Fundação para o Desenvolvimento Científico e Tecnológico em Saúde - FIOTEC

Financial Statements
as of December 31, 2020 and 2019

FUNDAÇÃO PARA O DESENVOLVIMENTO CIENTÍFICO E TECNOLÓGICO EM SAÚDE

Contents

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WALTER HAUER
AUDITORES E CONSULTORES

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To
Directors of
Fundação para o Desenvolvimento Científico e Tecnológico em Saúde – FIOTEC

Qualified Opinion

We have audited the financial statements of **Fundação para o Desenvolvimento Científico e Tecnológico em Saúde - FIOTEC**, which are comprised of the statement of financial position as of December 31, 2020 and the income statements, comprehensive income, changes in equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including a summary of the main accounting practices.

In our opinion, except for the possible effects of the subject matter described in the topic "basis for a qualified opinion", the accounting statements referred to above present fairly, in all material respects, the financial position of **Fundação para o Desenvolvimento Científico e Tecnológico em Saúde - FIOTEC** as of December 31, 2020, the performance of its operations and its cash flows for the year ended on this date, in accordance with accounting practices adopted in Brazil.

Basis for a qualified opinion

Linked projects to be performed

The accounts *"other credits - resources from closed projects", and "other obligations - resources from closed projects",* according to notes 9 and 22, present, respectively, balances of R$ 12,013,000, and R$ 39,137,000, transferred from the projects to be executed account, mentioned in note 20. The analysis of the balances of such closed projects has not yet been completed. Possible adjustments to be made to the Foundation's financial statements depend on the completion of these analysis.

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the following section entitled "Auditor's responsibility for auditing the financial statements". We are independent in relation to **Fundação para o Desenvolvimento Científico e Tecnológico em Saúde - FIOTEC,** in accordance with the relevant ethical principles set out in the Accountant's Professional Code of Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities according to standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Emphasis

Bank checking account by project

According to note 20, the Foundation uses a single bank account for projects considered to be of lesser financial size, however, the accounting rules emphasize the need to use a specific bank account for each project. FIOTEC's management intends to complete the work of migrating the balances of these projects to individual bank accounts by the end of 2021.

Other matters

Statement of Value Added (DVA)

The Statement of Value Added (DVA) for the year ended December 31, 2020, prepared under the responsibility of Management and presented as supplementary information, was submitted to the same audit procedures performed in conjunction with the audit of the financial statements. To form our opinion, we assessed whether this statement is reconciled with the financial statements and accounting records, as applicable, and whether its form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, this statement of added value was properly prepared, in all material respects, according to the criteria defined in this Technical Pronouncement and is consistent with the financial statements taken as a whole.

Project management

The audit procedures we applied on the balances involving projects managed by the Foundation, did not aim to evaluate management aspects, such as: budgets, deadlines, achievement of objectives and accountability. They were carried out with the objective of evaluating the internal accounting controls exercised on receipts, payments, administration fees and movement of bank current accounts of the projects.

Audit of amounts corresponding to the previous year

The amounts corresponding to the year ended on December 31, 2019, presented for comparison purposes, were audited by us, with a report dated February 2020, highlighting the reservations related to linked projects to be performed and the need for an individual bank current account per project, and an emphasis on working capital deficiency and provisions for contingencies.

Other information accompanying the financial statements and auditor's report

FIOTEC's Management is responsible for such other information that comprises the Management Report (Activities Reports).

As of the date of issue of this Audit Report, the Management Report has not been presented to us.

Our opinion on the financial statements does not and would not take into account the aforementioned Management Report.

However, in connection with the audit of the financial statements, our responsibility is to read the Management Report and, in doing so, consider whether that report is materially inconsistent with the financial statements or with our knowledge obtained from the audit, or otherwise, it appears to be materially distorted. If, based on the work performed, we conclude that there is a material misstatement in the Management Report, we are required to report this fact. As the Management Report was not presented to us, despite being requested, there is nothing to comment on.

Management and governance's responsibility for the financial statements

Management is responsible for the preparation and proper financial statements presentation in accordance with the accounting practices adopted in Brazil, and for the internal controls it has determined necessary to allow the financial statements preparation free of material distortion, regardless of whether caused by fraud or error.

In the financial statements preparation, management is responsible for evaluating the entity's ability to continue operating, disclosing, where applicable, matters related to its operational continuity and this accounting base use in the financial statements preparation unless management intends to liquidate the entity or cease its operations, or has no realistic alternative to avoid the operations closure.

Those responsible for the entity's governance are those responsible for supervising the preparing the financial statements process.

Auditor's responsibility for auditing the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards always detects relevant existing distortions. The distortions can be due to fraud or error and are considered relevant when, individually or jointly, they can influence, within a reasonable perspective, the economic decisions of users made based on said financial statements.

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

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, plan and perform audit procedures in response to such risks, and obtain sufficient and appropriate audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that arising from error, since fraud may involve circumventing internal controls, collusion, forgery, omission or intentional misrepresentation.

- We obtained the understanding of relevant internal controls for the audit to plan for the appropriate audit procedures to the circumstances, but not with the purpose of giving an opinion on the effectiveness of the entity's internal controls.

- We evaluated the appropriateness of accounting principles used and the reasonableness of accounting estimates and respective disclosures made by management.

- We concluded on the adequacy of the use, by management, of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is significant uncertainty in relation to events or circumstances that may cause significant doubt in relation to the entity's ability to continue operating. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the entity to no longer remain in business continuity.

- We evaluate the general presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the purpose of proper presentation.

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

Rio de Janeiro, March 25th, 2021

WALTER HEUER – WH INDEPENDENT AUDITORS
CVM N. 8710 CRC-SP 000319/0-8
CNPJ (Corporate Taxpayer Identifying Number) No. 42.465.302/0001-85

GILSON MIGUEL DE BESSA MENEZES
ACCOUNTANT CRC RJ 017511/O-9 T SP

Foundation for scientific and technological development in health - Fiotec

Balance sheets

as of December 31, 2020 and December 31, 2019

(In thousands of Reais)

Assets	**Notes**	**12/31/2020**	**12/31/2019**	**Liabilities**	**Notes**	**12/31/2020**	**12/31/2019**
Current assets				**Current liabilities**			
Cash and cash equivalents	5	876,085	353,499	Suppliers	14	15,513	9,602
Accounts receivable from customers	6	52,916	31,086	Liabilities	15	37,232	42,579
Advance to suppliers	7	48,747	17,813	Payroll and social security charges	16	16,038	8,591
Loans to employees	8	662	662	Tax obligations	17	9,298	2,198
Other receivables	9	3,092	47,559	Installments and financing	18	135	258
				Provisions for contingencies	19	-	32,935
				Linked projects to be performed	20	801,494	351,829
				Other provisions	21	28,621	20,206
		981,502	450,619			908,331	468,198
				Non-current liabilities			
				Installments and financing	18	898	1,008
				Provisions for contingencies	19	58,897	3,462
Non-current assets				Other liabilities	22	39,145	11,273
Loans granted	10	16,794	13,209				
Deposits in court	11	6,308	6,174			98,940	15,743
Other receivables	9	12,587	11,873				
Property, plant and equipment	12	17,020	18,043	**Equity**			
Intangible	13	16	121	Owners' equity	24	16,098	6,000
				Reserve fund		6,800	-
				Accumulated surplus		4,058	10,098
		52,725	49,420			26,956	16,098
Total assets		1,034,227	500,039	**Total liabilities and owners' equity**		1,034,227	500,039

The notes are an integral part of the financial statements.

FUNDAÇÃO PARA O DESENVOLVIMENTO CIENTÍFICO E TECNOLÓGICO EM SAÚDE

Foundation for scientific and technological development in health - Fiotec

Income statements

Years ended December 31, 2020 and 2019

(In thousands of Reais)

Operating revenue	**Notes**	**12/31/2020**	**12/31/2019**
Net revenue from contracts		56,712	34,155
Net revenue from covenants		666	700
Export revenue		2,411	21
Total revenue from activities	26	59,789	34,876
Voluntary work	31	804	774
Total operating revenue		**60,593**	**35,650**
Operating expenses			
Overhead expenses	27	(14,504)	(11,194)
Personnel expenses	28	(26,813)	(24,282)
Voluntary work	31	(804)	**(774)**
Other operating revenues (expenses)	29	(9,924)	3,858
Total operating expenses		**(52,045)**	**(32,392)**
Profit or loss before financial result		8,548	3,258
Financial result	30	2,310	3,200
Surplus of the year		10,858	6,458

The notes are an integral part of the financial statements.

Foundation for scientific and technological development in health - Fiotec

Comprehensive income statements

as of December 31, 2020 and 2019

(In thousands of Reais)

	12/31/2020	12/31/2019
Surplus of the year	**10,858**	**6,458**
Other comprehensive income	**-**	**-**
Total comprehensive income	**10,858**	**6,458**

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

FUNDAÇÃO PARA O DESENVOLVIMENTO CIENTÍFICO E TECNOLÓGICO EM SAÚDE

Foundation for scientific and technological development in health - Fiotec

Statement of changes in equity

Years ended December 31, 2020 and 2019

(In thousands of Reais)

	Owners' equity	PDTI investment fund	HR qualification fund	Accumulated surplus	Total
Balances as of January 01, 2019	6,000			3,640	9,640
Surplus of the year				6,458	6,458
Balances as of December 31, 2019	6,000	-	,	10,098	16,098
Transfer to owners' equity	10,098			(10,098)	,
Surplus of the year	-			10,858	10,858
PDTI investment fund creation		5,800		(5,800)	-
HR qualification fund creation			1,000	(1,000)	-
Balances as of December 31, 2020	16,098	5,800	1,000	4,058	26,956

The notes are an integral part of the financial statements.

Foundation for scientific and technological development in health - Fiotec

Statement of cash flows

Years ended December 31, 2020 and 2019

(In thousands of Reais)

	12/31/2020	12/31/2019
Cash flow of the operating activities		
Income for the year	10,858	6,458
Adjustments for:		
Depreciation and amortization	1,330	1,335
Variations in assets and liabilities		
(Increase)/reduction in the assets in		
Accounts receivable	(21,830)	29,485
Loans to employees	-	(347)
Advance to suppliers	(30,934)	(1,893)
Other receivables	43,753	(47,383)
Loans granted	(3,585)	(7,955)
Deposits in court	(134)	46,861
Increase/(decrease) in liabilities in		
Linked projects to be performed	449,665	11,830
Suppliers	5,911	2,384
Liabilities	(5,347)	42,579
Payroll and social security charges	7,447	(1,872)
Tax obligations	7,100	(591)
Provisions for contingencies	22,500	(35,365)
Other liabilities	27,872	(4,919)
Other provisions	8,415	(1,169)
Cash flow from (applied to) operating activities	523,021	39,438
Cash flow of the investment activities		
Acquisition of Fixed Assets	(202)	(291)
Write-off of property from fixed assets	-	55
Cash flow from investment activities	(202)	(236)
Cash flow from financing activities		
Installments and financing	(233)	56
Cash flow from financing activities	(233)	56
Increase in cash and cash equivalents	522,586	39,258
Net variation in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	353,499	314,241
Cash and cash equivalents at the end of the year	876,085	353,499
	522,586	39,258

The notes are an integral part of the financial statements.

FUNDAÇÃO PARA O DESENVOLVIMENTO CIENTÍFICO E TECNOLÓGICO EM SAÚDE

Foundation for scientific and technological development in health - Fiotec

Statement of value added

Years ended December 31, 2020 and 2019

(In thousands of Reais)

	2020	2019
REVENUE		
Revenue from activities	59,789	34,876
Other revenue	8,584	13,352
Inputs from third parties		
(-) Third-party services	(10,475)	(8,301)
(-) Materials, Energy and others	(3,025)	(2,797)
(-) Other costs e operating expenses	(17,178)	(8,159)
Gross value added	**37,695**	**28,971**
(-) Depreciation, amortization and depletion	(1,330)	(1,335)
Net value added generated by the Institution	**36,365**	**27,636**
(+) Financial revenues	2,634	3,565
Total Value Added to distribute	**38,999**	**31,201**
ALLOCATION OF VALUE ADDED		
Compensation for work (Personnel, charges and benefits)	26,658	24,161
Third-Party Personnel expenses [trainees/self-employed]	155	121
Taxes, Charges and Contributions	1,004	96
Third-Party Capital		
Financial expenses	324	365
Surplus of the year	10,858	6,458
TOTAL AMOUNT ALLOCATED OR DISTRIBUTED	**38,999**	**31,201**

The notes are an integral part of the financial statements.

Financial statements as of December 31, 2020 and 2019
Explanatory Notes to the financial statements
(In thousands of Reais)

1 Operating context

Fundação para o Desenvolvimento Cientifico e Tecnológico em Saúde (Fiotec), is located at Av. Brasil No. 4036, in Manguinhos, Rio de Janeiro, enrolled with CNPJ-MF No. 02.385.669/0001-74, has State Registration No. 77.469.770, Municipal Registration No. 242.022-8, is a non-profit legal entity governed by private law, registered with the RCPJ - Civil Register of Legal Entities.

To act as a support foundation, Fiotec is duly registered and accredited by the Ministry of Education (MEC) and the Ministry of Science, Technology and Innovation (MCTI). The institution also has the title of Declaration of Public Utility of the Government of the State of Rio de Janeiro and the title of Social Organization (OS) by the Government of the City of Rio de Janeiro. According to Law 8,010/90, Fiotec is authorized, by the National Council for Scientific and Technological Development (CNPq), to import goods for scientific and technological research.

From 2014 to 2016 (financial years of 2013 to 2015), the institution was awarded a Citizen Company certificate by the Regional Accounting Council (CRC-RJ), in partnership with the Federation of Industries of the State of Rio de Janeiro (Firjan) and the Federation of Commerce of the State of Rio de Janeiro (Fecomércio). Fiotec is certified by the D&B group, which is a major credit risk analysis and financial assessment companies in the United States of America (USA) and has DUNS Number (Data Universal Numbering System). The number is internationally recognized as a common identifier of companies for EDI (Electronic Data Interchange) and international trade transactions. It is only possible to register in the SAM (System for Award Management) when holding this number, which governs all contracts executed with US federal agencies.

On September 20, 2019, the sentence handed down on January 24, 2019 was final and unappealable, considering the request to declare Fiotec as an immune entity, as provided for in article 195, paragraph 7 of CF/88, in view of the fulfillment of requirements of art. 14 of the CTN.

Fiotec is responsible for the financial management and accountability for the expenses of the United Against Covid-19 program launched on April 2, 2020 by Oswaldo Cruz Foundation (Fiocruz), which is supported by the public and private spheres, to face the new coronavirus pandemic. In 2020, the fund had reached approximately R$ 421,000,000.00 in donations made by 690 individuals and 76 other institutions around the world. At the same time, in 2020, the program financed projects in 41 different work plans, divided into the areas of production of diagnostic kits; assistance to patients; medication production; staff training; community mobilization and support; reliable communication; research applied on solutions for understanding Covid-19; and internalization of technology and production of a vaccine. The funds obtained through the United Against Covid-19 program also financed a study that evaluated the effectiveness of four different treatments against coronavirus infection. The Solidarity clinical trial was developed by the World Health Organization (WHO) and coordinated here in Brazil by Fiocruz.

The institution also managed the funds of the partnership between Fiocruz and Fundação Itaú para Educação e Cultura, which made it possible to install two analytical centers, one in Manguinhos, in Rio de Janeiro, and another at Centro Industrial de Saúde do Eusébio, in Ceará. Donations transferred by Todos pela Saúde initiative, linked to Fundação Itaú, were invested in 15,000 daily diagnostic tests at the center in Rio de Janeiro, and another 10,000 tests at the laboratory in Fortaleza.

Fiotec also acted, and continues to act, in the acquisition of hospital equipment and supplies used to care for patients at the Covid-19 Pandemic Hospital Center of Evandro Chagas National Infectiology Institute (INI/Fiocruz). The selection process for hiring health professionals who currently work at the hospital was also administered by the institution, with the receipt of thousands of CVs from workers from different areas and backgrounds.

Including all the flights chartered by Fiotec to import Personal Protective Equipment (PPE), pharmaceutical materials, supplies and respirators. In 2020 the institution had invested about R$41,500,000.00. The operations took place throughout the past year to supply the Covid-19 Pandemic Hospital Center and the Analytical Centers of Rio de Janeiro and Ceará.

- Mission

  To participate in scientific, technological and innovation development in health, through the shared management of programs and projects, for the quality of life of society.

- Vision

  To be recognized by 2021 by the coordinators as a benchmark institution in program and project management, by using the best governance practices, and to be a source of pride for our employees.

- Values

  - We respect life, human dignity and the environment;
  - We value people and encourage proactivity;
  - We encourage an integrated, participatory, collaborative and innovative environment;
  - We believe in the strength of our work to carry out our actions with excellence;
  - We act in an ethical and transparent manner in organizational processes;
  - Our institutional relationship is based on respect for diversity, trust, cordiality and responsible attitude.

- Operation

  Fiotec acts in the logistical, administrative and financial management support of projects exclusively from Fiocruz, in fields as varied as health, in the areas of Research, Teaching and Extension, Stimulating Innovation, Scientific and Technological Development and Institutional Development.

  The relationship between Fiocruz and Fiotec is regulated by the third Covenant executed between the institutions (No. 185/2016). Through the document, it is determined that the development of the projects and programs must be in line with the institutional mission of Fiotec and previously approved by Fiocruz. Fiotec, with transparency and a qualified team, dedicates itself day by day to provide service with the required efficiency for customized project management.

- Administrative structure

a) Board of Trustees

Fiotec’s superior resolution and guidance body. The members are appointed by the president of Fiocruz and mandatorily endorsed by its Advisory Board. It is the responsibility of this body to approve and appoint the members of the Executive Board.

b) Audit Committee

Fiotec's economic and financial management oversight body. Annually, it submits to the Board of Trustees the annual report, the annual balance sheet and other financial statements, as duly audited. In 2012 it began to evaluate the balance sheet quarterly. Its members are also appointed by the President and endorsed by Fiocruz's Deliberative Council.

c) Executive Board

The members of the Executive Board are appointed by the Board of Trustees and approved by the Deliberative Board of Fiocruz. It is responsible for guiding and monitoring the administrative and financial activities of Fiotec, the strategic development of the institution with the implementation of new political and administrative actions and to mediate the relationship between Fiotec and Fiocruz.

- Operating structure

Fiotec, committed to providing high quality service, ended December 31, 2020 with two hundred and ninety-one (291) employees hired under the rules of the Consolidation of Labor Laws (CLT), 23 (twenty-three) apprentices, in a total of three hundred and fourteen (314) employees distributed at the headquarters. In addition, Fiotec has two thousand one hundred ninety-nine (2,199) employees hired under the rules of the Consolidation of Labor Laws (CLT) and two (02) trainees who work directly in the Fiocruz projects.

- Organizational structure

The organizational structure is divided into seven managements and two advisory services:

a. Legal Advisory Service

Area responsible for legal advice, opinions and interpretation of laws, analysis of contracts, civil and labor doubt.

b. Press Office

Area whose duties are the dissemination of information and structuring of actions to disseminate Fiotec to the internal and external public; updating internal and external communication tools; assistance and production of various institutional contents.

c. Project Management

Area responsible for project management in all phases and mediation between the project coordination, the other areas of Fiotec and the financing agents.

d. Social Health Organization

Area whose responsibilities are the execution, physical and financial monitoring and accountability of the projects that make up the Management Contract, according to the rules of execution of the financing agent and the current policies. Detailed presentation of all financial execution and results of indicators and targets established in the Management Contract.

e. People Management

It is responsible for the organization, planning and performance of all works and activities related to the strategic management of people, labor routines and worker's health, both within the headquarters of Fiotec and the professionals assigned to the projects.

f. Quality Management

To control and guarantee the quality in the processes and services provided by the Fiotec's team; perform warranty activities and support the Quality Management System and the area; record keeping and continuous improvement; administrative support activities; mapping, revisions, improvements and support in processes; dissemination, communication and availability of manuals of procedures and processes. The implementation and monitoring of institutional transparency actions and revalidation of the degrees and certifications required for the operation of Fiotec.

g. Logistics Management

Logistics has as some of the responsibilities: the management of purchasing activities and contracting of national and international services, monitoring of purchases, item and supplier records, contract management, bidding processes, social services, and archives.

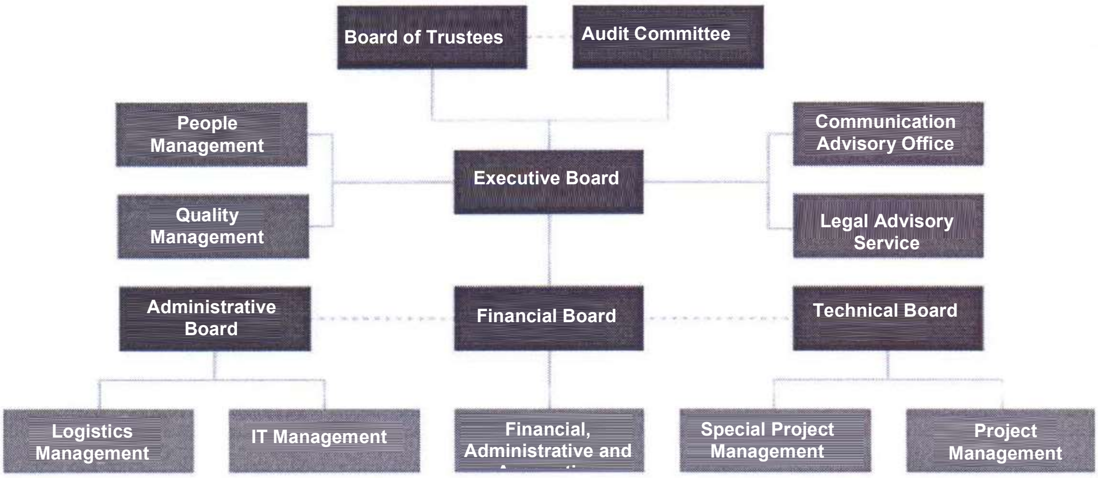
h. Financial, Administrative and Accounting Management

As the area holds all the financial and accounting information of the organization, it is the responsibility of the Controller to identify, plan, organize, control and manage all risks and costs.

i. Information Technology Management

It is responsible for the administration of information-related assets and services.

Organizational chart



2 Basis for preparation

a. Statement of compliance

The financial statements were prepared in accordance with the accounting practices adopted in Brazil, based on the provisions contained in ITG 2002 – Non-profit Entities and also by NBC TG 1000 – Accounting for small and medium enterprises for aspects not addressed by ITG 2002 – Non-profit Entities.

The issuance of the financial statements was approved by the financial administrative board on March 25, 2021.

b. Basis for measurement

The financial statements were prepared based on historical cost as a basis of value, except for non-derivative financial instruments designated at fair value through profit or loss, measured at fair value.

c. Functional currency and reporting currency

The financial statements are presented in Reais, which is the functional currency and the reporting currency of the Foundation.

d. Use of estimates and judgments

The preparation of the 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 these estimates.

Estimates and assumptions are reviewed in a continuous manner. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

The information on critical judgments regarding the adopted accounting policies that have effects on the amounts recognized in the financial statements are included in the following notes:

- Note No. 3d (ii) – Life span of fixed assets
- Notes No. 3e

3 Main accounting policies

The accounting policies described in detail below have been consistently applied to all periods presented in these financial statements.

a. Foreign currency

Transactions in foreign currency, which for purposes of these financial statements are those that are not realized in local currency (Reais), are converted at the exchange rate of the dates of each transaction.

Monetary assets and liabilities denominated in foreign currency are converted to Reais at the exchange rate of the closing date. Gains and losses on changes in exchange rates on monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities acquired or contracted in foreign currency are converted based on the exchange rates of the transaction dates.

b. Financial instruments

(i) *Non-derivative financial assets*

The Foundation recognizes receivables and deposits initially as of the date on which they were created. All other financial assets and liabilities are initially recognized on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument.

The Foundation has its non-derivative financial assets and liabilities recorded at fair value through profit or loss

Financial assets recorded at fair value through profit or loss A financial asset is classified at fair value through profit or loss if it is designated as held for trading and designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Foundation manages such investments and makes purchase and sale decisions based on their fair values in accordance with the Foundation's documented risk management and investment strategy. Transaction costs, after initial recognition, are recognized in profit or loss as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value, and changes in the fair value of these assets are recognized in the income statement.

Loans and Receivables
The loans and receivables are financial assets with fixed or determinable payments which are not quoted in an active market. These assets are initially recognized at fair value plus any attributable transaction costs.

After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

Loans and receivables include trade accounts receivable, other receivables and loans granted.

Project-related resources
The resources linked to projects include balances of cash in bank account with restriction and restricted financial investments.

Non-derivative financial liabilities
Financial liabilities are initially recognized on the trade date at which the Foundation becomes a party to the contractual provisions of the instrument. The Foundation writes off a financial liability when its contractual obligations are withdrawn, canceled or expired.

The foundation has the following non-derivative financial liabilities: suppliers, loans and financing.

These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(ii) *Derivative financial instruments*

There were no transactions with derivatives during the years of December 31, 2020 and 2019, including hedge operations.

c. Accounts receivable

They are given at present realizable value. The allowance for doubtful accounts is recognized based on the analysis of the risks of realization of accounts receivable, when Management deems it necessary.

The management of the Foundation, based on the composition of amounts receivable, recorded allowance for doubtful accounts, considering the effective losses of the last twelve months. The effects on the amounts recognized in the financial statements are included in the following notes:

- Note 6 - Accounts receivable from customers

d. Property, plant and equipment

(i) Recognition and measurement

Items of fixed assets are measured at historical cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses, when necessary.

(ii) Depreciation
Depreciation is calculated on the depreciable value, which is the cost of an asset, or other substituted value for cost, less the residual value.

The depreciation recognized in profit or loss is based on the straight-line method over the estimated life spans of each part of an item of fixed assets.

The estimated life spans for the current and comparative periods are as follows:

Buildings	25years

Machinery and equipment	10 years
Furniture and utensils	10years
Vehicles	5years
Computer - Hardware	5years

Depreciation methods, life spans and residual values will be reviewed at each financial year-end and any adjustments are recognized as changes in accounting estimates.

e. Intangible

Intangible assets acquired separately are measured in the initial recognition at acquisition cost and subsequently deducted from accumulated amortization and impairment losses when applicable.
The estimated life span for the current and comparative period is 5 years.

f. Projects

The inflows and outflows of resources used for the performance of the projects are recorded in individual accounts of assets and liabilities, and there is no consequence in the statement of the ***Foundation's surplus/deficit. Financial revenues from financial investments*** and financial expenses from bank fees for restricted accounts are recorded in liabilities, in a specific account.

g. Determination of income and recognition of income and expenses of Projects

The recognition of income and expenses is carried out in accordance with the accrual basis of accounting. The amounts received and employees from Project contracts are recorded as follows:

- **Receipt of resources:** When the resources are received, the debit of resources linked to projects and the credit of linked projects to be performed are recognized in current liabilities.

- **Consumption as expenses:** When there are expenses in the Projects, the corresponding expenses are recognized, and the expenses are recognized against the debit within the liabilities of projects to be performed.

h. Impairment

Financial assets

A financial asset not measured at fair value through profit or loss is valued at each reporting date to determine whether there is objective evidence that there has been an impairment loss. An asset has an impairment loss if objective evidence indicates that a loss event occurred after the initial recognition of the asset and that loss event had a negative effect on projected future cash flows that can be reliably estimated.

The Foundation's management has not identified any evidence to justify the need for a provision

i. Provisions and current liabilities and non-current liabilities

A provision is recognized in the balance sheet when the Foundation has a legal or constituted obligation as a result of a past event, and an economic resource will likely be required to settle the obligation. Provisions are recorded based on the best estimates of the risk involved.

Current liabilities and non-current liabilities are recorded at known or estimated amounts, plus, when applicable, the related charges, monetary variations incurred up to the balance sheet date.

(In thousands of Reais)

j. *Other current assets and non-current assets*

They are recorded at known or estimated amounts, plus, when applicable, the related charges, monetary variations incurred up to the balance sheet date.

k. *Determination of income and recognition of income and expenses*

The recognition of income and expenses is carried out in accordance with the accrual basis of accounting.

l. *Financial revenues and expenses*

Financial revenues basically include interest income on financial investments.

Financial expenses basically include bank fees charged by financial institutions.

m. *Income from voluntary work*

As established in the ITG 2002 Interpretation (R1) - Non-Profit Entity, the Foundation values revenues from voluntary work, including members of management bodies, being measured at their fair value taking into account the amounts that the Foundation would pay if they contracted these services in a similar market. As established in ITG2002 (R1) – Non-Profit Entities, the Foundation values revenues from voluntary work, including by members of the management bodies. Revenues from voluntary work are recognized in the result for the year as revenue in the operating revenues group against operating expenses.

n. *Financial risk management*

The Foundation presents exposure to the following risks arising from the use of financial instruments:

- Liquidity Risk
- Market Risk

The foundation provides information on the exposure of each of the aforementioned risks, the Foundation's objectives, policies and processes for maintenance and risk management in Note 32.

Structure of risk management

The Foundation's risk management policies are established to identify and analyze the risks dealt with when setting limits. Risk management policies and systems are reviewed to reflect changes in market conditions and in the Foundation's activities.

4 Determination of fair value

Several policies and disclosures of the Foundation require the determination of fair value for both financial and non-financial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes based on the methods presented in Note 32. When applicable, additional information on the assumptions used in the calculation of fair values is disclosed in the specific notes for that asset or liability.

5 Cash and Cash Equivalents

	12/31/2020	12/31/2019
With restriction (i)		

Bank transaction account	108,947	11,874
Financial investments (ii)	741,578	336,113
	850,525	347,987
Without restriction		
Cash	18	13
Bank transaction account	56	-
Financial investments (ii)	25,486	5,499
	25,560	5,512
Total	**876,085**	**353,499**

i. Restricted resources refer to resources received by the Foundation that will be used exclusively in projects mentioned in note 20.

ii. On December 31, 2020, financial investments refer to savings and investment funds of Banco do Brasil, Santander, Bradesco and BEM DTVM, remunerated between 7.14% and 271.41% of the CDI Interbank Deposit Certificate (57% to 126% as of December 31, 2019).

6 Accounts receivable from clients

The balance of accounts receivable refers mainly to the invoicing made by the Foundation to financing agents of the projects and their portion retained to cover the operating cost.

	12/31/2020	**12/31/2019**
Customers - Project	49,268	26,942
Customers - Fiotec	3,822	4,149
	53,090	31,091
Allowance for doubtful accounts	(174)	(5)
Total	**52,916**	**31,086**

- Balance of accounts receivable from customers per maturity

In thousands of Reais	**Projects**	**Fiotec**	**Total**
Payable	25,824	2,003	27,827
Overdue from 1 to 30 days	16,662	1,293	17,955
Overdue from 31 to 90 days	3,545	275	3,820
Overdue from 90 to 120 days	5	-	5
Overdue for more than 120 days	3,232	251	3,483
Total	**49,268**	**3,822**	**53,090**

The main customers are highlighted in the table below

Customer	**12/31/2020**
OSWALDO CRUZ FOUNDATION	34 979
TECHNOLOGY INSTITUTE	13,560
INSTITUTE OF DRUG TECHNOLOGY	1,084
MINISTRY OF HEALTH AND	628
NATIONAL INFECTOLOGY INSTITUTE	560
GOOGLE INC.	386
OSWALDO CRUZ INSTITUTE	367

(In thousands of Reais)

FERNANDES FIGUEIRA INSTITUTE	350
RE RE RACHOU INSTITUTE	285
MINISTERIO DE SALUD PUBLICA	185
AGGEU MAGALHAES RESEARCH CENTER	127
ORYGEN BIOTECNOLOGIA S.A.	100
BIOMEDICINE SCIENCE AND TECHNOLOGY INSTITUTE	99
PPD DO BRASIL SUPORTE À PESQUISA	83
BRIGHAM AND WOMEN'S HOSPITAL	60
ICON PESQUISAS CLINICAS LTDA	46
ANISETE MARIA SCHMITT	40
MUNICIPALITY OF MESQUITA	39
UNIVERSITY OF QUEENSLAND	37
SCENTRYPHAR PESQUISA CLINICA LTDA	30
GENEESKUNDIGE & GEZONDHEIDSZAKEN	1 1
MERCK SA	1 1
CECILIA COSTA DA SILVA	10
RIO BRANCO ALIMENTOS SA	3
EUROFINS DO BRASIL ANALISES DE	3
EMS S/A	2
Stella Regina Taquette	1
Others	4
Total	53,090

7 Advance to suppliers

The balance of 48,747 refers mainly to the advances made to foreign suppliers related to the process of importing equipment, inputs, reagents and kits for diagnosis for fighting Covid-19 in Fiocruz, the main suppliers being highlighted in the table below.

Date	Amount R$	Project	Supplier	Nature	M. Ext.	M.
04.13.2018	683	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	199,500	USD
05.23.2018	860	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	233,000	USD
06.13.2018	375	VPPIS-001-FEX-16	BIOMEDICAL	Activities related to research of SM-14 vaccine	100,000	USD
07.31.2018	376	VPPIS-001-FEX-16	BIOMEDICAL	Activities related to research of SM-14 vaccine	100,000	USD
10.10.2018	377	VPPIS-001-FEX-16	BIOMEDICAL RESEARCH CENTER	Activities related to research of SM-14 vaccine	100,000	USD
03.18.2019	878	VPPIS-001-FEX-16	BIOMEDICAL	Activities related to research of SM-14 vaccine	230,000	USD
05.03.2019	1.894	BIO-002-PPE-15	IMA INDUSTRIA MACCHINE AUTOMATICHE	Sensitive A/V	427,000	EUR
08.30.2019	386	FAR-OOI-FIO-17	FARWEST INTERNACIONAL	Serviço Metronidazole Technology	92,352	USD
09.04.2019	544	VPPIS-001-FEX-16	BIOMEDICAL	Test phase 2-pesq. vaccine SM-14	130,000	USD
10.02.2019	418	ICC-OOI-FIO-18	BIOMEDICAL	Activities related to research of SM-14 vaccine	100,000	USD
12.03.2019	739	BIO-002-PPE-15	IMA	Purchase Washer Veja 4	157,000	EUR
02.03.2020	347	VPPIS-002-FEX-17	MICROFLUIDIC CHIPSHOP	Contracting of development service Platform design and validation	73,500	EUR
03.20.2020	318	IPEC-012-PPE-13	FEDERAL RESERVE BANK OF NEW YORK	Return of funds to NIH accum. as of 12.10.2013;	63,004	USD
04.27.2020	2.822	VPGDI-020-ARC-20	BR LIFE, LLC	purchase 5,000,000 units microbiological collection Swapb	493,500	USD
04.27.2020	815	VPGDI-020-ARC-20	BR LIFE, L1C	purchase 5,000,000 units microbiological collection Swapb	142,567	USD
10.06.2020	1.109	VPPIS-002-FIO-18	BIOMEDICAL RESEARCH CENTER	Activities related to research of SM-14 vaccine	200,000	USD
10.09.2020	119	VPEJC-OOI-FIO-19	UNIVERSIDADE DO MINHO	Other services abroad	18,000	EUR
10.29.2020	1.969	VPG DI-043-ARC-20	WESTERN TEK	Purchase of 01 (one) freezer 30» - 326 L	338,959	USD
11.05.2020	374	ICC-004-FEX-20	THERMO FISHER SCIENTIFIC ASHEVILLE	Purchase of 02 (two) freezer 30» - 659 Le 03(three) freezer 80» 549L	66,673	USD
11.05.2020	124	IGM-009-FEX-17	SDC USA	Purchase of (01) one 2U super storage server	22,097	USD
11.05.2020	115	ICC-004-FEX-20	THERMO FISHER SCIENTIFIC ASHEVILLE	Purchase of 02 (two) freezer 30» - 659 Le 03(three) freezer 80» 549L	20,516	USD
11.11.2020	277	IOC-023-FIO-18	BREVETT1 C.E.A S.P.A	Purchase of (01) one LDM (leak detection machine) completely	43,200	EUR
11.26.2020	581	VPPIS-002-FIO-18	BIOMEDICAL RESEARCH CENTER	Activities related to research of SM-14 vaccine	108,442	USD
11.26.2020	491	VPPIS-002-FIO-18	BIOMEDICAL RESEARCH CENTER	Activities related to research of SM-14 vaccine	91,558	USD
12.03.2020	123	VPGDI-020-ARC-20	BREVETT1 C.E.A S.P.A	Purchase of (01) one Format change to inspect vials 4 ml	19,464	EUR
12.07.2020	272	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 2,292 Crate automated filter tips e 14,323 Crate deep well |	52,945	USD
12.07.2020	155	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 2,292 Crate automated filter tips e 14,323 Crate deep well |	30,078	USD
12.07.2020	102	VPPIS-007-FIO-20	MGI AMERICAS INC.	Purchase 573 Crate deep well plate	19,854	USD
12.10.2020	3.846	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 290 Crate MGIEasy	751,463	USD
12.10.2020	202	VPGDI-019-FIO-20	CFJ CANAA DISTRIBUIDORA LTDA	Purchase of medicine	202,425	BRL
12.15.2020	921	VPG DI-043-ARC-20	UNIVERSITY OF NEBRASKA-UNCOLN	Activities related to research of SM-14 vaccine	180,000	USD
12.15.2020	787	VPGDI-043-ARC-20	PALL CORPORATION	Purchase of (04) four MVP advance and (02) two Cytiva Aktareadyfli	153,804	USD
12.15.2020	627	VPGDI-043-ARC-20	PALL CORPORATION	Purchase of (02) two Allegro STR10 MVP advance and (02) two Cytiva	122,615	USD
12.15.2020	511	VPGDI-043-ARC-20	PALL CORPORATION	Purchase of (02) two Al 1 egro STR 1000 L and (02) two Allegro STR 200 L	99,846	USD
12.15.2020	338	VPG DI-043-ARC-20	PALL CORPORATION	Purchase of (04) four MVP ADVANCED and (02) two CYTIVA AKTARE	66,038	USD

(In thousands of Reais)

12.15.2020	319	VPG DI-043-ARC-20	PALL CORPORATION	Purchase of (02) two Allegro STR 1000 L and (02) two Allegro STR 200 L	62,438	USD
12.15.2020	217	VPGDI-043-ARC-20	PALL CORPORATION	Purchase of (04) four MVP ADVANCED and (02) two CYTIVA AKTARE	42,329	USD
12.15.2020	201	VPG DI-043-ARC-20	PALL CORPORATION	Purchase of (04) four MVP ADVANCED and (02) two CYTIVA AKTARE	39,338	USD
12.22.2020	3.877	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 290 Crate MGIEasy	751,463	USD
12.22.2020	103	VPGDI-019-FIO-20	FUNDACAO PRO-INSTVTUTO DE HEMATOLOG	Purchase Support service for assistance and hemotherapy actions	102,500	BRL
12.23.2020	131	VPGDI-020-ARC-20	CESTA DE AUMENTOS BRASIL LTDA	Purchase of food	130,748	BRL
12.28.2020	2.536	VPGDI-020- ARC-20	HUMASISCO	Purchase 2,700 KIT REAGENT BULK	481,950	USD
12.28.2020	365	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 3,006 Crate automated filter tips and 14,323 Crate deep well [	69,439	USD
12.28.2020	158	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 3,006 Crate automated filter tips and 14,323 Crate deep well |	30,078	USD
12.28.2020	104	VPPIS-007-FIO-20	MGI AMERICAS INC.	Purchase 573 Crate deep well plate	19,854	USD
12.29.2020	213	VPPIS-007-FIO-20	NEOBIO COMERCIO DE PRODUTOS PARA	Purchase 6,000 (six thousand units) TIPS	213,000	BRL
12.29.2020	144	VPPIS-007-FIO-20	SERVE LAB COMERCIO DE PRODUTOS E	Purchase 9,000 (nine thousand units) TIPS	143,550	BRL
12.30.2020	3.914	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO„ UMITE	Purchase 290Crate MGIEasy	751,463	USD
12.30.2020	276	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 2,292 Crate automated filter tips e 14,323 Crate deep well |	52,945	USD
12.30.2020	157	VPPIS-007-FIO-20	MGI INTERNATIONAL SALES CO., UMITE	Purchase 2,292 Crate automated filter tips e 14,323 Crate deep well |	30,078	USD
12.30.2020	103	VPPIS-007-FIO-20	MGI AMERICAS INC.	Purchase 573 Crate deep well plate	19,854	USD
Miscellaneous	11.054	others	Others	Others		
	48.747					

8 Loans to employees

The balance of advance to employees in the amount of R$662 refers mainly to advances of vacations and wages.

	12/31/2020	12/31/2019
Loans to employees - Projects	662	581
Loans to employees - Fiotec	-	81
	662	662

9 Other credits

The balance of other credits refers mainly to finalized projects and remains under analysis by the Foundation, as shown in the table below.

Current assets	**12/31/2020**	**12/31/2019**
Deposit in court to recover PROJECTS (inss/pis) credits (i)	-	39,474
Deposit in court to recover FIOTEC (inss/pis) credits (i)	-	7,655
Other credits (ii)	3,092	430
Non-current assets	3,092	47,559
Recoverable taxes (i)	574	574
Resources of completed projects (iii)	12,013	5,449
Other credits (iv)	-	5,850
	12,587	11,873
Total	15,679	59,432

i. The balance is represented by the recoverable deposits in court, released in court on July 21, 2020, related to the case that the Foundation fulfilled, cumulatively, the requirements established in article 14, items I, II and III, CTN, which is why FIOTEC's right to the immunity provided for in article 195, paragraph 7, of the Constitution is recognized.

ii. The balance mostly represents expenses with COVID-19.

iii. As of December 31, 2020, the Foundation has the following linked projects to be performed (projects in progress) in the closing phase and included in note 20;

(In thousands of Reais)

Project	12/31/2020
ENSP-043-PPE-14	4,048
VPDIGT-003-LIV-11	1,863
VPAAPS-009-FEX-20	1 659
VPAAPS-009-PPE-14	1,614
ENSP-056-LIV-10	1,590
VPDIGT-002-LIV-12	449
ENSP-060-FEX-13	344
VPDIGT-004-LIV-10	128
VPAAPS-003-FEX-13	67
PRES-018-FIO-13	60
ENSP-044-PPE-14	59
ENSP-046-PPE-14	39
ICICT-006-FEX-13	26
BIO-002-LIV-08	20
EPSJV-OOI-FIO-14	10
IPEC-003-LIV-03	8
DI PLAN-002-FIO-12	6
CPQGM-004-FIO-14	5
VPEIC-003-FIO-14	5
EPSJV-005- LIV-11	3
IPEC-007-LIV-08	3
EPSJV-001-LIV-02	2
IOC-019-LIV-09	2
IOC-OII-FEX-17	1
VPAAPS-005-FEX-13	1
Others	1
	Total 12,013

iv. The balance is represented by the projects to be performed (ongoing projects) that the Foundation recognized as losses, after analyzing the balances of these projects, concluding that the recovery of the constituted credits is not possible. Considering that the amount of R$ 5,850,000 in 2016 was constituted by the projects completed in previous years, whose divergences found in the internal controls of their performance, prevented the recovery of this amount by the Foundation.

10 Loans granted

They are carried out with the Foundation's own resources to Fiocruz Projects, aiming at full compliance with its statutory mission, as well as the preservation of the public interest so that the projects do not suffer interruption, there are no aging list or adjustment for inflation. On 12/31/2020 the balance of loans granted is R$ 16,794 (R$ 13,209) in 2019.

	01/01/2020	Loans	Payments	12/31/2020
Loans granted	13,209	87,089	(83,504)	16,794
Total	13,209	87,089	(83,504)	16 794

- Composition of loans granted in 2020 by project

Project	12/31/2020
VPGDI-026-ARC-20	8,268
VP A AP S-009-P PE-14	2,078

(In thousands of Reais)

VPEIC-009-FIO- 1 8	1,059
VP AAPS-O 1 1 -FEX- 1 8	777
VPGDI-002-FIO- 1 9	720
VP A AP S-009-FEX-2 O	552
VP AAPS-003-FIO- 1 6	472
VPGDI-04 1 -FIO-20	470
IGM-009-FEX-17	350
VPAAPS-008-FEX-20	300
VPGDÍ-036-FEX-20	25 I
VPGOI-007-FIO-20	230
VPPIS-002-FEX-14	163
VPPIS-002-FIO- 1 8	162
P RES-O 1 9-FIO-2Ü	1 50
VPAAPS-006-FIO-20	120
VPGDI-03 3-AR.C-20	100
IOC-O 1 S-FEX- 1 6	94
IGM-002-FEX- 1 7	79
ENSP-O 1 4-FIO- 1 7	65
VPGDI-002-FIO- 1 4	65
IFF-002-FIO-18	59
VPGDI-OOS-FIO- I 9	58
VPGDI-O 1 4-FIO- 1 9	55
BIO-006-FIO-20	39
IOC-O 14-LIV-I I	27
PRES-OO 1 -FIO- 1 6	16
VPGDI-004-FIO- 1 9	10
CPQAM-003-FEX- 1 7	2
others	3
Total	16,794

11 Deposits in court

The Foundation is a party to lawsuits before courts and government agencies, arising from the ordinary course of operations, involving tax, labor and civil matters.

	12/31/2020	12/31/2019
Labor	412	278
Civil (i)	5,896	5,896
Total	6,308	6,174

i. The main civil causes derive from the discrepancy in the accountability of the projects: Bonsucesso General Hospital and Brazilian National Health Surveillance Agency.

12 Property, plant and equipment

In 2016, the Oswaldo Cruz Foundation issued a letter of consent for the use of the area of 1,600m2, part of the property located at Avenida Brasil, No. 4,036 - Expansion of Fiocruz - Manguinhos Campus, Rio de Janeiro - RJ, which is an area destined for the facilities of modular structures of the Foundation for Scientific Health Development - FIOTEC (Fundação para Desenvolvimento Cientifico em Saúde).

This property is in the process of regularization with the Patrimonial Office of the Union (SPU/RJ), with change of destination at the request of Fiocruz, Assignment of Use Without Consideration, for Full Donation concurrently with regularizations of enrollment with the Municipal Government of Rio de Janeiro and RGI.

(In thousands of Reais)

This provisional authorization document is commonly used by SPU in cases of temporary impossibility of the destination process, and it is not necessary to execute the respective Contract of assignment of use, which will be performed as soon as the donation of the concerned property is consummated.

The composition of fixed assets is demonstrated below:

a. **Composition of property, plant and equipment**

Property, plant and equipment	Annual rates of depreciation	Cost	Accumulated depreciation	Net	
				12.31.2020	12.31.2019
Buildings	4%	18,962	(3,223)	15,739	16,497
Facilities	10%	33	(2)	31	-
Machinery and equipment	10%	690	(275)	415	356
Furniture & utensils	10%	1,087	(526)	561	664
Computer - Hardware	20%	2,720	(2,446)	274	526
Total		23,590	(6,570)	17,020	18 043

b. Cost movement - 31/12/2020

	Balance on January 31, 2020	Additions	Write-off	Transfers	Balance on December 31, 2020
Buildings	18 962	-	-	-	18,962
Facilities	-	33	-		33
Machinery and equipment	595	1 16	(23)	2	690
Furniture & utensils	1,114	1	(26)	(2)	1,087
Vehicles	98	-	-	-	98
Computer - Hardware	2,712	52	(44)	-	2 720
Total Cost	23,481	202	(93)	-	23,590

c. Depreciation movement 12/31/2020

	Balance as of 01/01/2020	Additions	Write-off	Transfers	Balance as of 12/31/2020
Buildings	(2,465)	(758)	--		(3,223)
Facilities	-	(2)	-		(2)
Machinery and equipment	(239)	(59)	23	-	(275)
Furniture & utensils	(450)	(102)	26	-	(526)
Vehicles	(98)	-	-	-	(98)
Computer - Hardware	(2,186)	(304)	44	-	(2,446)
Total Depreciation	(5,438)	(1,225)	93	-	(6,570)
Net Balance	18,043	(1,023)	-	-	17,020

d. Cost movement – 2019

	Balance as of 01/01/2019	Additions	Write-off	Balance as of 12/31/2019
Buildings	18,962	-	-	18,962
Machinery and equipment	550	1 1 1	(66)	595
Furniture & utensils	948	166	-	1,114
Vehicles	160	-	(62)	98
Computer - Hardware	2,730	14	(32)	2,712
Total Cost	23,350	291	(160)	23,481

(In thousands of Reais)

e. Depreciation movement – 2019

	Balance as of 01/01/2019	Additions	Write-off	Balance as of 12/31/2019
Buildings	(1,706)	(759)	-	(2,465)
Machinery and equipment	(206)	(46)	13	(239)
Furniture & utensils	(359)	(91)	-	(450)
Vehicles	(160)	-	62	(98)
Computer - Hardware	(1,899)	(317)	30	(2,186)
Total Depreciation	**(4,330)**	**(1,213)**	**105**	**(5,438)**
Net Balance	**19,020**	**(922)**	**(55)**	**18,043**

13 Intangible

The composition of intangible assets is demonstrated below:

a. *Composition of intangible assets- 12/31/2020*

Intangible	Annual rates of amortization	Cost	Accumulated amortization	Net	
				12.31.2020	12.31.2019
Computer - Software	20%	4,742	(4,726)	16	121
Total		4,742	(4,726)	16	121

b. *Cost movement - 12/31/2020*

	Balance as of 01/01/2020	Balance as of 12/31/2020
Computer - Software	4,742	4,742
Total Cost	4,742	4,742

c. *Amortization movement - - 12/31/2020*

	Balance as of 01/01/2020	Additions	Write-off	Balance as of 12/31/2020
Computer - Software	(4,621)	(105)	-	(4,726)
Total Amortization	(4,621)	(105)	-	(4,726)
Net Balance	121	(105)	-	16

d. Cost movement - 2019

	Balance as of 01/01/2019	Balance as of 12/31/2019
Computer - Software	4,742	4,742
Total Cost	4,742	4,742

e. *Amortization movement -2019*

	Balance as of 01/01/2019	Additions	Write-off	Balance as of 12/31/2019
Computer - Software	(4,499)	(122)	-	(4 62 1)
Total Amortization	(4,499)	(122)	-	(4 621)
Net Balance	243	(122)	-	121

(In thousands of Reais)

Right to use Software and Assignment of Rights are assets with determined life span in five years, during which they must be fully amortized.

14 Suppliers

The Foundation has a financial risk management policy to ensure that accounts payable are settled on time.

The Group's exposure to liquidity risks related to accounts payable to suppliers and other Payables account is disclosed in note 32.

The amount refers mainly to Projects managed by the Foundation that are pending definition for due settlement or write-off.

	12/31/2020	12/31/2019
National suppliers - Projects	3,409	2,660
Individual suppliers - Projects	7,912	5,204
Foreign suppliers - Projects	4,055	1,417
Suppliers Projects	**15,376**	**9,281**
Domestic suppliers - Fiotec	128	314
Individual suppliers - Fiotec	9	7
Fiotec Suppliers	**137**	**3 21**
Total	**15,513**	**9,602**

15 Liabilities

The amount is represented by the obligations to be returned to the projects in progress. Due to the judgement/appellate decision becoming final and unappeallable, the immunity provided for in article 195, paragraph 7, of the Constitution is recognized.

	12/31/2020	12/31/2019
Attorney's fees payable FIOTEC (i)	139	2,029
Attorney's fees payable PROJECT	528	7,713
	667	9,742
Deposit in court (inss/pis) to be reimbursed PROJECT (ii)	35,304	31,576
	35,304	31,576
Provision (ins/pis) to be reimbursed - PROJECT (iii)	1,261	1,261
Total	37,232	42,579

i. Attorney's fees of 20%;
ii. Amount deposited in court as mentioned in note 9 (i)
iii. Provision made in 2019.

16 Social and labor obligations

The balance is represented by social and labor obligations, as follows:

(In thousands of Reais)

	12/31/2020	12/31/2019
Wages payable - Projects	9,522	3,435
Provisions of vacation and vacation charges - Projects	1,999	1,189
INSS payable - Projects	992	630
FGTS payable - Projects	1,291	541
INSS payable - Projects	86	109
Total Projects	**13,890**	**5,904**
Wages payable - Fiotec	41	696
Provisions of vacation and vacation charges - Fiotec	1,790	1,669
INSS payable - Fiotec	109	174
FGTS payable - Fiotec	167	118
Other payable - Fiotec	41	30
Total Fiotec	**2,148**	**2,687**
Total	**16,038**	**8,591**

17 Tax obligations

The balance is represented by Taxes and Contributions Payable, as follows:

	12/31/2020	12/31/2019
ISS payable	4,639	603
ISS withheld from third parties payable	79	4
ICMS payable	1,022	170
ISS payable	3	-
IRRF of third parties payable	425	84
1RRF of wages payable	2,285	1,193
INSS withheld from legal entity	155	12
INSS reread of individual	285	49
Third-party CSRF (PIS, COFINS and CSLL)	405	83
Total	**9,298**	**2,198**

18 Installments and financing

The balance is represented by installments and financing, as follows:

Current liabilities	**12/31/2020**	**12/31/2019**
Financing (i)	-	133
Short-term financing charges	-	(6)
Installment of contractual fines (ii)	135	131
Non-current liabilities	135	258
Installment of contractual fines (ii)	898	1,008
	898	1,008
Total	1,033	1,266

(In thousands of Reais)

i. It refers to the acquisition of one hundred and seventy-six (176) swivel chairs with financing by BNDES, paid in 10 installments of R$ 17.

ii. Refers to the fine imposed by the Secretary of State for Health in the amount of R$ 1,000, due to the contract inspector's finding irregularities in the execution of contract No. 002/2010, which has as its object the provision of planning and execution services. management of medical care in the emergency units of hospitals and in the fixed pre-hospital emergency units of the Health Department - SES/RJ.

On September 24, 2018, a request for special installments was made, at the Attorney General's Office of the State of Rio de Janeiro, through the administrative process No. E-08/6257/2009, to be paid in 120 months. There are still ninety-two (92) installments to be paid, totaling R$ 1,033.

19 Provisions for contingencies

The Foundation, in the ordinary course of its operations, is subject to lawsuits of tax, labor and civil nature. The Management, based on the opinion of its legal advisors and, when applicable, based on specific opinions issued by experts on the same date, evaluates the expectation of the outcome of the lawsuits in progress and determines whether or not to establish a provision for contingencies.

As of December 31, 2020 and December 31, 2019, the Foundation had the following pending lawsuits of labor and tax nature.

	12/31/2020	12/31/2019
Current liabilities		
Lawsuit - Injunction - ISS(ii)	-	18,574
Lawsuit - Injunction - ICMS (ii)	-	14,361
	-	32,935
Non-current liabilities		
Lawsuit - Injunction - ISS(ii)	33,112	-
Lawsuit - Injunction - ICMS (ii)	21,194	-
Labor Lawsuits	4,591	3,462
	58,897	3,462
Total	58,897	36,397

On September 20, 2019, the sentence handed down on January 24, 2019 was final and unappealable, considering the request to declare FIOTEC as an immune entity, as provided for in article 195, paragraph 7 of CF/88, in view of the fulfillment of requirements of art. 14 of the CTN.

This court decision made evident the need for a review by the Foundation of the respective presentation or more appropriate classification of the amounts provisioned. Proceeding in reclassification of current liabilities to non-current liabilities of the amounts provisioned in lawsuits (i) and (ii), which totaled on September 30, 2020 the amount of R$ 47,428 (R$ 32,935 in 2019), whose settlement is not foreseen for the period of up to twelve months after the balance sheet date and that should be considered as non-current liabilities.

(i) The provision arises from an injunction obtained in case no. 0401177-14.2009.8.19.0001 in declaratory action to recognize the inexistence of a legal-tax relationship requiring the Foundation to pay the ISS (Service Tax);

(ii) The provision results from a preliminary injunction obtained in case No. 0401152-98.2009.8.19.0001 against the State Secretariat of Finance of the State of Rio de Janeiro, suspending the liability of ICMS tax.

(In thousands of Reais)

On December 31, 2020,the amount of R$202,278 was classified by the Legal Department as being possible outflow of resources. These amounts were not recognized in the Financial Statements for the period, as required by Accounting Pronouncement No. 25 issued by the Brazilian Accounting Pronouncements Committee (CPC).

In compliance with NBCTG 25, the following lawsuits are classified as possible loss of suit:

Project	Case	12.31.2020
VPDIGT-004-LIV-10- SES	0148205-70.2017.8.19. OOOl	1.000
BIO-003-LIV-09-2-51-198	0006161-62.2016.8.19.0001	193
VPDIGT-005-LI V-10-22	0000640-38.2014.5.05.0037	60
ENSP-046-LIV-12	0018808-54.2018.4.02.5101	60
VPDIGT-004-LIV-10 - SES	0011326-24.2014.5.01.0321	50
ENSP-056-LIV-IO - SMS	0260836-25.2015.8.19.0001	50
ENSP-060-LIV-09 - SMS	0100646-52.2019.5.01.0049	48
BIO-003-LIV-09-2-51-198	0100794-88.2016.5.01.0010	45
VPDIGT-004-LIV-10- SES	0010435-73.2015.5.01.0060	40
ICICT-003-FIO-13	0101012-80.2016.5.01.0022	40
VPDIGT-007-LIV-10 - SMS	0101399-68.2016.5.01.0031	40
BIO-003-LIV-09-2-51-198	0101466-45.2016.5.01.0027	36
VPDIGT-004-LIV-10 - SES	0010272-47.2015.5.01.0043	35
B10-003-LI V - 09-2-51-198	0010652-59.2015.5.01.0079	35
PRES-OIO-LI V-12-2-1-36	0000976-30.2015.5.02.0089	33
ENSP-056-LIV-10 - SMS	0010776-22.2015.5.01.0021	32
VPDIGT-004-LIV-10 - SES	0011173-28.2015.5.01.0265	32
IOC-OIO-FIO-14	0100001-56.2016.5.01.0041	32
ENSP-056-LIV-10 - SMS	0011279-96.2014.5.01.0047	30
ENSP-060-LIV-09 - SMS	0100127-87.2016.5.01.0015	30
ENSP-060-LIV-09 - SMS	0101844-37.2016.5.01.0015	30
ENSP-060-LIV-09 - SMS	0101309-48.2018.5.01.0077	26
VPDIGT-004-LIV-10- SES	0000233-18.2012.5.01.0068	25
VPDIGT-003-LIV-11 - SMS	0010857- 28.2014.5. Ol. 0078	20
VPDIGT-004-LIV-10 - SES	0074479-05.2013.8.19.0001	14
ENSP-005-FIO-13-2-1-36	0011671-27.2015.5.01.0071	7
		2,043
Fiotec	**Case**	
ADM	5017491-62.2020.4.02.5101	200.000
ADM	0011140-47.2013.5.01.0026	130
ADM	0100229-04.2020.5.01.0037	10
ADM	0100235-72.2020.5.01.0049	10
ADM	0100281-69.2020.5.01.0014	10
ADM	0100295-46.2020.5.01.0081	10
ADM	0100300-73.2020.5.01.0047	10
ADM	0100309-65.2020.5.01.0037	10
ADM	0100326-12.2020.5.01.0002	10
ADM	0401152-98.2009.8.19.0001	10
ADM	5096253-29.2019.4.02.5101	10
ADM	0101119-42.2018.5.01.0059	8
dvs	dvs	7
	Total	200.235
		202.278

20 Linked projects to be performed (projects in progress)

The Foundation maintains systemic controls over its projects. The balances and records are maintained in a segregated way for each project, considering: projects, goals, items, items of expenses/revenues and bank accounts with specific resource restrictions. 141 out of the 645 projects linked to current accounts, according to Annex I of smaller financial size are grouped into two single bank accounts, aiming not to cause a significant impact on their costs, which represents 2.55% of the total financial resources to be performed. FIOTEC's management intends to complete the work of migrating the balances of these projects to individual bank accounts by the end of 2021.

We present a summary of the movement of resources received by the Foundation, as well as the amounts used in the performance of the projects (consumption).

(In thousands of Reais)

- Summary of Movement

	Balance as of 01/01/2020	Received amounts	Consumption	Resources of completed projects (i)	Balance as of 12/31/2020
Linked projects to be performed	351,033	1,273 489	(805,097)	(21,300)	798 125
Resources from projects	796	2,573	*	-	3,369
Total	351,829	1,276,062	(805,097)	(21,300)	801,494

i. amount of resources of linked project to be performed (projects in progress) in the closing and finalization phase, which are included in the following notes, as shown in the table below:

	Balance as of 01/01/2020	Resources of completed projects (i)	Balance as of 12/31/2020
Other credits - note 09(iii)	5,449	6,564	12,013
Other liabilities - note 22	(11,273)	(27,864)	(39,137)
Total	(5,824)	(21,300)	(27,124)

- Analytical movement of federal funds received from the USA:

Project	Funder	Balance as of 12/31/2019	Funds received in 2020	Disbursements, costs and expenses incurred in 2020	Balance as of 12/31/2020
CPQGM-005-FEX-16	YALE UNIVERSITY	82	826	-546	362
ENSP-001-FEX-19	AMERICAN CANCER SOCIETY, INC	11	43	-46	8
ENSP-003-FEX-19	CENTERS FOR DISEASE CONTROL	53	16,517	-11,479	5,091
ENSP-041-PPE-13	CENTERS FOR DISEASE CONTROL	85	228	*298	15
IAM-006-FEX-19	UNIVERSITY OF CALIFORNIA - DAVIS	42	68	-38	, 72
IFF-003-FEX-19	WESTAT INC	942	2,007	-1,304	1,645
IFF-005-FEX-18	WESTAT INC	309	-2,638	2,329	-
IGM-002-FEX-17	CASE WESTERN RESERVE	44	321	-254	111
IGM-003-FEX-19	UNIVERSIDADE VANDERBILT	107	625	-618	114
IGM-003-FEX-20	EMORY UNIVERSITY MASTER ACCT	-	115	-17	98
IGM-004-FEX-18	AMERICAN TYPE CULTURE COLLECTION - Fat 2019	3,775	2,226	-1,308	4,693
IGM-004-FEX-19	UNIVERSITY OF CALIFORNIA-SAN DIEGO	22	97	-65	54
IGM-004-FEX-20	FOUNDATION CRDF GLOBAL	-	42	-33	9
IGM-006-FEX-20	FOUNDATION CRDF GLOBAL	-	99	-52	47
ILMD-001-FEX-17	MASSACHUSETTS GENERAL HOSPITAL	181	901	-1,011	71
INt-002-FEX-19	UNIVERSITY OF CALIFORNIA - UCLA	609	3,755	-2,178	2,186
INÍ-003-FEX-18	TRUSTEES OF BOSTON UNIVERSITY - Fat 2019	-	493	-433	60
INI-006-FEX-17	UNIVERSIDADE VANDERBILT - Fat 2019	467	598	-473	592
INI-006-FEX-18	FOUNDATION CRDF GLOBAL	29	83	-111	1
INI-006-FEX-19	PUBLIC HEALTH FOUNDATION	-	1,292	-594	698
INW08-FEX-17	FRED HUTCHINSON CANCER	109	95	57	261
INI-010-PPE-14	FAMILY HEALTH INTERNACIONAL	2,942	7,907	-5,366	5,483
INF011-FEX-18	UNIVERSITY OF CALIFORNIA - UCLA - Fat 2019	545	274	-546	273
INW11-PPE-14	MASSACHUSETTS GENERAL HOSPITAL	134	182	-317	1
IOC-002-UV-06	MASSACHUSETTS GENERAL HOSPITAL	31	585	-452	102
IOC-003-FEX-20	COLORADO STATE UNIVERSITY	-	237	-20	217
IOC-006-FEX-20	COLORADO STATE UNIVERSITY	-	700	-466	234
IOC-006-PPE-15	YALE UNIVERSITY	57	151	-176	32
IOC-012-FEX-17	NIH NATIONAL INSTITUTE OF HEALTH	260	490	-313	437
IOC-012-FEX-18	UNIVERSIDADE OF NEW MEXICO	82	360	-248	194
IOC-013-FEX-18	WESTAT INC	16	11	-27	,
IOC-014-LIV-11	CENTERS FOR DISEASE CONTROL	15	391	-187	219
IPEC-002-PPE-14	UNIVERSIDADE VANDERBILT	399	1,419	-820	998
IPEC-003-LIV-12	UNIVERSIDADE VANDERBILT	147	390	-505	32
IPEC-003-PPE-13	BRIGHAM AND WOMEN'S HOSPITAL	273	390	-461	202
IPEC-004-LIV-12	UNIVERSITY OF CALIFORNIA - UCLA	4	62	-66	-
IPEC-012-PPE-13	NIH NATIONAL INSTITUTE OF HEALTH	7,871	12,825	-18,890	1,806
PRES-012-FEX-17	STANFORD UNIVERSITY	182	294	-451	25
VPAAPS-007-F EX-20	ORGANEACIÓN PANAMERJCANA DE LA SAL	,	85	-77	8
VPGDI-001-FEX-20	STANFORD UNIVERSITY	-	452	-409	43
		19,763	54,998	-48,269	26,492

(In thousands of Reais)

21 Other Provisions

The Foundation has recorded in analytical accounts the provisions established for the payment of termination fees, in order to guarantee the labor rights of the employees hired under the CLT for the Projects, and totaled as of December 31, 2020, the amount of R$ 28,621 (R$ 20,206 in 2019).

22 Other liabilities

The balance of other liabilities in non-current liabilities refers to completed projects that remain under analysis by the Foundation.

	12.31.2020	12.31.2019
Funds from completed projects (i)	39,137	11,273
Liabilities	8	-
Total	39,145	11,273

I. As of December 31, 2020, the Foundation has the following projects in the closing phase and included in note 20, as per chart below:

Projeto	31/12/2020
VPPIS-001-FEX-16	6.386
BIO-003-LIV-09	5.873
PRES-010-LIV-12	2.772
PCTS-001-LIV-12	2.725
VPAAPS-007-LIV-11	2.333
VPGDI-009-FIO-14	2.057
VPAAPS-017-PPE-14	2.012
VPAAPS-016-PPE-14	1.557
PRES-001-ADF-14	1.279
VPAAPS-001-FEX-13	810
INI-006-FEX-19	698
VPAAPS-012-PPE-14	682
FAR-005-LIV-10	609
ENSP-060-LIV-09	591
IPEC-003-LIV-08	571
VPAAPS-001-FEX-14	478
INI-014-PPE-14	476
VPAAPS-010-PPE-14	464
INI-015-PPE-14	441
VPGDI-001-FIO-14	441
INI-013-PPE-14	414
VPGDI-006-FIO-14	396
VPAAPS-018-PPE-14	396
ENSP-045-PPE-14	322
INI-012-PPE-14	314
EPSJV-005-PPE-14	280
BIO-001-LIV-03	240
VPAAPS-015-PPE-14	232
VPAAPS-019-PPE-14	214
IPEC-011-FEX-13	169
VPGDI-019-FIO-13	158
VPAAPS-014-PPE-14	150
VPAAPS-004-FEX-13	144
EPSJV-007-FEX-13	135
VPGDI-024-ARC-20	133
DIREB-003-FIO-17	114
ICICT-005-FEX-17	107
VPAAPS-011-PPE-14	103
FAR-001-FEX-19	103
FAR-001-FIO-13	99
INI-004-PPE-18	86
BIO-007-FEX-19	83
IFF-004-FIO-18	85
VPGDI-006-FIO-15	84
BIO-001-PPE-14	79
PRES-013-FIO-17	76
VPAAPS-004-LIV-12	73
VPAAPS-002-FEX-13	67
IOC-011-LIV-10	62
INI-005-FEX-16	50
Diversos	910
Total	39.137

23 Compensation of Managers

The Bylaws of the Foundation provides for no compensation for the members of the Foundation's organizations. The Foundation does not distribute portions of equity or income for any reason, and fully applies in the Country the resources destined to the maintenance of its activities.

24 Equity

Owners' Equity is substantially comprised of equity and deficits/surpluses calculated annually.

In 2020, the Foundation's Management decided on the destination and application of the accumulated surpluses in its institutional purposes.

(In thousands of Reais)

As at December 2020 and 2019, the Equity was composed as follows:

	12/31/2020	12/31/2019
Fundação para desenvolvimento científico e tecnológico em saúde - FIOTEC	16,098	6,000
PDTI investment fund (i)	5,800	-
HR qualification fund (ii)	1 000	-
Accumulated surplus	4,058	10,098
Total	26,956	16,098

(i) The PDTI Investment Fund was constituted by the board of trustees, originating from the accumulated surplus, with the objective of investing in information technology.

(ii) The HR qualification fund was created by the Board of Trustees, originating from the accumulated surplus, aiming at the qualification of human resources.

25 Tax break

The Foundation is a non-profit entity (exempt from the Payment of Income Tax and Social Contribution referred to in article 15 of Law No. 9,532 of December 10, 1997.

For this, in our judgment, we considered the following taxes and respective rates, levied on revenue (IRPJ and CSSL 34% - cumulative regime - Presumptive Profit).

In compliance with item 27, letter "c" of ITG 2002 (Rl) - non-profit entity, the Foundation gained the amount of R$ 10,033 in the surplus of 2020 as shown in the table below

	12/31/20	12/31/19
Income tax at the rate of 15%	4,437	4,211
Additional of income tax at the rate of 10%	2,934	2,783
Social contribution on profit at the rate of 9%	2,662	2,526
Total Tax Break	10,033	9,520

26 Revenue from contracts and covenants

Revenue from contracts and covenants

The Foundation does not request reimbursement for project management. Our operating revenues are recognized in the income by the withdrawal of the operating cost under contract and calculated on the invoices of services issued by the Foundation, upon the release of the resources contracted by the Projects. In case of projects financed through contracts containing their respective cost worksheets and total value of the financial resources allocated to the performance of the project to cover operating and administrative expenses incurred in the performance of these agreements, covenants and contracts.

In the contracts, regarding project management, there is no requirement to prove the expenses incurred for performance, and there is only a contractual provision for the Operating Cost to be applied for the performance of that subject matter.

Likewise, Interministerial Ordinance 507/2011 provides that in cases of a transfer agreement, that is, contracts involving the transfer of financial resources from the budget, it is possible to receive administrative expenses up to the limit of 15% (fifteen percent) of the subject matter value, provided they are expressly authorized and demonstrated in the respective instrument and work plan.

(In thousands of Reais)

In the case of a covenant, it is about operating cost, where Fiotec proves the expenses related to that subject matter. However, the criteria for demonstrating this amount are established by the contracting part, which hinder the reporting in each covenant.

It should be noted that Law 10,973/94 deals with covenants in the area of innovation, research and development. The covenants executed in the other areas are based exclusively on Law 8,958/94.

The Foundation keeps in specific accounts a record of its revenues earned through the management of contracts and covenants.

27 Overhead expenses

	12.31.2020	12.31.2019
Rental and condominium charges	(201)	(272)
Water and energy consumption	(60)	(87)
Communication services	(290)	(301)
Goods and equipment lease	(388)	(405)
Driving	(110)	(91)
Meal	(99)	(406)
Consumables	(38)	(122)
Vehicles (maintenance and fuel)	(17)	(75)
Travel	(259)	(461)
Maintenance material (i)	(1,563)	(577)
General services (ii)	(4,009)	(839)
Specialized technical services	(2,533)	(3,634)
Information technology services	(3,933)	(3,828)
Tax expenses (iii)	(1,004)	(96)
Total	(14,504)	(11,194)

i. The amount represents, mainly, expenses with the performance of utilities works in the annex of the main building of the Foundation, adaptation of the emergency service unit (UPA - Manguinhos) and acquisition and installation of tents in the EPSJV land.
ii. The amount mainly represents the fine paid to FEDEX TRADE NETWORKS TRANSPORT AND BROKERAGE, INC in the cancellation of the charter flight of FEDEX/X1AQIN
iii. The amount mainly represents the Income Tax paid on the exchange operation of the charter flight of FEDEX TRADE NETWORKS TRANSPORT AND BROKERAGE, INC/XIAQUIN

28 Personnel expenses

	12/31/2020	**12/31/2019**
Salaries, vacation and Christmas bonus	(18,176)	(16,964)
Social charges	(1,695)	(1,366)
Benefits	(6,787)	(5,831)
Other personnel expenses	(155)	(121)
Total	(26,813)	(24,282)

29 Other operating revenues (expenses)

The movement of other net operating revenues (expenses) is comprised as follows:

(In thousands of Reais)

	12.31.2020	12.31.2019
Other operating income		
Reversal of provision **(i)**	-	1,757
Reimbursement of expenses **(ii)**	3,876	39
Funds from projects**(iii)**	328	1,938
Other revenue **(iv)**	4,380	1,957
Recovery Deposit in court (inss/pis) revenues **(v)**	-	7,661
	8,584	13,352
Other operating expenses		
Return of funds	(36)	(90)
Project adjustment expenses	(47)	-
Credit losses with projects **(vi)**	(5,882)	(1,233)
Glosses of projects **(vii)**	(19)	(350)
Expenses with provisions **(viii)**	(1,350)	(678)
Other expenses	(21)	(6)
Write-off of operating costs**(ix)**	(20)	(448)
Operations with fixed assets **(x)**	(1,330)	(1,335)
Loss on sale of fixed assets		(55)
Donations **(xi)**	(3,392)	(153)
Contributions to projects **(xii)**	(5,853)	(4 196)
Sponsorships and events **(xiii)**	(551)	(850)
Institutional relations **(xiv)**	(7)	(100)
	(18,508)	(9,494)
Other expenses and operating revenue	(9,924)	3,858

i. The amount mainly represents the reversal of provision for labor contingencies considered as a probable loss;

ii. The amount mainly represents the reimbursement for the cancellation of the charter flight of FEDEX/XIAQIN - USD 723.566,20;

iii. The amount is basically represented by the financial remnants converted to the Foundation in the closing of the projects;

iv. The amount mainly represents the amounts received by letter of agreement and terms of cooperation;

v. The amount is represented by the gain obtained in the process of recognition of tax immunity;

vi. The amount is mainly represented by adjustments in completed projects as disclosed in note 9 (iv);

vii. The balance mainly represents the return of resources to FINEP;

viii. The amount basically represents the provision for labor contingencies;

ix. The balance represents the cancellation of administrative operating expenses for the project (DOA);

x. The balance represents depreciation and amortization expenses;

xi. The balance represents donations, as shown in the table below:

Item	**12/31/2020**	**Grantee**
44 (forty-four) Counter type cabinet	13	CENTRO DE REFERENCIA PROFESSOR HELIO FRAGA
13 (thirteen) ROTARY CHAIR	12	CENTRO DE REFERENCIA PROFESSOR HELIO FRAGA
01 (one) CONSERVATION CHAMBER CSV 340 AC	15	NATIONAL SCHOOL OF PUBLIC HEALTH
03 (three) KIT GENOTYPE MTBDRPLUSVER2.0 96 TESTS	27	OSWALDO CRUZ FOUNDATION
02 (two) KIT GENOTYPE MTBDRPLUS VER 2.0 96 TESTS	18	OSWALDO CRUZ FOUNDATION

(In thousands of Reais)

200 (two hundred) KIT MEIOOGAWA (CX - 10 TUBES)	25	OSWALDO CRUZ FOUNDATION
02 (two) LAPTOP	21	INST COM UNI C E INFORM CIENTIFICA EM SAÚDE
02 (two) VIDEO CAMERA	34	INST COM UNI C E INFORM CIENTIFICA EM SAÚDE
01 (one) Data video TRANSMISSION CASE	36	INST COMUNIC E INFORM CIENTIFICA EM SAÚDE
02 (two) distributor SPLITTER HDMI	11	INST COMUNIC E INFORM CIENTIFICA EM SAÚDE
04 (four) LAPEL MICROPHONE	28	INST COMUNIC E INFORM CIENTIFICA EM SAÚDE
Purchase of furniture from the new Testing Center - Fiocruz - CE	3.043	OSWALDO CRUZ FOUNDATION-CE
Miscellaneous	109	Others
Total	3 392	

xii. The balance is mainly composed of the Foundation's contribution to projects.

xiii. The balance mostly represents expenses with sponsorships, conferences, seminars and the Health Solutions Fair.

xiv. The balance mostly represents expenses with gifts.

30 Financial Result

	12.31.2020	12.31.2019
Discounts obtained	-	35
Exchange variation gain (i)	209	6
Earnings from financial investments (ii)	2,425	3,524
Financial revenue	2,634	3,565
Bank charges	(240)	(242)
Exchange variation loss (i)	-	(8)
Interest for late payment and fines (iii)	(35)	(47)
Interest paid on financing	(6)	(2)
Interest and fees - installment of contractual fine (iv)	(26)	(59)
IOF - Tax on financial transactions	(17)	(7)
Financial expenses	(324)	(365)
Financial Result	2,310	3,200

i. Arising from imports of services, products, machinery and equipment contracted from foreign suppliers;

ii. Financial income calculated based on the effective interest rate disclosed in note 5 (ii);

iii. The balance mainly represents the fine and interest expenses of the INSS;

iv. The amount represents, the interest calculated in the contractual installment, disclosed in note 18;

31 Voluntary work

On December 31, 2020 and 2019, the Foundation received voluntary work from members of the Management, in the exercise of its administrative and financial functions measured in 192 hours in 2020 and 2019, 60 hours of its Directors in 2020 and 60 hours in 2019, which would be equivalent to the total fair value of R$ 804 in 2020 and R$ 774 in 2019.

32 Financial instruments

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

Fair value estimates

The carrying amounts included in the balance sheet, when compared to the values that could be obtained when trading in an active market or, in its absence, with the net present value adjusted based on the current interest rate in the market. During this year the Foundation did not carry out derivative operations.

"Non-derivative" financial instruments

All other "non-derivative" financial assets and liabilities (including assets determined by the fair value through the result) are initially recognized on the trade date at which the Foundation became a party to the contractual provisions of the instrument.

CPC 38 – Financial Instruments: Recognition and measurement establishes a three-level hierarchy for fair value, which prioritizes information when measuring fair value by the Foundation to maximize the use of observable inputs and minimize the use of unobservable inputs.

CPC38 describes the three levels of inputs that should be used in measuring at fair value:

- **Level 1 -** (unadjusted) quoted prices in active markets for identical or passive assets;
- **Level 2 -** Other available inputs, except those in Level **1**, where the (unadjusted) quoted prices are for similar assets and liabilities, in non-active markets, or other available inputs that can be used indirectly (derived from prices);
- **Level 3** – Unavailable inputs due to small or no market activity and that are significant for determining the fair value of assets and liabilities.

The process of measuring the fair value of the Foundation's financial instruments is classified as Level 2.

Due to the characteristics and manner of operation as well as the financial and equity position as of December 31, 2020, the Foundation is subject to the following factors:

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Foundation's approach to liquidity management is to ensure as much as possible that it will always have sufficient liquidity to meet its obligations when due, under normal and stressful conditions without causing unacceptable losses or at risk of undermining the Foundation's reputation.

Market Risk

Market risk is the risk of changes in market prices, such as interest rates on the Foundation's earnings, in the value of their holdings in financial instruments. These fluctuations in prices and fees can cause changes in the Foundation's revenues and costs.

The goal of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return.

In relation to interest rates, aiming at mitigating this type of risk, the Foundation centralizes its investments in operations with rate of return that accompany the variation of the CDI and fixed income funds.

33 Insurance coverage

The Foundation adopts the policy of taking out insurance coverage for assets subject to risks for amounts considered sufficient to cover occasional losses, considering the nature of its activity.

The risk assumptions adopted, given their nature, are not part of the scope of a special review and, therefore, were not reviewed by the independent auditors.

34 Accommodations, collateral and guarantees

The Foundation did not provide guarantees or participated in any transactions as a guarantor during the years of December 31, 2020 and December 31, 2019.

35 Subsequent events

In times when the rapid and sudden spread of the Coronavirus (Covid-19) pandemic continues to cause the paralization of several productive and commercial sectors, of different branches of activities, in addition to confining people and weakening the world economy, Fiotec has been actively participating in United Against Covid-19 program, launched by FIOCRUZ, which is supported by the public and private spheres, in facing this pandemic.

Although it does not foresee risks and uncertainties about the continuity of its operational activities, it awaits the disclosure of public policies and economic measures that aim to mitigate the impacts resulting from this pandemic on the Brazilian economy and possible impacts on its activities and future results.

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Hayne Felipe da Silva
Chief Executive Officer

João Camilo de Assis Cuquejo
Accountant CRC RJ 074.037/0-6

(In thousands of Reais)

Name	Signature Situation	Action Date
João Camilo de Assis Cuquejo	Signed	04/13/2015 04:26:43 P.M.
Hayne Felipe da Silva	Signed	04/13/2021 05:08:12 P.M.

Document signed electronically

Assinador de Documentos

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Reason: Documento assinado pelo assinador de documentos da Fiotec.
Location: Rio de Janeiro

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