholarships to reach 20% free education. Starting from the second semester of 2024, Pequeno Príncipe College started to offer only full scholarships for the Prouni Program, as shown below.

Undergraduate and sequential courses	Number 2024	Number 2023
Students enrolled in undergraduate and sequential courses	275	289
Paying students in undergraduate and sequential courses	229	235
Students needed (1 to 9 ratio)	25	26
Students with a Prouni scholarship	55	68
Students with full scholarships — Institutional	3	3

26.2. Investments for free education under Law No. 12,101/09

Higher Education	Quantity in 2024	Amounts (US\$ thousand) 2024	Quantity in 2023	Amounts (US\$ thousand) 2023
Number of enrolled students	275	15,588	289	16,910
100% Prouni scholarships	43	2,920	51	3,261
50% Prouni scholarships	12	109	17	95

The income shown above refers to undergraduate courses.

In addition to the legal gratuities presented above, in 2024, the amount of US\$ 732 was awarded in scholarships, as an incentive for the technical and scientific development of healthcare professionals, of which US\$ 51 refer to Valuing Talents Program scholarships for employees working at Pequeno Príncipe Complex.

27. Exemptions enjoyed

In 2024, Dr. Raul Carneiro Hospital Association for Childhood Protection obtained tax exemptions totaling US\$ 13,551.50, distributed as follows:

Summary of exemptions by institution	HPP ⁽¹⁾	CEVA ⁽²⁾	FPP ⁽³⁾	IPP ⁽⁴⁾	Total
IRPJ	2,073	-	-	-	2,073
Social contribution on profit (CSLL)	747	-	-	-	747
INSS — Employer	4,891	26	1,622	304	6,843
Cofins	846	34	494	-	1,374
PIS (tax on revenue)	359	8	165	11	544
IPTU (property tax)	104	-	-	-	104
ISS (service tax)	1,461	56	329	-	1,847
Grand total	10,482	125	2,610	315	13,532

⁽¹⁾ Pequeno Príncipe Hospital (HPP);

⁽²⁾ Pequeno Príncipe Vaccine Center (CEVA);

⁽³⁾ Pequeno Príncipe College (FPP); and

⁽⁴⁾ Pelé Pequeno Príncipe Research Institute (IPP).

28. Volunteer work

The cost of volunteer work used by the Association was estimated based on market prices for the activities carried out by volunteers, totaling US\$ 54 for 5,578 hours of services.

29. Insurance coverage (unaudited)

As of December 31, 2024, Dr. Raul Carneiro Hospital Association for Childhood Protection had insurance policies contracted with insurers in the country for coverage of sundry risks, fire, property theft, vehicles, and equipment.

Type	Object	Coverage	Effectiveness
Collision	Fleet	US\$ 162	5/8/2024–5/8/2025
Fire and other damage	Property	US\$ 9,892	4/3/2024–4/3/2025
Civil liability	Management indemnity	US\$ 808	9/14/2024–9/14/2025

The entity's management considers that the amount of insurance coverage is sufficient to cover any claims to its facilities and assets.

30. Risk management of financial instruments

Financial instruments

The entity's main financial instruments are cash and cash equivalents, short-term investments, trade receivables, borrowings and financing, and trade payables. The market values of these financial instruments as of December 31, 2024 and 2023 do not differ substantially from those recorded in the financial statements.

Derivative financial instruments

The entity does not use derivative financial instruments.

As of December 31, 2024	Financial assets at amortized cost	Other financial liabilities	Accounting total
Financial assets			
Cash and cash equivalents	3,907	-	3,907
Short-term investments	10,794	-	10,794
Long-term deposits	8,008	-	8,008
Trade receivables	4,704	-	4,704
Total	27,413	-	27,413
Financial liabilities			
Trade payables	-	3,891	3,891
Borrowings and financing	-	3,288	3,288
Total	-	7,179	7,179

As of December 31, 2023	Financial assets at amortized cost	Other financial liabilities	Accounting total
Financial assets			
Cash and cash equivalents	4,822	-	4,822
Short-term investments	18,765	-	18,765
Trade receivables	5,534	-	5,534
Total	29,121	-	29,121
Financial liabilities			
Trade payables	-	3,342	3,342
Borrowings and financing	-	9,357	9,357
Total	-	12,699	12,699

The entity reviewed the main financial assets and liabilities, as well as the criteria for their valuation, assessment, classification, and the related risks, which are described below.

- a) Receivables: amounts of cash held by the entity and freely movable bank deposits and trade receivables whose recorded values approximate realization values as of the reporting date are classified as receivables.
- b) Other financial liabilities: this group includes borrowings and financing, balances held with suppliers, and other current liabilities. Borrowings and financing are classified as financial liabilities not measured at fair value and are recorded at their contractual amounts.
- c) Fair value: the fair values of financial instruments are equal to their carrying amounts.
- d) Risk management of financial instruments: management manages exposure to interest rate, credit, and liquidity risks in its operations with financial instruments within its overall business policy.

Interest rate risks

The objective of the entity's interest rate management policy is to minimize the possibilities of losses due to fluctuations in interest rates that increase finance costs related to borrowings and financing raised in the market.

The entity continuously monitors market interest rates to assess the possible need to contract operations to hedge itself against the risk of volatility in these rates, and adopts a conservative policy for raising and investing its financial resources, striving to match the indexes.

Credit risk

The entity's client base shows a certain degree of concentration among some key clients. Through internal controls, the entity permanently monitors the submission of invoices and other information to the agreements, which limits the risk of delinquent accounts and disallowances. Management records an allowance for expected credit losses for losses deemed probable.

Regarding the credit risk associated with short-term investments and cash equivalents, the entity only performs operations in low credit risk institutions.

31. Information by segment

Dr. Raul Carneiro Hospital Association for Childhood Protection operates in the following segments:

- Pequeno Príncipe Hospital (HPP);
- Pequeno Príncipe Vaccine Center (CEVA);
- Pequeno Príncipe College (FPP); and
- Pelé Pequeno Príncipe Research Institute (IPP).

As per December 31, 2024	HPP	CEVA	FPP	IPP	Non-controlled by segment	Total
Assets					77,542	77,542
Liabilities					77,542	77,542
Net revenue	62,392	1,128	12,708	-		76,227
Cost of services rendered	(39,661)	(1,002)	(5,929)	(2,207)		(48,799)
Gross surplus	22,731	125	6,779	(2,207)		27,428
Operating expenses	-	-	-	-	(15,618)	(16,109)
Finance surplus (deficit)	-	-	-	-	1,505	1,505
Profit (loss) for the year	22,731	125	6,779	(2,207)	(14,112)	13,315

As per December 31, 2023	HPP	CEVA	FPP	IPP	Non-controlled by segment	Total
Assets	-	-	-	-	82,352	82,352
Liabilities	-	-	-	-	82,352	82,352
Net revenue	65,090	1,271	13,715	-	-	80,076
Cost of services rendered	(49,508)	(1,174)	(5,463)	(2,716)	-	(58,860)
Gross surplus	15,582	98	8,252	(2,716)	-	21,215
Operating expenses	-	-	-	-	(18,418)	(18,418)
Finance surplus (deficit)	-	-	-	-	1,056	1,056
Profit (loss) for the year	15,582	98	8,252	(2,716)	(17,362)	3,853

Remark: the entity's assets, liabilities, operating expenses, and finance surplus (deficit) are not controlled by segment. Therefore, they are not presented separately.

32. Explanation added to the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.



**Ety da Conceição
Gonçalves Forte**

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