

(Convenience translation into English from the original
previously issued in Portuguese)

FUNDAÇÃO ODEBRECHT

Independent auditor's report

Financial statements
As at December 31, 2020

FUNDAÇÃO ODEBRECHT

Financial statements
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Management of
Fundação Odebrecht
Salvador - BA

Opinion on the financial statements

We have audited the financial statements of Fundação Odebrecht ("Entity"), which comprise the statement of financial position as at December 31, 2020 and the respective statements of activities, comprehensive surplus (deficit), changes in net assets and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Fundação Odebrecht as at December 31, 2020, its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting practices and the provisions of CFC Resolution No. 1.409/12 - ITGC 2002 - Nonprofit Entities.

Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Entity in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Association of Accountants, and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

The Entity's Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Salvador, March 03, 2021.

FUNDAÇÃO ODEBRECHT

Statements of financial position As at December 31, 2020 and 2019 (In thousands of Brazilian Reais)

Assets				Liabilities and net assets			
	Note	2020	2019		Note	2020	2019
Current				Current			
Cash and cash equivalents	5	1,005	654	Trade accounts payable		1	19
Trade accounts receivable		1	-	Taxes, fees and contributions		336	160
Loans granted		-	23	Salaries, charges and social contributions	6	408	307
Advances to third parties		9	26	Provision for claims	7	-	133
Other assets		128	104	Other liabilities	8	10	4
Prepaid expenses		-	2			<u>755</u>	<u>623</u>
		<u>1,143</u>	<u>809</u>				
Noncurrent				Noncurrent			
Fixed assets		228	219	Other liabilities	8	-	350
Intangible assets		15	6			<u>-</u>	<u>350</u>
		<u>243</u>	<u>225</u>				
Net assets				Net assets			
				Net assets		61	442
				Surplus (deficit) for the year		570	(381)
						<u>631</u>	<u>61</u>
Total assets		<u><u>1,386</u></u>	<u><u>1,034</u></u>	Total liabilities and net assets		<u><u>1,386</u></u>	<u><u>1,034</u></u>

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

FUNDAÇÃO ODEBRECHT

Statements of activities

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais)

	Note	2020	2019
Continuing operations			
Net revenue	9	6,092	9,073
Donations to social projects	10	(50)	(303)
Gross surplus (deficit)		6,042	8,770
General and administrative expenses	11	(6,008)	(9,498)
Other provisions		-	(242)
Provisions for claims	7	133	467
Recovery of expenses		1	5
Other revenue (expenses), net	12	424	-
		(5,450)	(9,268)
Operating surplus (deficit)		592	(498)
Financial expenses		(37)	-
Financial revenues		15	117
Net financial surplus (deficit)		(22)	117
Surplus (deficit) for the year		570	(381)

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

FUNDAÇÃO ODEBRECHT

Statements of comprehensive surplus (deficit)
For the years ended December 31, 2020 and 2019
(In thousands of Brazilian Reais)

	2020	2019
Surplus (deficit) for the year	570	(381)
Other comprehensive surplus (deficit)	-	-
Total comprehensive surplus (deficit)	<u>570</u>	<u>(381)</u>

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

FUNDAÇÃO ODEBRECHT

Statements of changes in net assets (In thousands of Brazilian Reais)

	Net assets	Deficit for the year	Total
Balances as at December 31, 2018	488	(46)	442
Deficit absorption by net assets	(46)	46	-
Deficit for the year	-	(381)	(381)
Balances as at December 31, 2019	442	(381)	61
Deficit absorption by net assets	(381)	381	-
Surplus for the year	-	570	570
Balances as at December 31, 2020	61	570	631

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

FUNDAÇÃO ODEBRECHT

Statements of cash flows

For the years ended December 31, 2020 and 2019

(In thousands of Brazilian Reais)

	2020	2019
Cash flows from operating activities		
Surplus (deficit) for the year	570	(381)
Adjustments to reconcile surplus (deficit) for the year to funds from operating activities:		
Depreciation and amortization	35	31
Provision for claims	(133)	(467)
Provision for losses	-	242
	<u>472</u>	<u>(575)</u>
Changes in assets and liabilities		
Advances to third parties	17	5
Loans granted	23	67
Other assets	(23)	(4)
Trade accounts payable	(18)	17
Salaries, charges and social contributions	176	(215)
Taxes, fees and contributions	101	(91)
Other liabilities	(344)	4
Net cash from operating activities	<u>404</u>	<u>(792)</u>
Cash flows from investing activities		
Additions to fixed assets	(53)	(3)
Net cash from investing activities	<u>(53)</u>	<u>(3)</u>
Decrease in cash and cash equivalents	<u>351</u>	<u>(795)</u>
Cash and cash equivalents at beginning of year	654	1,449
Cash and cash equivalents at end of year	1,005	654
Decrease in cash and cash equivalents	<u>351</u>	<u>(795)</u>

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

1. Operations

Fundação Odebrecht (“Foundation”) is a private non-profit charitable institution created by Norberto Odebrecht in 1965 and maintained by Novonor S.A. -Em Recuperação Judicial (“Novonor”). During its 53 years of existence, it has acted in different forms always focusing on people development and contributing to the solution of problems originated from the social and economic structure, aiming for construction of a more responsible, harmonic, and solidary society, with equal opportunities for all.

It is inspired by a life philosophy grounded in education and work, the Odebrecht Entrepreneurial Technology (TEO) and belief in people’s potential and capacity to develop by themselves. It has defined its institutional mission to educate for life through work, for values and to exceed limits, while having chosen the young as the main agent of change for the context in which it is included, along with their family.

It operates based on a model of Participative Governance that allows joining objectives and actions from government authorities, private initiatives, and civil societies, particularly Civil Society Organizations (OSCs), that are private entities with social participation for initiatives of public interest.

The strategy of Fundação Odebrecht is to promote Sustainable Development focused on family agriculture, through a Social Technology created and structured on a program named the Development and Integrated Growth Program with Sustainability (PDCIS). It works on six areas of activity: Education for Sustainable Development, Economic Development, Innovation and Technology, Environmental Conservation, Cohesion and Social Mobilization and Citizenship and Governance, having the youth as the main agent of change and beneficiary.

The area chosen is a socially vulnerable region in the state of Bahia formed by 11 municipalities where 285 thousand people live: The Southern Lowlands of the state of Bahia. The land is in the Atlantic Forest biome, characterized by great biodiversity and natural resources, with important remaining forest areas. Rainfall volumes are regular, with favorable climate becoming an area strongly suitable for varied farming production. This scenario of strong potential and rich natural resources is in strong contrast with the region’s environmental, social and economic indexes.

The following institutions are currently part of PDCIS: three Rural Family Houses - CFRs, the Land Conservation Organization (“Organização de Conservação da Terra - OCT”) and Presidente Tancredo Neves Rural Producers (“Coopatan”). Other institutions were also part of the Program through time.

The relation of the Foundation with those entities is legally supported by an Agreement of Partnership and Technical and Financial Cooperation named Governance Pact. It is grounded on ethical, honest and transparent actions, in the adoption of the Principles, Concepts and Criteria of Odebrecht Entrepreneurial Technology (TEO) and establishes commitments from both parties, highlighting the following:

Fundação Odebrecht:

- Transferring technology and supporting the mobilization of funds to the OSCs;
- Guaranteeing to Social Investors that the institutions supported in the context of the PDCIS are in line with the best practices of Governance and Compliance, being efficient and effective in the rendering of accounts, internal controls and processes, adequate communication, responsibility and equity;
- Presenting the results of the PDCIS to civil society, social investors and other interested parties.

Supported institutions (conducting the PDCIS):

- Implementing actions of common interest;
- Promoting education for economic and sustainable development;
- Carrying out actions aiming social inclusion and the reduction of social inequality;
- Implementing actions, including educational ones, for environmental protection;
- Stimulating social and institutional organization and mobilization around PDCIS;
- Guaranteeing the flow and return of results, by means of reports of rendering of accounts, observing the targets established in the Action Programs (PA).

Fundação Odebrecht aims to apply its social technology to promote the sustainable land development, by means of the PDCIS and having the youth as its main agent. This is connected Sustainable Development Goals (SDG) in the search for overcoming global challenges such as eliminating poverty in all its forms and dimensions, by means of education of the young for rural production, rational use and protection of natural resources and strengthening of citizenship.

In 2018, Fundação Odebrecht conducted for the first time an Evaluation of the Impacts of its Social Program (PDCIS). Conducted by an expert consulting company, J/S Brasil, the work evidenced, with statistical support, that the program created in 2003 and coordinated by the Foundation in the Southern Lowlands of Bahia resulted in effective transformation for the supported young farmers and their families.

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According to the evaluation, which addressed the economic, social and environmental impacts of the Program; the benefited farmers reduced their dependence by 65% on social assistance programs, such as “Bolsa Família”, and had an average increase of R\$ 25 thousand in annual income, reaching up to R\$ 40 thousand for cooperative members. Also, according to the evaluation, the young people supported were 113% better prepared to face the work market and unemployment rate among them was lower in comparison with the average rate in Bahia state: 9.7% in comparison with 17.9%. The evaluation conducted used the Case-Control method, with the comparison of two groups: the Case, formed by beneficiaries of the PDCIS, and the Control, formed by non-beneficiary, but with similar characteristics to the other group. In total, 190 rural properties were visited and over 300 interviews were made.

The funds to support the costs of Fundação Odebrecht arose from donations, especially from its Sponsor, Odebrecht S.A., and from its controlled and associated companies, as well as from copyrights and sale of books, were all those funds invested in the fulfilment of its social objectives.

Fundação Odebrecht is a private, non-profit Civil Society Organization, ruled by Brazilian Civil Code and by Laws No. 13.019/2014 and No. 9.249/95, among other applicable standards, not distributing to its partners or shareholders, board members, directors, employees, donators or third parties any surplus, operating surplus values, gross or net, dividends, ownership interest or portions of its net assets, earned by the performance of its activities.

In case of termination of its activities, by means of proposal from the Board of Trustees and approval from the State Prosecutor’s Office, the net assets recognized shall be fully transferred to the net assets of non-profit Institutions with identical or similar legal nature and social purpose to Fundação Odebrecht; as long as properly registered with the National Social Care Council (CNAS), or to government agency in the state of Bahia.

Considering its legal nature and compliance with legal requirements, Fundação Odebrecht is entitled to tax immunity in relation to Corporate Income Tax (IRPJ), Social Contribution Tax (CSLL), Contribution for Social Security Funding (COFINS) and Contribution to the Social Integration Program (PIS) levied on the year’s revenues.

In regard to PIS, all revenue earned by foundations and civil associations exempt from income tax, whether related or not to its own activities, is not subject to the levy of PIS. The Foundation’s PIS contribution is determined based on its payroll, at the rate of 1%.

Despite the tax exemptions, the Foundation is required to meet other tax obligations considering its legal nature, including accessory obligations, which are being complied throughout the fiscal years.

1.1. Court-ordered reorganization of Novonor.

On June 17, 2019, the Novonor, sponsor of Fundação Odebrecht, filed a request for the court-ordered reorganization at the 1st Court of Bankruptcies and Reorganization of the Judicial District of the City and State of São Paulo, as per Law No. 11.101/05.

Since then, Novonor and some controlled companies under reorganization have continued to maintain their normal activities, focused on the common purpose of guaranteeing the financial stability and recovery of the Group; therefore preserving their social role of guaranteeing and generating jobs, disseminating technological knowledge and creating sustainable value in the interest of society and other interested parties.

The Foundation remains firm in continuing its social and environmental activities and actions, counting on investments from the operating companies of Novonor Group as out of the scope of the court-ordered reorganization and from the other social investors external to the group that continue to support the actions promoted by the Foundation and partner Institutions.

1.2. Covid-19

On January 31, 2020, the World Health Organization (WHO) announced that the Coronavirus (Covid-19) is a global health emergency. The outbreak has triggered significant decisions by governments and private sector entities, which added to the potential impact of the outbreak, an increase the degree of uncertainty for economic agents and may generate material impacts on the amounts recognized in the financial statements.

Management constantly assesses the impacts of the Covid-19 pandemic on the Entity's operations and financial position with the objective of implementing appropriate measures to mitigate the impacts of the outbreak on the Entity's operations, financial statements, and liquidity.

Among the measures are:

- Adoption of all the protocols of the health agencies regarding social distancing, use of masks and alcohol gel and intensification of the hygienization procedures of the environments;

- Creation of an executive committee to monitor and deliberate on preventive and corrective actions based on governmental decrees and news concerning the pandemic caused by Covid-19;
- Home office for the employees who are part of the risk group (hypertensive patients, cardiac patients, diabetics, among others);
- Adoption of a hybrid work regime for employees who are not part of the risk group;
- Adoption of protocols for monitoring suspected and confirmed cases of infection by Covid-19.

In the scope of the PDCIS, the Family Homes started to adopt distance learning so that the technical training integrated to high school, common to the three institutions, would not be affected. The measure follows the orientation of the Bahia State Government, the Municipal Governments, and the Bahia State Board of Education, guaranteeing, for example, the inclusion of multiple possibilities of teaching tools.

At OCT, in order to serve the rural producers who are benefited, a scale system was created in which only one professional at a time visited the properties, taking not only technical orientation, but also hygiene care for the prevention of Covid-19.

As for Coopatan, because it is an essential service, it normally goes on with its activities of processing and marketing family farming products, with doubled attention to hygiene measures, thus ensuring the supply to retail chains and, consequently, to citizens.

2. Presentation of the financial statements

The main accounting policies applied in the preparation of these financial statements are described below.

The present financial statements were authorized for issue by the Foundation's Management on March 03, 2021.

2.1. Basis of preparation

The financial statements have been prepared and are being presented in accordance with Brazilian accounting practices, including the pronouncements issued by the Committee of Accounting Pronouncements (CPC), and the provisions of Federal Association of Accountants (CFC) Resolution No. 1.409/12, which approved Interpretation ITG 2002 - Non-profit entities, revoking previous standards.

2.2. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly-liquid short-term investments, with maturities of 90 days or less and subject to an insignificant risk of change in value.

2.3. Financial assets

2.3.1. Classification

CPC 48/IFRS 9 has three main categories of classification for financial assets: measured at amortized cost, at fair value through other comprehensive income (loss) and at fair value through income (loss). The standard eliminates the categories existing in CPC 38/IAS 39 of held to maturity, loans and receivables and available for sale.

The Entity classifies its financial assets into the category of amortized cost. The classification depends on the purpose for which the financial assets were acquired.

Financial assets are recorded as current assets, except those with maturity higher than 12 months after the balance sheet date.

The Foundation has financial assets represented by cash and cash equivalents and loans granted.

2.3.2. Recognition and measurement

Regular purchases and sales of financial assets are recognized on the negotiation date - the date on which the Foundation undertakes to buy or sell an asset.

Financial assets are written off when the rights to receive cash flows from investments have expired or have been transferred; in the latter case, provided that the Foundation has transferred substantially all risks and benefits of ownership.

Financial assets are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

2.3.3. Impairment of financial assets

(a) Assets measured at amortized cost

At balance sheet date, the Foundation evaluates if there is objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of assets is considered impaired, and result in impairment losses, only when there is objective evidence of impairment as the result of one or more events happening after the initial recognition of the asset (a "loss event") and the loss event (or events) have an impact on estimated future cash flows of the financial asset or group of assets, which can be reliably estimated.

The criteria adopted by the Foundation to determine the objective evidence of impairment include:

- (i) Relevant financial difficulty from the issuer or debtor;
- (ii) A breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) For economic or legal reasons related to the borrower's financial difficulty, the Foundation grants a concession to the borrower, which a lender normally would not consider;
- (iv) It is probable that the borrower declares bankruptcy or goes into other kind of financial reorganization;
- (v) Observable data indicating a measurable reduction in future cash flows estimated from a portfolio of financial assets since the initial recognition of those assets, although the reduction cannot be identified through the individual financial assets in the portfolio, including:
 - Adverse changes in the payment situation of the loan borrowers in the portfolio;
 - National or local economic conditions that are correlated to the default on assets of the portfolio.

If, in a subsequent period, the amount of impairment loss is reduced and this reduction can be objectively related to an event which occurred after impairment being recognized (as an improvement in debtor's credit rating), a reversal of the loss previously recognized will be recorded in the statement of activities.

2.4. Fixed assets

Fixed assets are stated at acquisition or construction cost, net of accumulated depreciation.

Expenses directly attributed to the acquisition of the items and costs of financing related to the acquisition of qualifying assets are capitalized as part of fixed assets.

Depreciation is calculated using the straight line method to allocate costs to the residual values of the assets during their estimated useful life, as follows:

- IT equipment: 3 - 5 years;
- Furniture and fixtures: 8 - 10 years;
- Other: 7 - 10 years.

Gains and losses resulting from disposals are determined by the comparison of sales amounts with book value and recognized in the statement of activities.

2.5. Other current assets

The other assets are stated at cost or realizable value, plus related surplus and monetary variations earned, when applicable.

2.6. Trade accounts payable

Accounts payable to suppliers are obligations payable for assets or services acquired from suppliers in the ordinary course of business. They are classified as current liabilities if payment is due in the period of up to one year. Otherwise, accounts payable are presented as noncurrent liabilities.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

2.7. Other liabilities

Other liabilities are stated at known or estimated amounts, plus the related charges and monetary changes incurred, when applicable.

2.8. Taxes, fees and obligations

For being a non-profit entity, the Foundation is entitled to tax immunity. Accordingly, no taxes are levied on its operations, which include Tax on Services (ISS), PIS, COFINS, IRPJ and CSLL. The amount payable basically refers to amounts withheld on payroll, in addition to Severance Pay Fund (FGTS) and employer's Social Security Tax (INSS).

2.9. Net assets

This is represented by initial donations, plus surplus or deficit accumulated through the years, and effects of amounts recognized by the investee ODBINV in its equity.

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2.10. Results of activities

The revenues of the Foundation mainly comprise donations from its Sponsor, Novonor, and companies controlled by it or affiliated, and also from FRVJ Patrimonial Ltda. ("FRVJ Patrimonial"), a controlled company of Kieppe Participações e Administração Ltda, indirect parent company of Novonor. These records comply with the provision set forth in CPC 47, accounting pronouncement regulating revenue recognition. Surplus or deficit of the activities is recognized on the accrual basis.

Revenues from donations received to be applied in the programs are recognized at the amounts corresponding to the expenses incurred in each year for the execution of these programs.

3. Financial risk management

The Foundation participates in operations involving financial instruments, with the purpose of managing the funds available from its operations and meet possible cash needs.

The Foundation did not carry out transactions involving derivatives for speculation purposes in the years ended December 31, 2020 and 2019.

(a) Liquidity risk

It is the risk of the Foundation not having sufficient funds to fulfill its financial obligations due to a mismatch between expected receipts and payments in maturity and volume.

To manage cash liquidity, assumptions are made about future disbursements and receipts, daily monitored by the Finance Department of the Foundation.

4. Financial instruments by category

	2020	2019
Amortized cost		
Assets		
Cash and cash equivalents	1.005	654
Advances to third parties	9	26
Granted loans	-	23
	<u>1.014</u>	<u>703</u>
Amortized cost		
Liabilities		
Trade accounts payable	1	19
Other liabilities	10	354
	<u>11</u>	<u>373</u>

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Notes to the financial statements As at December 31, 2020 and 2019 (In thousands of Brazilian Reais)

5. Cash and cash equivalents

	2020	2019
Funds in cash and banks	2	2
Short-term bank deposits	1.003	652
Total	<u>1.005</u>	<u>654</u>

The short-term bank deposits refer to financial investments in Funds and Bank Certificates of Deposit (CDB), at floating rates, whose average return ranges from 80.75% and 95.50% of the Interbank Deposit Rate (CDI), respectively, with immediate liquidity.

6. Salaries, charges and social contributions

	2020	2019
Provision for vacation pay	296	221
INSS on vacation pay	75	56
FGTS on vacation pay	24	18
Other	13	12
Total	<u>408</u>	<u>307</u>

7. Provision for claims

The provision for claims was recognized in order to cover disbursements arising from labor claims, whose decisions, though not yet final and unappealable, were unfavorable to Fundação Odebrecht and which have remote probability of a favorable outcome.

Other proceedings, with no final decision on them, are not provided for, given that Fundação Odebrecht claims illegitimacy of the processes, as they refer to claims from former employees of the supported institutions in the context of PDCIS, and considering that most decisions have been for excluding Fundação Odebrecht as defendant.

Changes in the in the year are as follows:

	<u>Labor contingencies</u>
Balances as at December 31, 2018	600
(-) Reversal	(600)
(+) Provision	133
Net adjustment	<u>(467)</u>
Balances as at December 31, 2019	133
(-) Reversal	(133)
(+) Provision	-
Net adjustment	<u>(133)</u>
Balances as at December 31, 2020	<u><u>-</u></u>

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Notes to the financial statements As at December 31, 2020 and 2019 (In thousands of Brazilian Reais)

8. Other liabilities

	2020	2019
BNDES Agreement (a)	-	350
Other	10	4
Total	<u>10</u>	<u>354</u>
Current	10	4
Noncurrent	-	350

(a) It refers to the disallowance in rendering of accounts of amounts received by one of the institutions supported by Fundação Odebrecht in the context of the PDCIS, whose notification occurred in August 2018 by means of official letter sent by National Bank for Economic and Social Development (BNDES), in accordance with the terms of the Technical and Financial Cooperation Agreement and BNDES regulatory standards, ruling the relation with Fundação Odebrecht. The agreement was effective from November 2009 to October 2015 and has not been renewed. The balance was settled on August 28, 2020, and on February 22, 2021, the BNDES issued a statement of full compliance with the obligations arising from the contract, giving full, general, and irrevocable discharge to the Fundação Odebrecht.

9. Net revenue

Net revenue is composed as follows:

	2020	2019
Donations received (a)	6.085	9,047
Copyrights	7	26
Total	<u>6.092</u>	<u>9,073</u>

(a) It refers to donations from companies of Novonor Group and FRVJ Patrimonial, the latter starting in 2020.

10. Donations to social projects

Following is the breakdown of donations made according to each social project:

	2020	2019
OCT (a)	(50)	(302)
Other	-	(1)
Total	<u>(50)</u>	<u>(303)</u>

(a) Donation made for honoring a court agreement related to labor claim filed against OCT and Fundação Odebrecht. The settlement of this agreement resulted in reversal of labor contingencies, as shown in Note 7.

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11. General and administrative expenses

	<u>2020</u>	<u>2019</u>
Wages and salaries	(4,556)	(7,809)
Third-party services	(1,026)	(1,190)
Travel and lodging	(43)	(220)
Depreciation and amortization	(35)	(31)
Other	(348)	(248)
Total	<u>(6,008)</u>	<u>(9,498)</u>

12. Other revenue (expenses), net

Following is the breakdown of total estimated losses, recognized in surplus (deficit) for the year:

	<u>2020</u>	<u>2019</u>
Result in sale of fixed assets	12	-
Residual value of retired fixed assets	(1)	-
Indemnity (a)	413	-
Total	<u>424</u>	<u>-</u>

(a) Refers to the amount received from indemnity related to Case No. 0544668-88.2017.8.05.0001.

13. Income (loss) from ownership interest

The Foundation has ownership interest of 1.566% in ODBINV S.A. - Em Recuperação Judicial ("ODBINV"), parent company of Novonor. This investment in ODBINV S.A. was recorded and valued according to the equity method up to the limit of the investment balance.

As at December 31, 2016, ODBINV reported a deficit in equity ("Unsecured liabilities"), the balance of investments was written off by Foundation (provision for losses on ownership interest).

As at December 31, 2020 and 2019, ODBINV remained with deficit in equity ("Unsecured liabilities").