

Fundação para o Desenvolvimento Científico e
Tecnológico em Saúde – FIOTEC

Interim accounting information
Period ended on December 31, 2019 and 2018



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INDEPENDENT AUDITORS' REPORT ON THE ACCOUNTING STATEMENTS

To the
Directors of the
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, 2019 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 matters 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 the **Fundação para o Desenvolvimento Científico e Tecnológico em Saúde - FIOTEC** as of December 31, 2019, 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 qualified opinion with reservation Linked projects to execute

The accounts "*other credits - resources from closed projects*", "*other credits - other credits*" and "*other obligations - resources from closed projects*", according to notes 9 and 22, present, respectively, balances of R\$ 5,449,000, R \$ 5,850,000 and R\$ 11,273,000, transferred from the projects to be executed account, mentioned in note 20. They represent project balances identified as closed and/or remaining from the change in the computerized system, which occurred in 2009. The analysis of the balances of these projects is still being carried out. Possible adjustments to be made to the Foundation's financial statements depend on the completion of these works.

Bank checking account by project

The funds received from smaller financial projects, prior to 2019, are still being used in a single bank account, despite the accounting rules recommending the need to use a specific bank account for each project. Administrative measures for opening individual accounts for all new projects, regardless of contractual value, were implemented in 2019, as per note 20.



Our audit was conducted in accordance with Brazilian and International Standards on Auditing. 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 the **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.

Emphasis

Working capital deficiency

On December 31, 2019, the Foundation determined a surplus in its income statement, in the amount of R\$ 6,458,000 (R \$ 2,337,000 in 2018), as a result of operational and administrative measures implemented by its management, from new sources revenue and, mainly, due to the effects of granting the Foundation's tax immunity (INSS and PIS), in a final and unappealable lawsuit, according to notes 19 and 29. However, it still has a working capital deficiency. Our opinion is not qualified as a result of this matter.

Provisions for contingencies

As of 2019, the Foundation implemented administrative measures to define contingent responsibilities in the execution of its projects. Thus, according to note 20, the accounting records of the amounts of the provisions for contingencies, considered as probable losses by its legal advisors, are being made directly in the projects that gave rise to them.

Other Matters

Statement of Value Added (DVA)

The Statement of Value Added (DVA) for the year ended December 31, 2019, 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, 2018, presented for comparison purposes, were audited by us, with a report dated February 28, 2019, highlighting the same reservations mentioned in the topic "Basis for opinion with reservation", as well as an emphasis on working capital deficiency.

Management and governance's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil and the internal controls that it has determined to be necessary to enable financial statements to be prepared free of material misstatement, whether caused by fraud or error.

In the preparation of the financial statements, management is responsible for assessing the Company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements unless management intends to liquidate the Company or cease its operations, or has no realistic alternative to avoid closing operations.

Those responsible for the governance of the Company are those responsible for supervising the process of preparing the financial statements.

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.

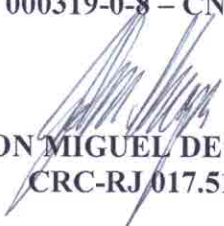


As part of an audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment, and maintain professional skepticism throughout the audit. Furthermore:

- 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 gain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate in the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company 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, February 28, 2020
WH Auditores Independentes
CRC-RJ 000319-0-8 – CNPJ 42.465.302/0001-85


GILSON MIGUEL DE BESSA MENEZES
CRC-RJ017.511/0-9 T SP

Fundação para o desenvolvimento científico e tecnológico em saúde – Fiotec

Balance Sheets

as at December 31, 2019 to December 31, 2018

(in thousands of Reais)

Assets	Notes	12/31/2019	12/31/2018	Liabilities	Notes	12/31/2019	12/31/2018
Current assets				Current liabilities			
Cash and cash equivalents	5	353,499	314,241	Suppliers	14	9,602	7.218
Accounts receivable from customers	6	31,086	60,571	Liabilities	15	42,579	-
Advance to suppliers	7	17,813	15,920	Payroll	16	8,591	10.463
Advance to employees	8	662	315	Tax obligations	17	2,198	2.789
Other receivables	9	47,559	327	Installments and financing	18	258	125
				Provisions for contingencies	19	32,935	22.407
				Linked Projects to be performed	20	351,829	339.999
				Other Provisions	21	20,206	21.375
		<u>450,619</u>	<u>391,374</u>			<u>468,198</u>	<u>404,376</u>
Non-current Assets				Non-current Liabilities			
Loans granted	10	13,209	5,254	Installments and financing	18	1,008	1.085
Judicial Deposits	11	6,174	53,035	Provisions for contingencies	19	3,462	49.355
Other receivables	9	11,873	11,722	Other liabilities	22	11,273	16.192
Property, Plant and Equipment	12	18,043	19,020			<u>15,743</u>	<u>66.632</u>
Intangible Assets	13	121	243	Shareholders' Equity			
				Owners' equity	24	6,000	6.000
				Accumulated surplus		10,098	3.640
		<u>49,420</u>	<u>89,274</u>			<u>16,098</u>	<u>9.640</u>
Total assets		<u>500,039</u>	<u>480,648</u>	Total liabilities and shareholders' equity		<u>500,039</u>	<u>480,648</u>

The notes are an integral part of the financial statements

Fundação para o desenvolvimento científico e tecnológico em Saúde – Fiotec

Income Statements

Year ended December 31, 2019 and 2018

(in thousands of Reais)

	Notes	12/31/2019	12/31/2018
Operating revenue			
Net revenue from contracts		34,155	37,054
Net revenue from covenants		700	119
Export revenue		21	-
Total revenue from activities	26	34,876	37,173
Voluntary Work	31	774	751
Total operating revenue		35,650	37,924
Operating expenses			
Overhead expenses	27	(11,194)	(5,653)
Personnel expenses	28	(24,282)	(28,749)
Voluntary Work	31	(774)	(751)
Other operating revenues (expenses)	29	3,858	(1,604)
Total operating expenses		(32,392)	(36,757)
Profit or loss before financial result		3,258	1,167
Financial results	30	3,200	1,170
Surplus for the year		6,458	2,337

The notes are an integral part of the financial statements.

Fundação para o desenvolvimento científico e tecnológico em saúde – Fiotec

Comprehensive income statements

as of December 31, 2019 and 2018

(in thousands of Reais)

	12/31/2019	12/31/2018
Surplus for the year	6,458	2,337
Other comprehensive incomes	-	-
Total comprehensive income	<u>6,458</u>	<u>2,337</u>

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



Fundação para o desenvolvimento científico e tecnológico em saúde – Fiotec

Statements of changes in equity

Years ended December 31, 2019 and 2018

(in thousands of Reais)

	Owners' equity	Accumulated surplus	Total
Balances as of January 01, 2018	<u>6,000</u>	<u>1,303</u>	<u>7,303</u>
Surplus for the year		2,337	2,337
Balances as of December 31, 2018	<u>6,000</u>	<u>3,640</u>	<u>9,640</u>
Surplus for the year	-	6,458	6,458
Balances as of December 31, 2019	<u>6,000</u>	<u>10,098</u>	<u>16,098</u>

The notes are an integral part of the financial statements.

Fundação para o desenvolvimento científico e tecnológico em saúde – Fiotec

Cash flow statement

Years ended December 31, 2019 and 2018

(in thousands of Reais)

	12/31/2019	12/31/2018
Cash flow of the operating activities		
Income for the year	6,458	2,337
Adjustments for:		
Depreciation and amortization	1,335	1,390
Change in assets and liabilities		
(Increase)/decrease in assets in		
Accounts receivable	29,485	(46,278)
Advance to employees	(347)	383
Advance to suppliers	(1,893)	2,754
Other receivables	(47,383)	(8,191)
Loans granted	(7,955)	(557)
Judicial Deposits	46,861	(18,707)
Increase/(decrease) in liability in		
Linked projects to be performed	11,830	20,455
Suppliers	2,384	1,066
Liabilities	42,579	-
Payroll	(1,872)	(231)
Tax obligations	(591)	254
Provisions for contingencies	(35,365)	29,605
Other liabilities	(4,919)	16,192
Other Provisions	(1,169)	5,615
Cash flow from (used in) operating activities	39,438	6,087
Cash flow from investing activities		
Acquisition of Fixed Assets	(291)	(302)
Write-off of property from fixed assets	55	75
Cash flow from investing activities	(236)	(227)
Cash flow from financing activities		
Installments and financing	56	968
Cash flow from financing activities	56	968
Increase in cash and cash equivalents	39,258	6,828
Net variation in cash and cash equivalents		
Cash and cash equivalents at start of the year	314,241	307,413
Cash and cash equivalents at end of the year	353,499	314,241
	39,258	6,828

The notes are an integral part of the financial statements.

Fundação para o desenvolvimento científico e tecnológico em saúde – Fiotec

Statement of value added

Years ended December 31, 2019 and 2018

(in thousands of Reais)

	2019	2018
REVENUES		
Revenue from activities	34,876	37,173
Other Revenues	13,352	8,478
Inputs from third parties		
(-) Third-party services	(8,301)	(3,762)
(-) Materials, Energy and others	(2,797)	(1,817)
(-) Other costs e operating expenses	(8,159)	(8,692)
Gross value added	28,971	31,380
(-) Depreciation, amortization and depletion	(1,335)	(1,390)
Net value added generated by the Institution	27,636	29,990
(+) Financial Revenue	3,565	1,892
Total Value Added to distribute	31,201	31,882
ALLOCATION OF VALUE ADDED		
Compensation for work (Personnel, charges and benefits)	24,161	28,657
Third-Party Personnel expenses [trainees/self-employed]	121	92
Taxes, Charges and Contributions	96	74
Third-Party Capital		
Financial Expenses	365	722
Surplus for the year	6,458	2,337
TOTAL ALLOCATED OR DISTRIBUTED VALUE	31,201	31,882

The notes are an integral part of the financial statements.

Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

1 Operations

Fundação Para o Desenvolvimento Científico e Tecnológico em Saúde – Fiotec, is located at Av. Brasil No. 4036, Manguinhos, 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.

In the financial year 2019, the Foundation signed a new contract to support projects for the production and supply of vaccines, medicines and other inputs and services for health, considering Law 13.801/2019, which amends art. 1 of Law No. 8,958 of December 20, 1994. Enabling Fiocruz, through the action of Bio-Manguinhos, to export vaccines with the legal support and participation of FIOTEC.

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.

The Foundation's recognition as an immune entity had a significant impact on the 2019 surplus, generating positive expectations for the 2020 financial year.



Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

- **Mission**

To engage in the scientific, technological development and innovation in health, by means of a shared management of programs and projects, for quality of life in 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 collaborators.

- **Values**

- We respect life, human dignity and the environment;
- We value people and encourage proactiveness;
- We promote an integrated, participative, collaborative and innovative environment;
- We believe in the strength of our work to perform our actions with excellence;
- We act with ethics and transparency 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**

Financial statements as of December 31, 2019 and 2018
Explanatory Notes to the financial statements

(In thousands of Reais)

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, 2019 with two hundred and fifty-one (251) employees hired under the rules of the Consolidation of Labor Laws (CLT), two (02) trainees, 23 (twenty-three) apprentices, in a total of two hundred and seventy-six (276) employees distributed at the headquarters. In addition, Fiotec has seven hundred and ninety-six (796) employees hired under the rules of the Consolidation of Labor Laws (CLT) and three (03) 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.

Financial statements as of December 31, 2019 and 2018
Explanatory Notes to the financial statements

(In thousands of Reais)

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.

Financial statements as of December 31, 2019 and 2018
Explanatory Notes to the financial statements

(In thousands of Reais)

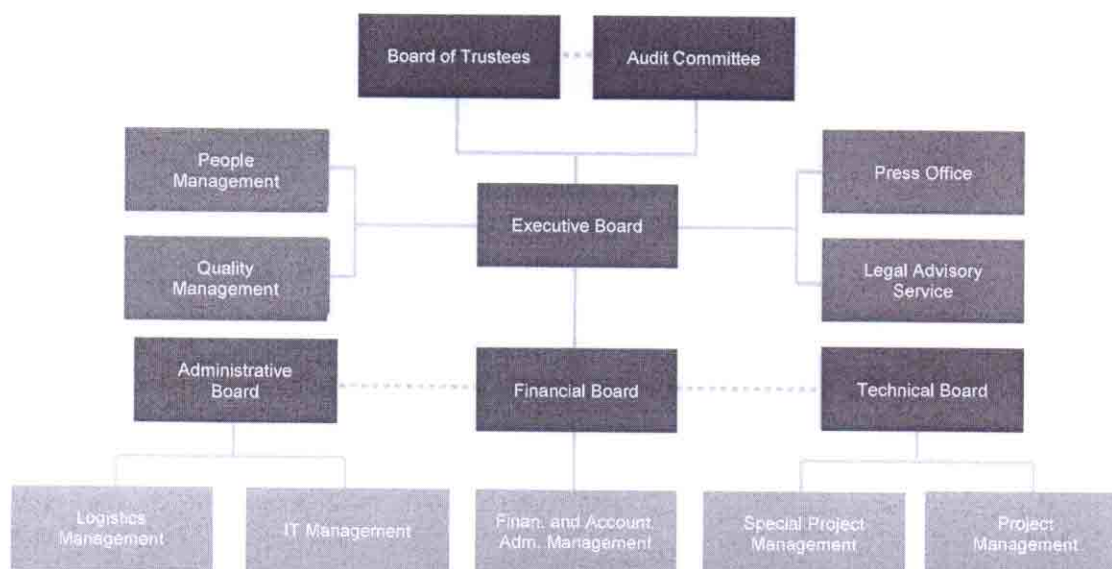
h. Administrative Accounting and Financial Management

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.

Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

The issuance of the financial statements was approved by the Chief Administrative and Financial Officers on February 28, 2020.

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.



Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

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.





FUNDAÇÃO PARA O DESENVOLVIMENTO
CIENTÍFICO E TECNOLÓGICO EM SAÚDE

Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

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, 2019 and 2018, 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 No. 6 – Accounts receivable from customers

Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

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

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 Assets

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.

Financial statements as of December 31, 2019 and 2018

Explanatory Notes to the financial statements

(In thousands of Reais)

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





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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 recognized 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.

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 with 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 just 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.



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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 just value

Several policies and disclosures of the Foundation require the determination of just value for both financial and non-financial assets and liabilities. The just 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 just values is disclosed in the specific notes for that asset or liability.

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5 Cash and cash equivalents

	12/31/2019	12/31/2018
With restriction (i)		
Bank transaction account	11,874	6,996
Financial investments (ii)	336,113	298,423
	<u>347,987</u>	<u>305,419</u>
Without restriction		
Cash	13	13
Bank transaction account	-	455
Financial investments (ii)	5,499	8,354
	<u>5,512</u>	<u>8,822</u>
Total	<u>353,499</u>	<u>314,241</u>

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, 2019, financial investments refer to savings and investment funds of Banco do Brasil, Santander, Bradesco and BEM DTVM, remunerated between 57% and 126% of the CDI Interbank Deposit Certificate (65.98% and 104.53% as of December 31, 2018).

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.



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	12/31/2019	12/31/2018
Clients - Project	26,942	53,650
Clients - Fiotec	4,149	6,942
	31,091	60,592
Allowance for doubtful accounts	(5)	(21)
Total	31,086	60,571

- Balance of accounts receivable from clients per maturity

In thousands of Reais Unmatured	Projects	Fiotec	Total
Invoices due	8,333	1,283	9,616
Overdue from 1 to 30 days	14,924	2,298	17,222
Overdue from 31 to 90 days	3,594	554	4,148
Overdue from 90 to 120 days	-	-	-
Overdue more than 120 days	91	14	105
Total	26,942	4,149	31,091

- The main clients are highlighted in the table below

Client	31/12/2019
FUNDACAO OSWALDO CRUZ	27,754
INSTITUTO DE TECNOLOGIA EM	1,180
CENTRO DE PESQUISAS AGGEU MAGALHAES	892
SEARO IND NEW DELHI WR-WORLD HEALTH	543
INSTITUTO NACIONAL DE INFECTOLOGIA	175
INSTITUTO FERNANDES FIGUEIRA	154
UNIVERSIDADE VANDERBILT	76
INSTITUTO RENE RACHOU	67
BRIGHAM AND WOMEN'S HOSPITAL	60
MUNICÍPIO DE MESQUITA	39
UNIVERSITY OF QUEENSLAND	37
SCENTRYPHAR PESQUISA CLINICA LTDA	36
LABORATÓRIO TEUTO BRASILEIRO S/A	28
ASPEN PHARMA INDUSTRIA	11
GLAXOSMITHKLINE BRASIL LTDA	9
INSTITUTO OSWALDO CRUZ	9
RIO BRANCO ALIMENTOS SA	7
GENEESKUNDIGE & GEZONDHEIDSZAKEN	3
MINISTRY OF HEALTH MEDICAL DIVISION	3
EURO FINS DO BRASIL ANÁLISES DE	2
RICARDO ALEXANDRE ARGÊNCIO	1
Others	5
Total	31,091



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7 Advance to suppliers

The balance of advances to suppliers in the amount of R\$17,813 refers mainly to the advances made by the Foundation to foreign suppliers related to the process of importing equipment and services for projects, the main suppliers being highlighted in the table below.

Date	Amount RS	Projects	Suppliers	Nature	M. Ext.	M.
02/23/2017	244	VPPIS-002-FEX-17	Microfluidic Chipchop GMBH	Development, layout and valid plataf.tecn.diag.virus 2 ZIKA,Dengue and Chikungunya	73,500 EUR	
03/10/2017	250	VPPIS-007-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
03/13/2017	251	VPPIS-007-FEX-17	microfluidic chipshopgmbh	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
04/17/2017	251	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
05/25/2017	276	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
06/09/2017	274	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
07/03/2017	280	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
08/04/2017	277	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
08/29/2017	287	VPPIS-001-FEX-16	INFECTIOUS	Activities related to research of SM-14 vaccine	89,500 USD	
09/04/2017	278	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
09/05/2017	227	VPPIS-000-FEX-16	INFECTIOUS OISEASE RESEARCH INST.	Developm. Activity for clinic trials vaccine SM14 vaccinated patients	72,000 USD	
09/22/2017	284	VPPIS-001-FEX-16	INFECTIOUS	Activities related to research of SM-14 vaccine	89,814 USD	
10/18/2017	277	VPPIS-002-FEX-17	MICROFLUIDIC	Development, layout and valid plataf.tecn.diag.virus ZIKA,Dengue and Chikungunya	73,500 EUR	
11/09/2017	169	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	51,500 USD	
12/14/2017	261	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	77,500 USD	
02/01/2018	170	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	53,000 USD	
02/23/2018	180	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	55,000 USD	
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	
13/06/2018	375	VPPIS-001-FEX-16	BIOMEDICAL	Activities related to research of SM-14 vaccine	109,000 USD	
07/17/2018	294	VPPIS-001-FEX-16	IDRI	Activities related to research of SM-14 vaccine	75,000 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	
01/14/2019	65	BIO-003-LIV-09	Sinapse Inc	122 units Trueblue Peroxidase substrate	17,297 USD	
03/18/2019	878	VPPIS-001-FEX-16	BIOMEDICAL	Activities related to research of SM-14 vaccine	230,000 USD	
05/03/2019	1.860	BIO-002-PPE-15	IMA INDUSTRIA MACHINE AUTOMATICHE	Sensitive A/V	427,000 EUR	
07/17/2019	670	FAR-001-FIO-17	farwest international	21 Kg Paracetamol DC90-8	176,400 USD	
08/19/2019	47	IOC-015-FEX-16	BERNHARD NOCHT	Training use Elisa KIT	10,500 EUR	
08/30/2019	386	FAR-001-FIO-17	FARWEST INTERNATIONAL	Metronidazole Technology Service	92,352 USD	
08/30/2019	26	ENSP-003-FEX-19	SEOIA BIOSCIENGES	Aq. 13 KIT test. SEDIAHIV-1	6,175 USD	
09/04/2019	544	VPPIS-001-FEX-16	BIOMEDICAL	Test phase 2-pesq. vaccine SM-14	130,000 USD	
09/27/2019	58	VPPIS-003-PPE-15	LINKAM SCIENTIFIC	Aq. 01 Temperature Microscope Stage	11,170 GBP	
09/29/2019	49	ICC-001-FIO-18	Thermo Fisher	Aq. 03 INCUBATOR	11,769 USD	
10/02/2019	418	ICC-001-FIO-18	BIOMEDICAL	Activities related to research of SM-14 vaccine	100,000 USD	
11/06/2019	66	INI-010-PPE-14	American Security	Aq. 15 crato - Oraquick Advance Rapid HIV	16,800 USD	
11/19/2019	42	VPD-002-FIO-18	Thermo Electron North America LLC	Aq. 01 unit Assy short pass filter	9,826 USD	
11/26/2019	78	VPD-003-FIO-19	A&C EVENTOS E PROMOCOES EIRELI	Payment Contract for Organization events and logistical support	78 BRL	
11/27/2019	78	VPD-003-FIO-19	A&C EVENTOS E PROMOCOES EIRELI	Payment Contract for Organization events and logistical support	78 BRL	
12/02/2019	125	VPD-002-FIO-18	INBIOS	Aq. 30 Kit reagents capture Elisa	29,520 USD	
12/03/2019	735	BIO-002-PPE-15	IMA	Aq. Washer Vega 4	157,000 EUR	
12/11/2019	245	BIO-002-PPE-15	IMA	Aq. Washer Vega 4	53,551 EUR	
12/12/2019	93	INI-007-FEX-17	A&C EVENTOS E PROMOCOES EIRELI	Payment Contract for Organization events and logistical support	93 BRL	
12/13/2019	351	BIO-002-PPE-15	Watson	Aq. 01 Unit peristaltic pump universal Quantum	84,560 USD	
12/16/2019	327	VPPIS-003-PPE-15	Life Tech Corp	Aq. 01 unit Quantstudio DX	79,900 USD	
12/16/2019	491	VPPIS-002-FEX-17	LGC Genomics LLC	Aq. 01 unit integrated Inline Liquid	120,000 USD	
12/17/2019	56	IFF-011-FIO-14	ASSOCACAO BRASILEIRA DE SAUDE COLE		56 BRL	
12/30/2019	52	INI-007-FEX-17	FUERZA COMUNICACION AGENCIA DE	Contract. Advertising campaign proj. Imprep in year of 2020	52 BRL	
12/30/2019	42	Fiotec	STEMAC SA GRUPOS GERADORES	Aq. 01 unit generator group	42 BRL	
12/30/2019	288	INI-007-FEX-17	VIVA MED DISTRIBUIDORA E IMPORTADOR	Aq. De Kit Abbott Realtime CT/NG amplification	288 BRL	
Miscellaneous	2,542	others	Others	Others		
Total	17,813					



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8 Advance to employees

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

		12/31/2019	12/31/2018
Advance to employees -	Projects	581	265
Advance to employees -	Fiotec	81	50
		662	315

9 Other credit

The balance of other credits refers mainly to deposits in court awaiting release and finalized projects that remain under analysis by the Foundation, as shown in the table below.

	12/31/2019	12/31/2018
Current assets		
Deposit in court to recover PROJECTS (inss/pis) credits (i)	39,474	-
Recoverable deposit in court FIOTEC (inss/pis) credits (i)	7,655	-
Other credit (ii)	430	327
	47,559	327
Non-current Assets		
Recoverable Taxes (i)	574	-
Resources Proj concluded (iii)	5,449	4,639
Other credits (iv)	5,850	7,083
	11,873	11,722
Total	59,432	12,049

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- i. The balance is represented by the recoverable deposits in court, which await judicial release 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;
- ii. The balance is basically represented by prepaid expenses;
- iii. As of December 31, 2019, the Foundation has the following linked projects to be performed (projects in progress) in the closing phase and included in note 20;

Project	12/31/2019
ENSP-060-FEX-13	1,970
VPDIGT-003-LI V-11	1,863
VPDI GT-002-LIV-12	449
VPDGI-014-FIO-13	314
IOC-005-LIV-12	172
VPAAPS-002-FEX-13	159
VPAAPS-005-FEX-13	149
VPDIGT-004-LIV-10	128
PRES-018-FIO-13	60
VPDGI-004-FIO-15	53
CPQGM-004-FIO-14	41
ICICT-006-FEX-13	26
BIO-002-LIV-08	20
EPSJV-001-FIO-14	10
IPEC-003-LIV-03	8
DIPLAN -002-FIO-12	6
VPEIC-003-FIO-14	5
IPEC-004-LIV-11	3
IPEC-007-LIV-08	3
EPSJV-005-LIV -11	3
EPSJV-001-LIV-02	2
IOC-019-LIV-09	2
Others	3
Total	5,449

- iv. The balance is represented by the linked projects to be performed (projects in progress) completed, which are still under analysis by the Foundation, and the amount of the adjustment made in 2019 is included in note 29 (vi);

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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 12/31/2019 the balance of loans granted is R\$ 13,209 (R\$ 5,254) in 2018.

	01/01/2019	Loans	Payments	12/31/2019
Loans granted	5,254	27,176	(19,221)	13,209
Total	5,254	27,176	(19,221)	13,209

Part of the balances of loans granted in previous years was received and/or adjusted in 2019, after accounting analyses. Other loans, totaling R\$ 2,384 thousand, as stated by the FIOTEC Board, will be recovered and/or written off within the year 2020.

- Composition of loans granted in previous years.

Year	12/31/2019
2014	701
2015	622
2016	518
2017	358
2018	185
Total	2,384

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.



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	12/31/2019	12/31/2018
Labor	278	9
Tax (i)	-	47,116
Civil (ii)	5,896	5,910
Total	6,174	53,035

i. The main tax lawsuits commenced in the ordinary action to suspend the enforceability of all special social security contributions: Payroll (Social Integration Program) PIS, Employer INS (Social Security) and RAT (Environmental Risk of Work).

On July 31, 2019, a sentence was rendered in order to dismiss the mandatory review and the appeal of the FEDERAL GOVERNMENT, concluding that the Foundation fulfilled, cumulatively, the requirements established in article 14, items I, II and III, CTN, which is why FIOTEC's should have its right to the immunity provided for in article 195, paragraph 7, of the Constitution recognized.

On September 20, 2019, this judgement/appellate decision became final and unappealable, with the balance of the corresponding deposits transferred to other credits.

ii. 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 Científico 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.

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.



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a. Composition of property, plant and equipment – 12/31/2019

The composition of fixed assets is demonstrated below:

Property, Plant and Equipment	Annual rates of depreciation	Cost	Accumulated depreciation	Net	
				12/31/2019	12/31/2018
Buildings	4%	18,962	(2,465)	16,197	17,256
Machinery and equipment	10%	595	(239)	356	344
Furniture and utensils	10%	1,114	(450)	664	589
Vehicles	20%	98	(98)	-	-
Computer - Hardware	20%	2,712	(2,186)	526	831
Total		23,481	(5,438)	18,043	19,020

b. Cost movement – 12/31/2019

	Balance as of			Balance as of
	01/01/2019	Additions	Write-off	12/31/2019
Buildings	18,962	-	-	18,962
Machinery and equipment	550	111	(66)	595
Furniture and 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

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c. Depreciation movement 12/31/2019

	Balance as of			Balance as of
	01/01/2019	Additions	Write-off	12/31/2019
Buildings	(1,706)	(759)	-	(2,465)
Machinery and equipment	(206)	(46)	13	(239)
Furniture and 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

d. Cost movement – 2018

	Balance as of			Balance as of
	01/01/2018	Additions	Write-off	12/31/2018
Buildings	18,962	-	-	18,962
Machinery and equipment	469	81	-	550
Furniture and utensils	903	45	-	948
Vehicles	160	-	-	160
Computer - Hardware	2,647	113	(30)	2730
Total	23,141	239	(30)	23,350



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e. Depreciation movement – 2018

	Balance as of 01/01/2018	Additions	Write-off	Balance as of 12/31/2018
Buildings	(948)	(758)	-	(1,706)
Machinery and Equipment	(164)	(42)	-	(206)
Furniture and utensils	(271)	(88)	-	(359)
Vehicles	(147)	(13)	-	(160)
Computer - Hardware	(1,547)	(382)	30	(1,899)
Total Depreciation	(3,077)	(1,283)	30	(4,330)
Net Balance	20,064	(1,044)	-	19,020

13 Intangible Assets

The composition of intangible assets is demonstrated below:

Composition of intangible assets - 12/31/2019

Intangible Assets	Annual rates of amortization	Cost	Accumulated amortization	Net	
				12/31/2019	12/31/2018
Computer - Software	20%	4,742	(4,621)	121	243
Total		4,742	(4,621)	121	243



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<i>b. Cost movement - 12/31/2019</i>	Balance as of 01/01/2019	Additions	Write-off	Balance as of 12/31/2019
Computer - Software	4,742	-	-	4,742
Total Cost	4,742	-	-	4,742

<i>c. Amortization movement - 12/31/2019</i>	Balance as of 01/01/2019	Additions	Write-off	Balance as of 12/31/2019
Computer - Software	(4,499)	(122)	-	(4,621)
Total Amortization	(4,499)	(122)	-	(4,621)
Net Balance	243	(122)	-	121

<i>d. Cost movement - 2018</i>	Balance as of 01/01/2018	Additions	Write-off	Balance as of 12/31/2018
Computer - Software	4,754	63	(75)	4,742
Total Cost	4,754	63	(75)	4,742

<i>e. Amortization movement - 2018</i>	Balance as of 01/01/2018	Additions	Write-off	Balance as of 12/31/2018
Computer - Software	(4,392)	(107)	-	(4,499)
Total Amortization	(4,392)	(107)	-	(4,499)
Net Balance	362	(44)	(75)	243

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

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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

Accounts payable 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.

	12/31/2019	12/31/2018
National suppliers - Projects	2,660	1,236
Individual suppliers - Projects	5,204	5,557
Foreign suppliers - Projects	1,417	140
Suppliers Projects	9,281	6,933
Domestic suppliers - Fiotec	314	281
Individual suppliers - Fiotec	7	4
Fiotec Suppliers	321	285
Total	9,602	7,218

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 unappealable, the immunity provided for in article 195, paragraph 7, of the Constitution is recognized.

	12/31/2019	12/31/2018
Attorney's fees payable FIOTEC (i)	2,029	-
Attorney's fees payable PROJECT	7,713	-
	9,742	-
Deposit in court (inss/pis) to be reimbursed(ii)	39,471	-
Attorney's fees payable PROJECT (i)	(7,895)	-
	31,576	-
Provision (ins/pis) to be reimbursed – PROJECT(iii)	1,261	-
Total	42,579	-

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- i. 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:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Wages payable - Projects	3,435	3,828
Provisions of vacation and charges without vacation - Projects	1,189	1,137
INSS payable - Projects	630	1,738
FGTS payable - Projects	541	605
Dismissal payable - Projects	-	76
PIS payable - Projects	-	52
Other payable - Projects	109	12
Total Projects	5,904	7,448
Wages payable - Fiotec	696	716
Provisions of vacation and vacation charges - Fiotec	1,669	1,776
INSS payable - Fiotec	174	361
FGTS payable - Fiotec	118	128
PIS payable - Fiotec	-	10
Other payable - Fiotec	30	24
Total Fiotec	2,687	3,015
Total	8,591	10,463

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17 Tax obligations

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

	<u>12/31/2019</u>	<u>12/31/2018</u>
ISS payable	603	1,184
ISS withheld from third parties payable	4	-
ICMS payable	170	186
IRRF of third parties payable	84	43
IRRF of wages payable	1,193	1,245
INSS withheld from legal entity	12	17
INSS reread of physical person	49	85
Third-party CSRF (PIS, COFINS and CSLL)	83	29
Total	<u>2,198</u>	<u>2,789</u>

18 Installments and financing

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

	<u>12/31/2019</u>	<u>12/31/2018</u>
Current liabilities		
Financing (i)	133	-
Short-term financing charges	(6)	-
Installment of contractual fines (ii)	131	125
	<u>258</u>	<u>125</u>
Non-current Liabilities		
Installment of contractual fines (ii)	1,008	1,085
	<u>1,008</u>	<u>1,085</u>
Total	<u>1,266</u>	<u>1,210</u>

i. It refers to the acquisition of one hundred and seventy-six (176) swivel chairs with financing by BNDES, to be paid in 10 installments of R\$ 17. There are still eight (08) installments to be paid, totaling R\$ 133.

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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 104 installments to be paid, totaling R\$ 1,139.

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, 2019 and December 31, 2018, the Foundation had the following pending lawsuits of labor and tax nature.

	<u>12/31/2019</u>	<u>12/31/2018</u>
Current liabilities		
• Injunction - ISS (i)	18,574	9,977
• Injunction - ICMS (ii)	14,361	12,430
	<u>32,935</u>	<u>22,407</u>
Non-current Liabilities		
Labor Lawsuits	3,462	2,226
Tax Proceedings (INSS and PIS deposit in court) (iii)	-	47,129
	<u>3,462</u>	<u>49,355</u>
Total	<u>36,397</u>	<u>71,762</u>

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(i) The provision resulted from a Preliminary Injunction granted in Case No. 0401177-14.2009.8.19.0001 on 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.

(iii) The provision for INSS and PIS comes from the Common Shares in lawsuits 0062157-78.2016.4.02.5101 and 0062142-12.2016.4.02.5101 against the Federal Government for recognition of the right to tax immunity.

On January 24, 2019, the sentence was rendered, 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.

On July 31, 2019, a sentence was rendered in order to dismiss the mandatory review and the appeal of the FEDERAL GOVERNMENT, concluding that the Foundation fulfilled, cumulatively, the requirements established in article 14, items I, II and III, CTN, which is why FIOTEC's should have its right to the immunity provided for in article 195, paragraph 7, of the Constitution is recognized.

On September 20, 2019 the judgment/ appellate decision became final and unappealable, recognizing the immunity provided for in article 195, paragraph 7, of the Constitution is recognized. The amount was deposited in court, awaiting judicial release and, then transferred to other credits, note 9 (i).

On December 31, 2019, the amount of R\$1,182 was classified by the Legal Department as being possible lawsuit loss. 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).



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

Project	Case no.	Plaintiff	12/31/2019
BIO-003-LIV-09-2-51-198	0006161-62.2016.8.19.0001	Noreng Const. Em p. Imob Ltda	194
VPDGT-005-LIV-10-22	0000640-38.2014.5.05.0037	Josied Bulcao de Lima	60
ENSP-046-LIV-12	0018808-54.2018.4.02.5101	Jose Martins Ferreira Neto	60
VPDGT-004-LIV-10-SES	0011326-24.2014.5.01.0321	Fabiana Demolinari Arrighi de Freitas	50
ENSP-056-LIV-10-SMS	0260836-25.2015.8.19.0001	Recrari Eng. Adm Ltda	50
ENSP-060-LIV-09-SMS	0100646-52.2019.5.01.0049	Lohanne da Silva Gomes	48
BIO-003-LIV-09-2-51-198	0100794-88.2016.5.01.0010	Philippe Ribeiro Nascimento	45
VPDGT-004-LIV-10-SES	0010435-73.2015.5.01.0060	Ana Paula de Brito Fernandes	40
ICICT-003-FIO-13	0101012-80.2016.5.01.0022	Jaqueline Dias	40
VPDGT-007-LIV-10-SMS	0101399-68.2016.5.01.0031	Samantha Therberge Miranda	40
BIO-003-LIV-09-2-51-198	0101466-45.2016.5.01.0027	Igor do Vale Dias	36
VPDGT-004-LIV-10-SES	0010272-47.2015.5.01.0043	Kelly Rachid Guimarães	35
BIO-003-LIV-09-2-51-198	0010652-59.2015.5.01.0079	Edinaldo Ferreira de Lima	35
PRES-010-LIV-12-2-1-36	0000976-30.2015.5.02.0089	Gislene Santana da Silva	33
ENSP-056-LIV-10-SMS	0010776-22.2015.5.01.0021	Jorge Pacheco do Carmo	32
VPDGT-004-LIV-10-SES	0011173-28.2015.5.01.0265	Alexsander Moreira Siqueira	32
IOC-010-FIO-14	0100001-56.2016.5.01.0041	Luciana de Medina Coeli	32
ENSP-056-LIV-10-SMS	0011279-96.2014.5.01.0047	Joyce de Oliveira Fernandes	30
ENSP-060-LIV-09-SMS	0100127-87.2016.5.01.0015	Joyce de Oliveira Fernandes	30
ENSP-060-LIV-09-SMS	0101844-37.2016.5.01.0015	Joyce de Oliveira Fernandes	30
ENSP-060-LIV-09-SMS	0101309-48.2018.5.01.0077	Paula Figueira de Moraes	26
VPDGT-004-LIV-10-SES	0000233-18.2012.5.01.0068	Laura Bastos de Carvalho	25
VPDGT-003-LIV-11-SMS	0010857-28.2014.5.01.0078	Ana Cláudia Gonçalves	20
VPDGT-004-LIV-10-SES	0074479-05.2013.8.19.0001	Ada Rubia Pereira Lopes	14
ENSP-005-FIO-13-2-1-36	0011671-27.2015.5.01.0071	Paula Cristina Pereira Magalhães	7
			1,044
Fiotec	Case	Plaintiff	
ADM	0011140-47.2013.5.01.0026	Secraso - Cultural Entity Syndicate	130
ADM	0101119-42.2018.5.01.0059	Emerson Fernandes da Silva	8
			138
		Total	1,182

20 Linked projects to be performed (projects in progress)

The Foundation maintains systemic controls, segregated balances for projects, goals, items, items of expenses/revenues and bank accounts with specific resource restrictions for each project. And it brings together, in a single bank account, projects of smaller financial size, trying not to have a significant impact on their costs.

Aiming at improving its internal controls and giving greater transparency to the financial execution of its projects, it implemented measures, as of 01/02/2019, so that all new projects will have individualized bank current accounts, regardless of contractual value.

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In order to better define the responsibilities involved, in the 2019 financial year, the Foundation started recording the amounts of the provisions for contingencies, considered as probable losses by its legal advisors, directly in the projects that gave rise to them.

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).

• **Summary of Movement**

	Balance as of 01/01/2019	Amounts Received	Consumption	Resources Balance as of Proj. Concluded (i) 12/31/2019
Linked Projects to be performed	338,879	161,820	(155,395)	5,729 351,033
Resources from projects	1,120	-	(324)	- 796
Total	339,999	161,820	(155,719)	5,729 351,829

- 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 01/01/2019	Resources Balance as of Proj. Concluded (i) 12/31/2019
Other credits - Note nº 09 (iii)	4,639	810 5,449
Other obligations - Note nº 22	(16,192)	4,919 (11,273)
Total	(11,553)	5,729 (5,824)

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, 2019, the amount of R\$ 20,206 (R\$ 21,375 in 2018).



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22 Other liabilities

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

	12/31/2019	12/31/2018
Recourses of Projects concluded	11,273	16,192
Total	11,273	16,192

On December 31, 2019, the Foundation has the following projects in the closing phase and included in note 20, as per chart below:

Project	12/31/2019
VPAAPS-007-LIV-11	2,309
PRES-010-LIV-12	2,131
VPAAPS-004-FEX-13	1,368
VPAAPS-001-FEX-13	810
IPEC -003-LIV-08	571
VPAAPS-003-FEX-13	552
VP GDI-009-FIO -14	486
VPAAPS-001-FEX-14	478
EPSJV-003-FIO -16	442
VP GDI-006-FIO -14	396
BIO -001-LIV-03	240
IFF-011-FIO -14	176
IPEC -011-FEX-13	169
VP GDI-019-FIO -13	158
EPSJV-007-FEX-13	135
FAR-001-FIO -13	99
ENSP-012-FIO -16	86
VPAAPS-004-LIV-12	73
IO C -011-LIV-10	62
ENSP-061-FEX-13	56
INI-005-FEX-16	50
VPAAPS-010-LIV-11	42
VP GDI-002-LIV-12	37
ENSP-030-FIO -15	37
VPAAPS-008-LIV-11	35
IFF-001-FIO -18	28
VP GDI-004-FIO -14	26
GEREB-010-FEX-18	21
VP GDI-018-FIO -13	20
C PQ AM-001-FEX-17	18
C PQ AM-006-PPE-14	16
ENSP-006-FIO -18	15
GEREB-011-FIO -17	11
Miscellaneous	120
Total	11,273

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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 Shareholders' Equity

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

The Foundation's Management allocates the accumulated result of the equity in full application to its institutional purposes.

Shareholders' equity on December 31, 2019 totaled R\$ 6,000 (R\$ 6,000 in 2018).

25 Tax break

In compliance with item 27, letter "c" of ITG 2002 (R1) - non-profit entity, the Foundation presents below a list of taxes subject to tax break for the year ended December 31, 2019.

For this purpose, in our opinion, we consider the following taxes and contributions and respective rates, levied on income (PIS/COFINS 3.65% - cumulative regime, deducted from PIS calculated at a rate of 1% on payroll collected in the year); and levied on the surplus of the year (IRPJ and CSSL 34%).

It should be noted that these are estimates of tax break covering the main taxes and contributions because the Foundation does not have the obligation to have fiscal bookkeeping, such as bookkeeping of LALUR, due to its nature as a non-profit entity.

The tax break in the amount of R\$11,410 applied to the deficit of the year 2019 of the Foundation are highlighted as follows:



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a) Income tax and social contribution	12/31/2019
Surplus for the year	6,458
Income Tax at a tax rate of 25n/o	6,994
Social contribution on profit at the tax rate of 9%	2,526
Total Income Tax and Social Contrib. for the period	(1) 9,520
b. Pis and Cofins	12/31/2019
Revenue operating costs	34,855
Financial Revenue	3,565
Other operating income	13,352
Pis and Cofins calculation basis	51,772
Pis - 0.65%	337
Cofins - 3.00%	1,553
	1,890
Payroll PIS - 1%	-
Total Pis and Cofins for the period	(2) 1,890
c. Tax break	12/31/2019
IRPJ and CSLL tax break.	(1) 9,520
PIS and COFINS tax break	(2) 1,890
Total Tax Break	11,410

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.



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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, Inter-ministerial Ordinance 507/2011 provides that in cases of a transfer agreement, that is, contracts involving the transfer of financial resources from the Fiscal

Budget, it is possible to receive administrative expenses up to the limit of fifteen percent (15%) of the subject matter value, provided they are expressly authorized and demonstrated in the respective instrument and work plan.

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

	12/31/2019	12/31/2018
Rental and condominium charges	(272)	(243)
Water and energy consumption	(87)	(88)
Communication services	(301)	(238)
Goods and equipment lease	(405)	(590)
Driving	(91)	(84)
Meal	(406)	(118)
Consumables	(122)	(51)
Vehicles (maintenance and fuel)	(75)	(34)
Travel	(461)	(156)
Maintenance material	(577)	(185)
General services	(839)	(970)
Specialized technical services	(3,634)	(956)
Information technology services	(3,828)	(1,806)
Tax expenses	(96)	(74)
Total	(11,194)	(5,653)

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28 Personnel expenses

	<u>12/31/2019</u>	<u>12/31/2018</u>
Wages, vacation and 13th salary	(16,964)	(17,965)
Social charges	(1,366)	(5,695)
Benefits	(5,831)	(4,997)
Other personnel expenses	(121)	(92)
Total	(24,282)	(28,749)

29 Other operating revenues (expenses)

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

Other operating income	<u>12/31/2019</u>	<u>12/31/2018</u>
Reversal of provision (i)	1,757	597
Reimbursement of expenses	39	16
Resources received from projects (ii)	1,938	3,115
Other revenue (iii)	1,957	4,750
Recovery Deposit in court (inss/pis) revenues (iv)	7,661	-
	<u>13,352</u>	<u>8,478</u>
Other operating expenses		
Return of resources (v)	(90)	(81)
Credit losses with projects (vi)	(1,233)	-
Gilosas of projects	(350)	(619)
Contractual fines	-	(1,000)
Expenses with provisions (vii)	(678)	(133)
Possible expenses	(6)	(103)
Loan write-off (losses)	-	(257)
Lower operating costs(viii)	(448)	(194)
Transactions with fixed assets (ix)	(1,335)	(1,466)
Loss on sale of fixed assets (x)	(55)	-
Donations (xi)	(153)	(54)
Contributions to projects (xii)	(4,196)	(5,989)
Sponsorships and events (xiii)	(850)	(139)
Institutional relations (xiv)	(100)	(47)
	<u>(9,494)</u>	<u>(10,082)</u>
Other expenses and operating revenue	<u>3,858</u>	<u>(1,604)</u>



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- i. The amount mainly represents the reversal of provision for labor contingencies considered as a probable pursuant to note 19;
- ii. The amount basically represents the financial remains converted to the Foundation at the end of the projects;
- iii. The amount mainly represents the amounts received by letter of agreement and terms of cooperation;
- iv. The amount represents the gain obtained in the tax immunity recognition process included in note 19 (iii);
- v. The balance mainly represents the return of resources from revenues to projects in execution;
- vi. The amount represents the adjusted values, in completed projects, included in note 9 (iv);
- vii. The amount basically represents the provision for labor contingencies;
- viii. The balance represents the cancellation of administrative operating expenses for the project (DOA);
- ix. The balance represents depreciation and amortization expenses;
- x. The balance is mainly composed of the residual value of the write-off of (03) Sterile Refrigerated Air Insufflator devices, donated to Fundação Oswaldo Cruz.



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

<u>Item</u>	<u>12/31/2019</u>
REFRIGERATOR	30
RESPIRATOR	19
MATTRESS	18
MICROWAVE	8
SWITCH-48 DOORS	8
MATTRESS COVER	6
REFRIGERATOR	6
DOUBLE BED DOUBLE-SIDED BED	6
DUVET	6
WATER CLEANING DEVICE	6
BEDDING SET	5
PILLOW	5
ACCESS POINT (WI-FI ACCESS POINT)	4
DOUBLE BED BLANKET	4
FILTER	4
DRILLING AND BINDING	3
BATH SET	3
POLYPEPTIDE	3
OTHERS	15
TOTAL	<u>153</u>

xii. The balance represents 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.

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30 Financial results

	<u>12/31/2019</u>	<u>12/31/2018</u>
Discounts obtained	35	1
Exchange variation gain (i)	6	10
Earnings from financial investments (ii)	<u>3,524</u>	<u>1,881</u>
Financial Revenue	<u>3,565</u>	<u>1,892</u>
Bank charges	(242)	(286)
Exchange variation loss (i)	(8)	-
Interest for late payment and fines (iii)	(47)	(138)
Discounts granted	-	(1)
Interest paid on financing	(2)	(40)
Interest and fees - installment of contractual fine (iv)	(59)	(252)
IOF - Tax on financial transactions	<u>(7)</u>	<u>(5)</u>
Financial expenses	<u>(365)</u>	<u>(722)</u>
Financial results	<u>3,200</u>	<u>1,170</u>

- i. Arising from imports of 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;



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31 Voluntary work

On December 31, 2019 and 2018, the Foundation received voluntary work from members of the Management, in the exercise of its administrative and financial functions measured in 192 hours in 2019 and 2018, 60 hours of its Directors in 2019 and 60 hours in 2018, which would be equivalent to the total just value of R\$ 774 in 2019 and R\$ 751 in 2018.

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.

Just value estimate

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 just 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);

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- **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, 2019, 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.



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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, 2019 and December 31, 2018.

Hayne Felipe da Silva
Executive Officer

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