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***Brazilian Center for International Relations - CEBRI
Financial statements in December 31, 2020 and independent auditor's report***

Independent Auditor's Report on the Financial Statements

To the Board of Trustees
Brazilian Center for International Relations – CEBRI

Opinion

We have audited the financial statements of the Brazilian Center for International Relations - CEBRI (the "Entity"), which comprise the balance sheet as at December 31, 2020 and the related statements of income, changes in equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including the summary of the main accounting policies.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the equity and financial position of the Brazilian Center for International Relations - CEBRI as at December 31, 2020, the performance of its operations and its cash flows for the year ended on that date, in accordance with accounting practices adopted in Brazil.

Basis for opinion

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 Responsibilities for the Audit of Financial Statements". We are independent from the Entity, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and governance for the financial statements

The Entity's management is responsible for the preparation and proper presentation of the financial statements in accordance with accounting practices adopted in Brazil and for the internal controls it has determined as necessary to allow the preparation of financial statements free from material misstatement, regardless of whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue operating, disclosing, as applicable, matters related to going concern and the use of this accounting basis in the preparation of the financial statements, unless the management intends to liquidate the Entity or cease its operations, or has no realistic alternative but to do so.

Those responsible for the Entity's governance are responsible for overseeing the process of preparing the financial statements.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit performed in accordance with Brazilian and international auditing standards will always detect any material misstatements that may exist. Misstatements can arise from fraud or error and are considered material when, individually or in the aggregate, can reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of the 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, regardless of whether caused by fraud or error, plan and perform audit procedures responsive to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve the overriding of internal controls, collusion, forgery, omission or intentional misrepresentation.
- We obtain an understanding of internal controls relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubt regarding the Entity's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or modify our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the related transactions and events in a manner consistent with the objective of fair presentation.

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

Rio de Janeiro, May 6, 2021

PricewaterhouseCoopers Independent Auditors - CRC 2SP000160/O-5

Valter Vieira de Aquino Junior - Accountant CRC 1SP263641/O-0

Balance Sheet
As at December 31
In reais

	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 3)	2,508,469	1,228,345
Financial investments (Note 3)	923,134	1,047,242
Receivables	-	120,000
Other current assets (Note 4)	18,938	19,184
	3,450,541	2,414,771
Non-current		
Fixed Assets (Note 5)	106,494	87,107
Total Assets	3,557,035	2,501,878

	2020	2019
Liabilities and Equity		
Current		
Suppliers (Note 6)	123,282	207,557
Social obligations (Note 7)	82,048	119,223
Other current liabilities (note 8)	127,626	6
	332,956	326,786
Equity (Note 9)		
Equity fund	870,809	870,809
Accumulated surplus	2,353,270	1,304,283
	3,224,079	2,175,092
Total liabilities and equity	3,557,035	2,501,878

Management's explanatory notes are an integral part of the financial statements.

	2020	2019
Operating income		
Without restriction		
Contributions, donations and participation in agreements (Note 11)	3,809,236	4,377,543
Financial income (Note 12)	5,883	111,837
Other Income		7,156
Gratuities (Note 13)	11,886,770	2,496,496
	15,701,889	6,993,032
Operating costs and expenses (note 14)		
Projects	804,681	903,805
Services provision	1,006,681	1,372,539
Rent and lease charges	130,500	208,000
Employees	299,985	448,779
Voluntary work (received free of charge) (Note 13)	11,886,770	2,496,496
Depreciation	30,475	16,357
Travel Expenses	830	313,078
Telephone Expenses	7,427	6,370
Financial Expenses	7,541	10,194
Communication and Publications	73,862	118,620
Cebri Events Expenses	21,886	148,659
Accounting assistance	2,190	2,170
Others	380,074	527,965
	14,652,902	6,573,032
Surplus for the year	1,048,987	420,000

Management's explanatory notes are an integral part of the financial statements.

	Equity fund	Accumulated surplus	Total
On December 31, 2018	870,809	884,283	1,755,092
Surplus for the year		420,000	420,000
On December 31,	870,809	1,304,283	2,175,092
		1,048,987	1,048,987

2019			
Surplus for the year			
On December 31, 2020	870,809	2,353,270	3,224,079

Management's explanatory notes are an integral part of the financial statements.

	2020	2019
Cash flows from operating activities		
Surplus for the year	1,048,87	420,000
Adjustments to the surplus for the year		
Depreciation	30,475	16,357
Other Adjusments	2	
Changes in assets and liabilities		
Financial investments	124,109	(792,176)
Receivables	120,000	84,901
Other current assets	246	(376)
Suppliers	(84,276)	36,296
Social obligations	(37,174)	28,496
Other current liabilities	127,620	(718)
Cash generated by (used in) operating activities	1,329,989	(207,220)
Cash flow from investment activities		
Payment for purchase of fixed assets	(49,865)	(53,810)
Cash used in investment activities	(49,865)	(53,810)
Increase (Decrease) in cash and cash equivalentents	1,280,124	(261,030)
Cash and cash equivalentents at the beginning of the year	1,228,345	1,489,375

Cash and cash equivalents at the end of the year	2,508,469	1,228,345
Increase (Decrease) of cash and cash equivalents	1,280,124	(261,030)

Management's explanatory notes are an integral part of the financial statements.

Management's explanatory notes to the financial statements of December 31, 2020

in reais, unless otherwise indicated.

1 General Information

The Brazilian Center for International Relations - CEBRI (the "Entity" or "CEBRI"), established on June 22, 1998 and for an indefinite term, is a legal entity governed by private law, in the form of a non-profit civil association and with the objective of encouraging the carrying out of activities that contribute to the country's development and its greater insertion in the international community, developing studies of Brazil's international relations, in the short, medium and long term, on a multidisciplinary basis, promoting cultural and educational exchange through the implementation of agreements or other forms of cooperation with Brazilian or foreign public or private entities, universities and research centers focused on the area of international relations, holding events that encourage access and/or the dissemination of cultural goods produced or created in the country or abroad. According to its bylaws, the following are membership categories: founders, benefactors, maintainers, collaborators and diplomatic.

The Entity is headquartered in Rio de Janeiro and is an independent, multidisciplinary and non-partisan OSCIP (Civil Society Organization of Public Interest), formed with the aim of promoting studies and debates on priority themes related to Brazilian foreign policy and international relations in general.

The associates do not participate in the social equity and there will be no distribution of dividends, profits of any kind, bonuses in any form or pretext and no portion of the equity will be alienated, as profit or profit sharing to the elected administrators, directors, supporters or members.

CEBRI's equity consists of contributions from its members, donations or legacy from aforementioned or third parties, endowments from federal, state and municipal authorities, interest and income from assets or securities or real estate that it owns or will own and by other revenues. Its resources are mainly invested in the country, or in projects of interest to it, in achieving and developing its social objective.

In the event of dissolution, CEBRI's assets will revert in favor of another similar

company, with identical purpose, chosen by the Board of Trustees and approved by the general assembly.

As it is a non-profit organization, its revenues are exempt from any contributions and the surplus calculated, when applicable, is exempt from social contribution and corporate income tax.

In the understanding of management and its legal advisors, CEBRI has been complying with all provisions of the legislation applicable to non-profit entities.

The Coronavirus pandemic (Covid-19) and its impacts

In March 2020, the World Health Organization (WHO) announced the existence of a pandemic due to the disease related to the new Coronavirus (Covid-19), and the Brazilian National Congress recognized the state of public calamity.

Aware of the seriousness of this scenario, CEBRI redoubled its efforts to maintain its activities, without prejudice to compliance with the sanitary safety instructions issued by the Ministry of Health and the World Health Organization.

Management quickly adopted preventive measures aimed at preserving the health of its employees, transferring the entire workforce to a work-from-home regime and increasing personal and workplace hygiene procedures.

To ensure the continuity of its activities and economic and financial balance, CEBRI migrated to the online events model, granted discounts and bonuses on annuities and adopted several cost-cutting measures, such as reducing the workforce and renegotiating its office's lease agreement and contracts with service providers.

As a result of these actions, the Entity obtained an increase in the number of events held, expanded its reach to the public and the engagement of members, while complying with all the obligations foreseen for projects in progress or in the structuring phase, ending the year with a surplus.

Management remains attentive to the evolution of the pandemic in the national and international scenarios in order to assess potential future impacts.

2 Summary of main accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the years presented, unless otherwise indicated.

2.1 Basis for preparation and presentation (According to CFC Resolution 1409/12)

These financial statements were examined and approved by the Entity's Board of Trustees on May 6, 2021.

The financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including ITG 2002 (R1) – “Non-Profit Entities” (“ITG 2002 (R1)”) combined with NBC TG1000 (“CPC PME – “Accounting for small and medium-sized companies”). They were prepared considering the historical cost as the basis of value.

The preparation of financial statements in conformity with accounting practices adopted in Brazil requires the use of certain critical accounting estimates and also the exercise of judgment by the Entity's management in the process of applying the accounting policies. The area of the financial statement that requires a higher level of judgment and is more complex refers to the indication of the useful life of fixed assets (note 2.8).

Items included in the financial statements are measured in accordance with the currency of the main economic environment in which the Entity operates (“functional currency”). The financial statements are presented in Real, which is the Entity's functional currency and also its reporting currency.

2.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term investments that are highly liquid and have an insignificant risk of change in value.

Cash and cash equivalents held as financial instruments are stated at amortized cost minus provision for loss, when applicable.

2.3 Fixed Assets

Comprise the assets used in the Entity's operation. Fixed assets are stated at historical acquisition costs deducted from depreciation calculated on the straight-line method at the rates mentioned in note 5, which take into account the estimated economic useful life of the assets and any non-recoverable loss.

Historical cost includes directly attributable expenses necessary to prepare the asset for its intended use.

2.4 Other assets

Assets are presented at realizable value, including, when applicable, monetary variations and income earned.

2.5 Provisions for impairment losses on non-financial assets

Assets subject to depreciation are reviewed annually to verify their recoverable amount. When there is an indication of impairment, the asset's carrying amount is tested. A loss is recognized when the asset's carrying amount exceeds its recoverable amount. The latter is the higher of an asset's fair value, minus selling expenses, and its value in use. For loss assessment purposes, assets are grouped at

the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGU). Non-financial assets that have been reduced are reviewed to identify a possible reversal of the provision for impairment losses at the balance sheet date.

2.6 Provisions and other current liabilities

Provisions are recognized when the Entity has a present or non-formal obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the value can be reliably estimated. Provisions for future operating losses are not recognized.

Other liabilities are stated at known or estimated values, plus, when applicable, the corresponding charges incurred.

2.7 Calculation of Surplus (deficit)

Income from contributions and donations is recognized upon receipt.

Income from financial investments, bonds and securities, other income earned and expenses incurred are recognized on an accrual basis.

Assets and amounts received as a result of agreements are reported in current assets (Cash and cash equivalents or other current assets, according to each case) with a contra entry to the funds from agreements account. When funds are invested, the aforementioned accounts are also used. At the end of the agreement, if there is no requirement for additional funds or return, the result is reported in income/expense accounts or, in the case of assets, in Fixed Assets.

As required by ITG 2002 (R1), the amount attributed to the voluntary work received by the Entity was accounted for as if the financial disbursement and a donation had occurred respectively (expenditure and income in the same amount). The gratuities received during the year were recorded as revenue from donations against the corresponding expenses, in the same amounts. In measuring these services, the perceived fair value was used (note 13).

2.8 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

In preparing the financial statements, it is necessary to use estimates to account for certain assets, liabilities and other transactions. Therefore, the Entity's financial statements include estimates referring to the selection of the useful life of fixed assets. Actual results may vary from estimates.

3 Cash and cash equivalents and financial investments

	2020	2019
Cash	4,005	4,019
Banks (i)	2,504,464	1,224,326
Financial investments (ii)	923,133	1,047,242
	3,431,602	2,275,587

(i) Refer to amounts held in a checking account for the sole purpose of investing in projects under development by the Entity and maintaining CEBRI's activities and highly liquid financial investments in CDB's and Repurchase Agreements linked to the CDI variation.

(ii) Represented by multimarket investment funds, with annual yields of 0.34% in 2020 (5.53% in 2019) and liquidity on D+31 and D+46.

4 Other current assets

	2020	2019
Receivables	3,253	2,531
Savings bonds (i)	15,685	16,653
	18,938	19,184

(i) Refers to Savings Bonds of Icatu acquired with the purpose of serving as collateral for the lease agreement of the CEBRI's administrative offices.

5 Fixed Assets

	Building and Improvements	Equipment and facilities	Furniture and utensils	Others (i)	Total Fixed
Balances on December 31, 2019					
Total Cost	422,652	220,707	176,083	117,159	936,601
Accumulated depreciation	(422,652)	(216,341)	(162,249)	(48,252)	(849,494)
Residual Value		4,366	13,834	68,907	87,107
Balances on December 31, 2020					
Total Cost	422,652	249,195	176,083	138,534	986,464
Accumulated depreciation	(422,652)	(222,676)	(176,083)	(58,559)	(879,970)
Residual Value		26,519		79,975	106,494
Annual Depreciation Rates - %	20	10	10	10	

(i) The item is composed of computers and peripherals, telephone sets and books.

6 Suppliers

Registers accounts payable for various service providers.

7 Social Obligations

Social obligations mainly report charges levied on employees' payroll and vacation.

	2020	2019
Wages to pay	17,977	25,142
Social contributions to be collected	35,839	53,255
Provision for paid vacations and 13th salary	28,232	40,826
	82,048	119,223

8 Other current liabilities

	2020	2019
Agreement with the Konrad Adenauer Foundation (i)	53	6
Agreement with the Inter-American Development Bank (ii)	127,573	
	127,626	6

(i) The Entity has an agreement in force with the Konrad Adenauer Foundation. Partners for over 10 years, CEBRI and the Konrad Adenauer Foundation ("KAS") promote initiatives that contribute to the production of specialized knowledge in areas representing the country's main challenges. Over the years, the joint work has resulted in workshops, seminars and publications focused on topics of fundamental importance related to international relations.

In 2020, with the support of KAS, CEBRI developed the project "Brazilian Foreign Policy and Global Order in Transition", with the objective of mapping trends and issues that should guide the strategic thinking of emerging economies, in particular Brazil, in redirecting the multilateral policy. In this regard, seven open events were held, and several documents were published: four newsletters, two context notes, four policy notes, four structured conversations and five policy papers, with policy proposals in areas such as international trade, innovations, digital economy, international organizations and sustainability.

As a result, the project's conclusions were organized in a bilingual book, with the following texts:

- 1) Covid: Before and After, by Anna Jaguaribe
- 2) Multilateralism and the management of global public goods, by Anna Jaguaribe

- 3) Global Reorganization and the Crisis of Multilateralism, by Maria Regina Soares de Lima and Marianna Albuquerque
- 4) Challenges for the construction of a multilateral trading system in the 21st century, by Lia Baker Valls Pereira
- 5) Geopolitics and the Economics of Innovation, by Caetano feather
- 6) The times they are a-changing, by Izabella Teixeira and Francisco Gaetani
- 7) Multilateralism in Times of Uncertainty: Implications for Brazil, by Carlos Milani

(ii) The Energy Transition Program was developed through a Technical Cooperation Agreement signed between the Inter-American Development Bank (IDB), the Brazilian Center for International Relations (CEBRI) and the Energy Research Office (EPE). The Program's objective is to support the development of a long-term vision capable of boosting the vast national energy potential in a way that adheres to the transition to a low-carbon economy.

To deliver the scenarios, a work methodology was designed that consists of dividing the program into 3 cycles in order to gather information, perform critical analysis, filter relevance and applicability through the construction of collective and strategic knowledge.

The Project is expected to last for 12 months, between December 2020 and December 2021. The estimated cost of the Program is equivalent to USD 152,136.00 (one hundred and fifty-two thousand, one hundred and thirty-six dollars), with the IDB being responsible for the contribution of USD 100,000 throughout the Project. For the development of Cycle 1 of activities, called Diagnosis, the IDB made the first disbursement, at the end of December 2020, in the amount of USD 24,860 (R\$ 127,573).

9 Equity

(a) Equity Fund

The Equity Fund as of December 31, 2020 and 2019 is R\$ 870,809.

(b) Surplus

The surplus can be transferred to the endowment fund upon approval by the Board of Trustees. The surplus for the year was R\$ 1,048,987 (the surplus was R\$ 420,000 in 2019).

10 Aspects related to taxes and contributions

(a) Income tax and social contribution

CEBRI is exempt from income tax and social contribution on surplus in accordance with article 15 of Law 9,532/97.

(b) Social Integration Program (PIS) and Contribution to Financing Social Security (COFINS)

CEBRI, as determined by the legislation in force, is subject to the calculation of the PIS based on the payroll at the rate of 1%.

CEBRI is exempt from COFINS, as in accordance with current legislation, the levy of this tax does not apply to revenues arising from statutory activities.

(c) Social Security Contribution to INSS - employer's quota

CEBRI, as determined by the legislation in force, is subject to the payment of social security contribution to the INSS - employer's quota.

11 Contributions, donations and participation in agreements

Under the terms of the bylaws, donations are received through identified deposits in an exclusive bank account at Banco Itaú S.A. in the name of the Entity. Donors are individuals and legal entities identified and legally constituted in Brazil and abroad, to which donation receipts are issued as provided for by current legislation. Donations in cash and/or other way of currency are not accepted. Following is the constitution of the donations received.

Amount of Donations	2020	2019
Individual	137,484	146,721
Legal Entity	3,671,752	4,230,822
Total	3,809,236	4,377,543

Origin of Donations	2020	2019
National	3,572,558	3,942,133
International	236,678	435,410
Total	3,809,236	4,377,543

12 Financial income

CEBRI's financial income refers to income from investments in CDB and investment funds. Income in 2020 totaled R\$ 5,883 (R\$ 111,837 in 2019).

13 Gratuities received and volunteer work

As determined by ITG 2002 (R1), for the purpose of complying with the resolution applicable to non-profit organizations, CEBRI identified and measured the entire amount of gratuity and voluntary work received during the years 2020 and 2019.

The values for gratuity and voluntary work were recognized based on market values corresponding to each of the services received and are summarized as follows:

	2020	2019
Volunteer work (i)	9,567,915	2,017,130
Compensation of Directors (ii)	2,143,440	323,098
Audit services (iii)	125,357	101,850
Legal services (iv)	50,058	54,418
	11,886,770	2,496,496

The amount of R\$ 11,886,770 (R\$ 2,496,496 in 2019) received as Gratuities received and voluntary work was identified, and this amount was calculated, as mentioned above, according to the average amount normally practiced by the market. The free services comprise, for the most part, given participations, auditing services and attorney's fees.

(i) The accounting for volunteer work was based on the number of participations in events held by CEBRI. Throughout 2020, 135 events were held (96 in 2019), totaling 4,830 participations (1,064 in 2019), which were divided by the origin of those who ministered the events, as shown below:

- Teachers: 1,245 participations (253 in 2019);
- Ministers of State: 86 participations (55 in 2019);
- Ambassadors: 391 participations (196 in 2019);
- C.E.O: 3,108 participations (560 in 2019);

The values assigned to the categories mentioned above were:

- R\$ 947 (R\$ 879 in 2019) for teachers, totaling R\$ 1,179,015 (R\$ 222,387 in 2019);
- R\$ 2,340 (R\$ 2,213 in 2019) Ministers of State, CEOs and Ambassadors, totaling R\$ 8,388,900 (R\$ 1,794,743 in 2019).

In search of a better practice and transparency, the methodology applied to measure the cost of volunteer participation has been improving every year, since its implementation in 2011. The performance of Council Members, CEO and Ministers was based on the table published by IBGC (Brazilian Institute of Corporate Governance) in the Board of Directors category, and that of teachers, was based on the table of the Federation of Teachers' Unions of Federal Institutions of Higher Education – Proifes - Higher teaching category with a doctorate.

(ii) Board members' compensation was based on the number of appearances in 115 events R\$ 1,928,160 (11 events in 2019 - R\$ 252,282) and 12 executive committee meetings R\$ 215,280 (6 meetings R\$ 70,816 in 2019).

(iii) We also attributed the amounts of R\$ 125,357 (R\$ 101,850 in 2019) to audit services, based on the agreement between the parties.

(iv) In relation to legal services, 6 consultations granted throughout 2020 were considered, (7 in 2019) totaling R\$ 50,058 (R\$ 54,418 in 2019) for Legal Consultancy services. The table of fees of the Brazilian Bar Association - OAB was taken into account, as well as in 2019.

None of the amounts above had the corresponding cash disbursement, having been recognized, in 2020 and 2019, as operating income and expenses in the income statement, in equal amounts, with no effect on the year's surplus.

We also emphasize that none of the members of the Board of Trustees and the Administrative Board receive fees, as it is prohibited as expressed in the Entity's bylaws.

14 Operating costs and expenses

	2020	2019
Projects	804,681	903,805
Services provision	1,006,681	1,372,539
Rent and lease charges	130,500	208,000
Employees	299,985	448,779
Voluntary work (received free of charge) (Note 13)	11,886,770	2,496,496
Depreciation	30,475	16,357
Travel Expenses	830	313,078
Telephone Expenses	7,427	6,370
Financial Expenses	7,541	10,194
Communication and Publications	73,862	118,620
Cebri Events Expenses	21,886	148,659
Accounting assistance	2,190	2,170
Others	380,074	527,965
	14,652,902	6,573,032

- (i) The reduction in rent expenses and lease charges was due to discounts obtained on the monthly rent value of the head office as of March.
- (ii) The reduction in personnel expenses is due to the dismissal of employees at the end of the first quarter.
- (iii) The migration to the online events model allowed CEBRI to hold more events and reach a wider audience, including counselors, ministers, professors, CEO's and ambassadors, which caused a substantial increase in the value of the gratuities received.