OEC S.A.
and its Subsidiaries
Interim Consolidated Financial Statements as at March 31, 2022

OEC S.A. and its Subsidiaries
Consolidated Balance Sheets
In thousands of reais and U.S. dollars

	Note	March 31, 2022		December 31, 2021
		US$		R$
Assets				
Current assets				
Cash and cash equivalents	6	225,929	1,070,406	791,495
Trade accounts receivable	7	236,739	1,121,624	1,607,275
Advances to suppliers, subcontractors and others		99,044	469,253	251,970
Taxes recoverable	8	99,471	471,274	466,527
Inventories	9	61,359	290,707	330,145
Current accounts with consortium members	12 (a)	86,911	411,766	458,243
Prepaid expenses		7,132	33,788	32,434
Credits receivable related to legal claims	10	79,234	375,395	375,395
Other assets	11	40,609	192,396	543,783
		936,428	4,436,609	4,857,267
Non-current assets held for sale and discontinued operations	14 (a)	60,572	286,979	314,913
Non-current assets				
Financial investments		13,650	64,671	76,174
Related parties	12 (a)	250,562	1,187,112	1,225,893
Trade accounts receivable	7	396,410	1,878,109	2,027,322
Deferred income tax and social contribution	13 (a)	250,089	1,184,870	1,095,758
Taxes recoverable	8	30,415	144,098	165,362
Prepaid expenses		1,998	9,467	10,705
Advances to suppliers, subcontractors and others		6,157	29,173	29,145
Judicial deposits		25,120	119,015	121,823
Other assets	11	199,003	942,838	585,772
		1,173,404	5,559,353	5,337,954
Investments				
Associated companies	15 (b)	56,628	268,294	325,165
Property and equipment	16	97,170	460,370	524,767
Intangible assets		6,642	31,469	29,932
Right of use	17 (b)	6,938	32,873	33,115
		1,401,354	6,639,338	6,565,846
Total assets		2,337,782	11,075,947	11,423,113

	Note	March 31, 2022		December 31, 2021
		US$		R$
Liabilities and net capital deficiency				
Current liabilities				
Debts	18	64,822	307,116	371,672
Leases	22	4,828	22,873	22,855
Suppliers and subcontractors	19	784,841	3,718,419	4,204,902
Taxes, fees, salaries and social contributions	20	178,145	844,016	917,374
Advances from customers	7	383,925	1,818,960	1,407,212
Current accounts with consortium members	12 (a)	92,850	439,906	502,420
Provisions for tax, labor, civil and others contingencies	21	138,197	654,752	748,029
Other liabilities	23	156,103	739,583	801,580
		1,803,711	8,545,625	8,976,044
Non-current liabilities				
Debts	18	881,902	4,178,275	4,743,067
Leases	22	20,256	95,967	93,666
Suppliers and subcontractors	19	9,037	42,815	49,690
Taxes, fees, salaries and social contributions	20	6,729	31,882	29,236
Advances from customers	7	1,411,027	6,685,166	7,917,280
Related parties		325,514	1,542,222	1,603,961
Deferred income tax and social contribution	13 (a)	117,784	558,037	656,388
Provisions for tax, labor, civil and others contingencies	21	826,746	3,916,957	4,283,685
Provision for net capital deficiency of subsidiaries	15 (b)	178,581	846,083	628,553
Other liabilities	23	97,709	462,924	467,371
		3,875,285	18,360,328	20,472,897
Net capital deficiency				
Capital	24 (a)	94,749	448,900	448,900
Capital transactions		2,821	13,366	13,365
Carrying value adjustments	24 (b)	495,079	2,345,586	348,948
Accumulated losses		(3,910,450)	(18,526,930)	(18,732,621)
		(3,317,801)	(15,719,078)	(17,921,408)
Non-controlling interest		(23,413)	(110,928)	(104,420)
		(3,341,214)	(15,830,006)	(18,025,828)
Total liabilities and net capital deficiency		2,337,782	11,075,947	11,423,113

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

OEC S.A. and its Subsidiaries
Interim Consolidated Statements of Income
Three-month periods ended March 31
In thousands of reais and U.S. dollars, unless otherwise indicated

	Note	2022 US$	2022 R$	2021 R$
Continuing operations				
Net services and sales revenues	25	160,681	761,273	654,039
Cost of services rendered	26	(143,055)	(677,764)	(563,009)
Gross profit		17,626	83,509	91,030
Operating expenses				
General, administrative and selling expenses	26	(27,032)	(128,073)	(76,698)
Other income (expenses), net		1,525	7,229	(921)
Operating profit (loss)		(7,881)	(37,335)	13,411
Results from investments				
Results from equity investments	15 (b)	(68,646)	(325,229)	(25,566)
Financial result				
Financial result, net	27	89,392	423,521	(523,751)
Profit (loss) before social contribution and income tax		12,865	60,957	(535,906)
Current income tax and social contribution	28	(1,784)	(8,454)	(7,124)
Deferred income tax and social contribution	28	40,723	192,936	32,350
Profit (loss) of continued operations for the year		51,804	245,439	(510,680)
Discontinued Operations				
Net profit (losses) of discontinued operations for the year	14 (b)	(7,186)	(34,047)	81,529
Profit (loss) for the year		44,618	211,392	(429,151)
Attributable to:				
Company's Stockholders		43,415	205,691	(382,396)
Non-controlling interest		1,203	5,701	(46,755)
		44,618	211,392	(429,151)
Basic profits (losses) per share from continuing and descontinuing operations atributable to stockholders at the end of the year (in R$ and US$ per share)	24 (c)	0.097	0.458	(0.852)

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

OEC S.A. and its Subsidiaries
Interim Consolidated Statements of Comprehensive Income
Three-month periods ended March 31
In thousands of reais and U.S. dollars, unless otherwise indicated

			2022	2021
	Note	US$		R$
Profit (loss) for the year		44,618	211,392	(429,151)
Other comprehensive income:				
Items to be subsequently reclassified to profit or loss:				
Carrying value adjustment of investees	24 (b)	7,152	33,884	36,605
Foreing currency translation adjustment	24 (b)	411,563	1,949,902	(126,233)
Foreign exchange variation on net investments abroad	24 (b)	2,712	12,852	
Total comprehensive income for the year		466,045	2,208,030	(602,430)
Attributable to:				
Company's Stockholders		464,842	2,202,329	(555,675)
Non-controlling interest		1,203	5,701	(46,755)
		466,045	2,208,030	(602,430)

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

OEC S.A. and its Subsidiaries

Interim Consolidated Statement of Changes in Equity (Net Capital Deficiency)

In thousands of reais, unless otherwise indicated

	Note	Attributable to Company's Stockholders				Non-Controlling Interest	Total Net Capital Deficiency
		Capital	Carrying Value Adjustment	Accumulated Deficit	Total		
At December 31, 2020		448,900	217,887	(5,954,601)	(5,287,814)	(131,032)	(5,418,846)
Total comprehensive income for the year:							
Loss for the year - R$ (0.852) per share	24 (c)			(382,396)	(382,396)	(46,755)	(429,151)
Other comprehensive income	24 (b)		(173,279)		(173,279)		(173,279)
Total comprehensive loss for the year			(173,279)	(382,396)	(555,675)	(46,755)	(602,430)
Capital transactions with stockholders:							
Other movements of non-controlling						95,170	95,170
At March 31, 2021		448,900	44,608	(6,336,997)	(5,843,489)	(82,617)	(5,926,106)

	Note	Attributable to Company's Stockholders					Non-Controlling Interest	Total Net Capital Deficiency
		Capital	Capital Transactions	Carrying Value Adjustment	Accumulated Deficit	Total		
At December 31, 2021		448,900	13,365	348,948	(18,732,621)	(17,921,408)	(104,420)	(18,025,828)
Total comprehensive loss for the year:								
Profit for the year - R$ 0.458 per share	24 (c)				205,691	205,691	5,701	211,392
Other comprehensive income	24 (b)			1,996,638		1,996,638		1,996,638
Total comprehensive loss for the year				1,996,638	205,691	2,202,329	5,701	2,208,030
Capital transactions with stockholders:								
Other movements of capital transactions			1			1		1
Other movements of non-controlling							(12,209)	(12,209)
At March 31, 2022		448,900	13,366	2,345,586	(18,526,930)	(15,719,078)	(110,928)	(15,830,006)

For the year ended December 31, 2020, the amounts presented include the operations from July to December 2020 due to the corporate restructuring of the economic group that took place in July 2020.

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

OEC S.A. and its Subsidiaries

Interim Consolidated Statement of Changes in Equity (Net Capital Deficiency)

In thousands of U.S. Dollar, unless otherwise indicated

			Attributable to Company's Stockholders						
	Note	Capital	Capital Transactions	Carrying Value Adjustment	Accumulated Deficit	Total	Non-Controlling Interest	Total Net Capital Deficiency
At December 31, 2021		94,749	2,821	73,652	(3,953,865)	(3,782,643)	(22,040)	(3,804,683)
Total comprehensive loss for the year:								
Profit for the year - US$ 0.097 per share	24 (c)				43,415	43,415	1,203	44,618
Other comprehensive income	24 (b)			421,427		421,427		421,427
Total comprehensive loss for the year				421,427	43,415	464,842	1,203	466,045
Capital transactions with stockholders:								
Other movements of non-controlling							(2,576)	(2,576)
At March 31, 2022		94,749	2,821	495,079	(3,910,450)	(3,317,801)	(23,413)	(3,341,214)

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

OEC S.A. and its Subsidiaries
Interim Consolidated Statements of Cash Flows
Three-month periods ended March 31
In thousands of reais and U.S. dollars, unless otherwise stated

	Note	2022		2021
		US$	R$	R$
Cash flows from operating activities				
Profit (loss) before income tax and social contribution from continued and discontinued operations		5,679	26,910	(454,377)
Adjustments:				
Equity in results of investees	15 (b)	68,646	325,229	25,566
Variation in construction contracts revenue		(53,619)	(254,036)	(287,338)
Depreciation and amortization	26	3,092	14,649	16,692
Amortization of right of use	17 (b) / 26	511	2,421	7,078
Residual value of reduction in property and equipment and project expenses		7,019	33,255	6,345
Present value adjustments	27	(13,533)	(64,119)	(4,295,939)
Impairment on property and equipment	17	(285)	(1,350)	
Estimated losses on doubtful accounts accrual, net	26 / 27	(92,384)	(437,695)	7,458,821
Provision (reversion) for guarantees	27			(3,972,036)
Provision for contingencies	26	(1,818)	(8,611)	7,691
Loss of discontinued operations				(141)
Effect on initial recognition of Bonds	27			837,370
Interest, monetary and foreing exchange variations and others, net		(62,986)	(298,417)	424,467
Cash used in operations		(139,678)	(661,764)	(225,801)
Changes in assets and liabilities:				
Financial investments		2,428	11,503	(9,115)
Trade accounts receivable		60,781	287,967	22,536
Inventories		2,343	11,100	46,252
Taxes recoverable		(2,629)	(12,456)	(40,542)
Prepaid expenses and other assets		(32,710)	(154,975)	88,938
Suppliers and subcontractors		(17,843)	(84,536)	60,318
Advances from customers		79,499	376,649	(18,944)
Taxes, rates, salaries and payroll charges		(2,207)	(10,454)	(33,325)
Other liabilities		(26,528)	(125,681)	(107,366)
Net cash used in operating activities from continued operations		(76,544)	(362,647)	(217,049)
Net cash used in operating activities from discontinued operations		(179)	(850)	(1,487)
Net cash used in operating activities		(76,723)	(363,497)	(218,536)
Cash flows from investing activities				
Disposal of investments	15 (b)			227
Acquisitions of property and equipment and intangible assets	16	(10,411)	(49,325)	(7,138)
Dividends received	15 (b)	2,094	9,919	8,461
Net cash generated by (used in) investing activities		(8,317)	(39,406)	1,550
Cash flows from financing activities				
Related parties				
Repayments		(1,199)	(5,679)	(12,857)
New loans		213	1,009	37,758
Short and long-term debt, net				
New loans	18 (d)	1	6	
Payments of principal	18 (d)	(5,279)	(25,010)	(3,375)
Payments of leases	22	(257)	(1,219)	(5,771)
Net cash generated by (used in) financing activities		(6,521)	(30,893)	15,755
Effect of changes in the exchange rate on cash and cash equivalents		150,430	712,707	(220,296)
Increase (decrease) in cash and cash equivalents from continued operations		59,048	279,761	(420,040)
Decrease in cash and cash equivalents from discontinued operations		(179)	(850)	(1,487)
Cash and cash equivalents at the beginning of the period		167,060	791,495	873,987
Cash and cash equivalents at the end of the period		225,929	1,070,406	452,460

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

1 Operations

OEC S.A. ("OECSA" or the "Company") is a closely-held entity and an integral part of the Novonor Group ("Novonor Group") , headquartered in São Paulo, whose direct parent company is Odebrecht Holdco Finance Limited ("ODB Holdco") and indirect parent company is Odebrecht Engenharia e Construção S.A. ("Odebrecht Engenharia"). The Company's head office is located at Av. das Nações Unidas, 14.401 – Parque da Cidade – Chácara Santo Antonio, São Paulo.

The Company is the direct parent company of CNO S.A. ("CNO"), OECI S.A. ("OECI"), OENGER S.A. ("OENGER"), Tenenge Engenharia Ltda. ("Tenenge"), Odebrecht International Services, Ltd. ("OIS") and OEC Finance Limited ("OEC Finance").

The Company's main purposes include the planning and execution of engineering projects and construction works of all types and specialties as a contractor, administrator or other types of contracts adopted in the market; civil engineering technical installations, industrial assemblies, planning, assistance and technical studies, and the performance of other related economic activities, including the import and export of services and goods related to the engineering and construction activities.

Through its direct and indirect subsidiaries and their branches, the Company directly operates in several countries, mainly: Brazil, Angola, United States of America ("USA") and Peru.

In the heavy civil construction segment, the main direct subsidiaries of the Company are CNO, OECI, and Tenenge and indirect CBPO Engenharia Ltda. ("CBPO"), which develop construction projects involving highways, railways, hydroelectric, thermoelectric and nuclear plants, port facilities, dams, refineries and other industrial and infrastructure projects.

The main projects that are currently being carried out through the subsidiaries and associates in Brazil are: Submarine Project, Santa Cruz Thermoelectric Plant, BH Health Units, Eurofarma Project, BRT Transbrasil, Ilha dos Pombos Hydroelectric Plant, Minérios Highway, Sertão Alagoano Influent Channel, Montes Claros Water Supply System and e South Babitonga Gas Terminal, in addition to many contracts for the provision of services in industrial plants.

Abroad, the main projects in activity are: Laúca Hydroelectric Plant and Barra do Dande Oceanic Terminal (Angola), Maintenance of IIRSAS North and South (Peru), Line 2 Metro / Airport Extension (Panama) and East Section Highway (Ghana).

(a) Going Concern

The operating segment of the Company and its subsidiaries is the heavy civil construction in projects for the construction of highways, railways, hydroelectric, thermoelectric and nuclear plants, port installations, dams, refineries among other industrial and infrastructure projects for public and private customers, and their main source of resources is the generation of cash from these projects.

In view of the events that took place over the past few years, in order to mitigate the impacts on the cash of the Company and its subsidiaries, management implemented several actions, namely: i) a geographical restructuring process focused on countries that can potentially contract construction works from the Company and its subsidiaries, ii) the strengthening of corporate governance, with the establishment of the Board of Directors and supporting committees to the Board of Directors (with the participation of independent members), iii) creation of an Internal Audit and Internal Controls

Department, iv) Integrity Program aimed at addressing practices and procedures to ensure compliance by businesses with legal requirements and principles of ethical, honest and transparent conduct in corporate activities, v) administrative restructuring, adapting the size of the supporting staff to the new size of the Company, vi) sale of assets and old credits to ensure the Company's liquidity, vii) restructuring of short-term debts and trade accounts payable, viii) renegotiation of terms and conditions of guarantees provided to the NFL Bonds as described in Note 18, item (c); and ix) production maintenance for the contracts in the portfolio.

Accordingly, and in view of the commitments assumed by the Company's subsidiaries under the cooperation agreements and compensations, described in the Note 21, which required investments for the implementation of the Compliance System and the strengthening of the Corporate Governance, together with the low volumes of renewals of the contracts in the portfolio, which impaired the Company's ability to generate cash and cash equivalents, and the provisions for (i) the guarantee of the NFL Bonds whose restructuring was completed in January 2021, in accordance with Note 18, item (c); (ii) the credits receivable from the Novonor Group companies that are in judicial recovery and from the indirect subsidiary Odebrecht Engenharia, (iii) the discontinued operation in Venezuela; and (iv) the adjustment to present value of the credits held by the Company's direct and indirect subsidiaries with Biocom, in accordance with Note 12 (c), among other things, resulted in an excess of consolidated current liabilities over consolidated current assets of R$ 4,109,016 – US$ 867,284 (December 31, 2021 - R$ 4,118,777) and in a consolidated net capital deficiency of R$ 15,830,006 – US$ 3,341,214 (December 31, 2021 - R$ 18,025,828).

Action Plan 2022 – 2026: In order to seek the resumption of the growth of the Company and its subsidiaries aimed at the reversal of its equity position, the Company's Board of Directors approved, in December 2021, the Action Plan ("AP") for the next 5 (five) years, which includes the actions and strategic directions that provide for complete and sustainable solutions in Engineering and Construction for infrastructure and industries focused on the major global demands, such as mobility, logistics, sanitation, energy, housing, health and education, towards a strong growth and ensuring a relevant leading role in the markets where it operates, as follows:

- **Addition of backlog** - expectation of obtainment of new projects in the amount of US$ 9.2 billion (previous AP – US$ 7.1 billion) until 2026, in addition to currently having a base of opportunities of approximately 164 projects that total US$ 21.1 billion in possible contracts, which are more intense with private clients.

- **Focus of operations** - The Company focuses its operations geographically, selectively and strategically in the following countries: i) Brazil – infrastructure and energy, in addition to assessing new opportunities in important industries in the country, and also focused on industrial companies, strengthening the Tenenge brand, whose operation is aimed at the maintenance of industrial plants; ii) Angola/Africa: strengthening of the operation in the African market, based in Angola, in addition to the growth of opportunities linked to the demands that are locally repressed; iii) Peru: evolve in the development of new opportunities with clients of the Novonor Group that already operate in the country, but also seek new partnerships with clients related to opportunities in strategic economic sectors; and iv) USA: development of private partnerships and expansion of the geographic scope based on the principle of the recognition of the Company's projects in the country.

- **Guarantee of operation, competitiveness and efficiency** – to guarantee the success of the operation in the countries mentioned above, the Company directs its efforts towards: i) completing with excellence the projects in the current portfolio; ii) strengthening and modernizing the Engineering area through remodeling and technological innovation aimed at improving the performance of the operations and the global adoption by the Company of BIM technology (tool, training, culture and investment); iii) ensuring the monitoring of the Engineering Risk Matrix for all contracts; iv) prioritizing the maintenance and renewal of technical certifications; v) prioritizing the exposure and proposals that add value to the client; vi) promoting relationships with Engineering/Technology companies and suppliers to qualify commercial actions; and vii) highlighting the Company's clear capacity to distinguish itself from the other players in the construction industry.

- **Credits, insurance and guarantees:** i) Seeking to reestablish the banking relationship in order to enable the contracting of a credit line to support the financing of new contracts; ii) seeking to enable the contracting of surety bonds to support the obtainments of new backlogs; iii) establishing a relationship with multilateral agencies that develop exports through our subsidiaries located in the countries that are the Company's focus for the inclusion of local content; and iv) seeking to reestablish the investor relations department to support the rapprochement with the capital markets and the subsequent appreciation of the Company's value.

Among the strategic directions mentioned above, aimed at the sustainable growth of the Company's operation in the countries where it operates, the AP also includes robust monitoring with respect to financial equation, aimed at balancing its gearing ratio, administrative costs and contingent liabilities, as follows:

- **Financial health**: i) completion of the negotiation for restructuring the guarantee for the NFL Bonds by Odebrecht Engenharia in accordance with the terms agreed upon in the Term Sheet mentioned in Note 18 (c) so as to adjust the Company's capital structure and payment flows to its cash generation capacity and ii) renegotiation of trade accounts payable and working capital debts; and iii) sales of investments and monetization of receivables and tax credits

- **Solution and mitigation of litigations and liabilities**: i) negotiation of leniency agreements through payments in installments and ii) negotiation of agreements in the countries where Company operates for payments in accordance with the local financial capacity of each country.

- **Organizational restructuring and reduction of costs**: i) restructuring of the administrative staff, with shared structures, ensuring synergies, agility and lower costs and ii) implementation of new compensation policies aimed at reducing administrative expenditures.

The Company believes that the resumption of growth is essential for it to continue as a going concern. However, if the combined events described not take place, management believes that it will face significant difficulties to resume its growth. The current financial statements do not take into consideration adjustments that would be necessary in case the Company and its subsidiaries not be able to continue as a going concern normally.

(b) Integrity Program

The Company and its subsidiaries have an ongoing commitment to operate with ethics, integrity and transparency, in accordance with the best international governance practices and applicable laws, rules and regulations, as well as with the Company's policies, ensuring a conduct based on ethical principles and values.

Many initiatives related to improvements of financial process controls, such as guidelines and new operational processes, were implemented for the purpose of providing further corporate security to the Company. New integrity and financial control indicators and targets were defined and are being applied in the assessment of the performance of the Company's executives.

The Company's Integrity Program follows typical patterns of publicly-listed companies, with governance conducted by a board of directors and the participation of at least 20% of independent members and, currently, this participation is 38%. The program is continuously monitored and supervised by the

Integrity and Audit Committee of the Board of Directors for which a majority of independent members is required and the Committee is coordinated by one of these members.

OECs Integrity Program has all the fundamental pillars of an effective compliance program: (i) independence and autonomy of the integrity and internal audit departments; (ii) well-defined policies and guidelines, that are broadly communicated, with recurring training programs offered to employees; (iii) regular risk analyses that guide the actions and focuses of the program; (iv) regularly implemented processes of due-diligence of third parties and employees; (v) complaint channels available in all operations, with independent and impartial internal investigations; (vi) continuous monitoring of risks and controls, with objective indicators that measure performance and effectiveness; and (vii) remedies applied upon the verification of deviations.

The controls implemented at the Company were broadly tested and improved over the past five years, including many levels of independent monitoring. In November 2020, the Integrity Program was attested to by independent monitors appointed by the U.S. Department of Justice (DoJ) and the Federal Public Prosecution Office of Brazil. In 2021, it went through a cycle of independent review in the scope of agreements signed with the World Bank and the Inter-American Development Bank (IDB). The report delivered by the monitors to the two banks at the end of 2021 not only reinforced the successful conclusions of the monitoring under the agreement with the DoJ, but it also confirmed that OEC's Integrity Program meets all compliance guidelines of the World Bank and IDB. In March 2022, Brazilian Government Accountability Office ("CGU") completed the ostensive monitoring of OEC's Integrity Program, attesting that the Company fulfilled all commitments assumed with respect to the topic of Integrity in the Leniency Agreement signed with the Brazilian Government Accountability Office ("CGU")/Office of the Solicitor General ("AGU") in 2018.

Some metrics achieved in the first quarter of 2022 under OEC's Integrity Program include: (i) 2,923 supplier due diligence processes were analyzed; (ii) the Annual Training Plan approved by the Board of Directors was completed by 86% of the defined target group; (iii) 61 reports received in the complaint channel were independently investigated by the Integrity Department, generating 103 remediation actions, 2 dismissals and 01 verbal warning applied; (iv) in the ongoing monitoring of compliance, 218 actions for process testing and check were opened, 142 contracts with third parties were reviewed with respect to integrity requirements, 10 processes of contracting or promotion of employees were reviewed to check compliance with the integrity assessment requirements and 89 contracting processes were reviewed for the check of potential conflicts of interests reported.

Finally, it is worth noting that OEC's Integrity Program is certified by the ISO 37001:2017 Anti-Bribery Management System, which is valid through April 2024, and it was also subject to an external audit by a registered international certifying organism.

2 Summary of Significant Accounting Policies

The main accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2021, except for the standards and amendments to the standards that are in effect as from January 1, 2022, as presented below:

Revised and in effect

- Amendments to IFRS 10 and IAS 28 (CPC 36(R3) and CPC 18(R2), respectively), Sale or contribution of assets between an investor and its associate or joint venture – undefined effectiveness.

- Amendment to IFRS 3 (CPC 15(R1)), Reference to the Conceptual Framework – in effect as from January 1, 2022.

- Amendment to IAS 16 (CPC 27), Property, plant and equipment: funds before the intended use - in effect as from January 1, 2022.

- Amendment to IAS 37 (CPC 25), Costly contracts: cost of the performance of the contract – in effect as from January 1, 2022.

- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (CPC 27(R1), CPC 43(R1), CPC 48, CPC 06(R2) and CPC 29, respectively), Annual improvements to the 2018-2020 IFRS cycle – in effect as from January 1, 2022.

The management of the Company and its subsidiaries are assessing the pronouncements, amendments to and interpretations of the accounting standards described above so as to apply the mentioned amendments during the year of 2022.

2.1 Basis of Preparation

The consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, which comprise the Brazilian Corporate Law, the pronouncements, interpretations and guidelines issued by the Brazilian Accounting Pronouncements Committee (“CPC”), transformed into the Brazilian Accounting Standards – NBC TG by means of resolutions of the Federal Accounting Council, which are converged with International Financial Reporting Standards (IFRS) issued by IASB.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated, as described in the accounting practices below. The historical cost is based on the amount of the considerations paid in exchange for assets.

2.2 Consolidated Companies

The consolidated financial statements include the financial statements of the Company and its subsidiaries.

(i) Subsidiaries

The Company controls an entity (including structured entities) when it is exposed or has the right to variable returns from its involvement with the entity and is able to affect these returns because of the power it exercises over the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Company and they are deconsolidated on the date that control ceases.

Balances and transactions, as well as the unrealized gains on transactions between the consolidated companies are eliminated. Unrealized losses are also eliminated, unless they indicate an impairment of the asset transferred. The accounting policies of subsidiaries are changed, whenever necessary, in order to ensure consistency with the policies adopted by the Company.

The interim consolidated financial statements include those of the Company and its subsidiaries in which the following direct and indirect control is held as of March 31, 2022:

In thousands of reais and U.S. dollars, unless otherwise stated

			Direct Holding (%)	
		Country	March 31, 2022	December 31, 2021
CNO		Brazil	97.53	97.53
OECI		Brazil	100.00	100.00
OENGER		Brazil	100.00	100.00
Tenenge		Brazil	100.00	100.00
OEC Finance		Cayman Islands	100.00	100.00
OIS	(a)	Cayman Islands		100.00
Odebrecht Overseas Limited ("OOL")		Bahamas	100.00	100.00

		Indirect Holding (%)	
	Country	March 31, 2022	December 31, 2021
Belgrávia Serviços e Participações S.A. (“Belgrávia”)	Brazil	100.00	100.00
Construtora Norberto Odebrecht - Sucursal Angola	Angola	100.00	100.00
CNO S.A. - Argentina	Argentina	100.00	100.00
CNO S.A. - Bolívia	Bolivia	100.00	100.00
Construtora Norberto Odebrecht S.A. - Costa Rica	Costa Rica	100.00	100.00
Construtora Norberto Odebrecht S.A. - Emirados Árabes	Arab Emirates	100.00	100.00
CNO S.A. - Equador	Ecuador	100.00	100.00
Construtora Norberto Odebrecht S.A. - Gana	Ghana	100.00	100.00
CNO S.A. - Guatemala	Guatemala	100.00	100.00
CNO S.A. - México	Mexico	100.00	100.00
Construtora Norberto Odebrecht S.A. - Moçambique	Mozambique	100.00	100.00
CNO S.A. - Panamá	Panama	100.00	100.00
CNO S.A. - Peru ("CNO Suc. Peru")	Peru	100.00	100.00
Construtora Norberto Odebrecht S.A. - República Dominicana	Dominican Republic	100.00	100.00
Construtora Norberto Odebrecht S.A. - Uruguai	Uruguay	100.00	100.00
Construtora Norberto Odebrecht S.A. - Venezuela	Venezuela	100.00	100.00
Libyan Brazilian Construction and Development Company	Libya	60.00	60.00
Odebrecht de Argentina S.A.	Argentina	100.00	100.00
Odebrecht Industrial, Inc.	USA	100.00	100.00
Bento Pedroso Construções, S.A.	Portugal	99.98	99.98

In thousands of reais and U.S. dollars, unless otherwise stated

		Indirect Holding (%)	
	Country	**March 31, 2022**	**December 31, 2021**
CBPO	Brazil	100.00	100.00
CBPO Engenharia Ltda. - Argentina	Argentina	100.00	100.00
CBPO Engenharia Ltda. - Chile	Chile	100.00	100.00
CBPO Engenharia Ltda. - Colômbia	Colombia	100.00	100.00
CBPO Engenharia Ltda. - Uruguai	Uruguay	100.00	100.00
CBPO Engenharia Ltda. - Venezuela	Venezuela	100.00	100.00
CBPO Engenharia Ltda. - Panamá	Panama	100.00	100.00
CBPO Ingeniería de Venezuela C.A.	Venezuela	100.00	100.00
CBPO Overseas Limited.	Cayman Islands	100.00	100.00
Centaurus Investments Limited	Cayman Islands	100.00	100.00
Companhia de Obras e Infra Estrutura	Brazil	100.00	100.00
COI Cuba	Cuba	100.00	100.00
Constructora Norberto Odebrecht del Ecuador S.A.	Ecuador	100.00	100.00
Constructora Odebrecht Uruguay S.A.	Uruguay	100.00	100.00
COI Overseas, Ltd.	British Virgin Islands	100.00	100.00
Construtora Norberto Odebrecht de Panamá S.A.	Panama	100.00	100.00
Multitrade S.A.	Brazil	100.00	100.00
CBPO Overseas Sucursal República Dominicana	Dominican Republic	100.00	100.00
Odebrecht Industrial Engineering America	USA	100.00	100.00
Odebrecht Angola Projectos e Serviços Ltda. ("OAL")	Angola	100.00	100.00
Odebrecht Solution Inc.	Bahamas	100.00	100.00
Odebrecht Construction Malta Ltd.	Malta	100.00	100.00
Odebrecht Construction, Inc.	USA	100.00	100.00
Odebrecht Engeneering & Construction Ltd.	Malta	100.00	100.00
Odebrecht Ingeniería y Construcción de España, S.L.	Spain	100.00	100.00
Odebrecht Ingeniería y Construcción Internacional de México, S de RL de CV.	Mexico	100.00	100.00
Odebrecht Investimentos em Concessões Ferroviárias, Unipessoal, Lda.	Portugal	100.00	100.00
Odb, Investimentos em Concessões Rodoviárias, Unipessoal, Lda.	Portugal	100.00	100.00
Tenenge Limited	United Kingdom	100.00	100.00
Odebrecht Peru Ingeniería y Construcción S.A.C. ("OPIC")	Peru	100.00	100.00
OSEL - Odebrecht Serviços no Exterior Ltd.	Cayman Islands	100.00	100.00
Tenenge (UK) Ltd.	United Kingdom	100.00	100.00
Tenenge Overseas Corporation	Cayman Islands	100.00	100.00
Concesionaria Madden Colon	Panama	100.00	100.00
Odebrecht Global Sourcing South Africa	South Africa	100.00	100.00
HG Market Group Corp	Barbados	100.00	100.00
OEC Peru Infraestructura S.A.C.	Peru	100.00	100.00
OECP S.A.	Brazil	100.00	100.00
Odebrecht Servicios Integrales de México, S de RL de CV.	México	100.00	100.00
Odebrecht Engenharia e Construção Internacional S.A. - Bolívia	Bolivia	100.00	100.00
OECI Ghana Limited	Ghana	100.00	100.00
CBPO Colombia SAS	Colombia	100.00	100.00
OEC Services S.à r.l	Luxembourg	100.00	100.00
OECI S.A. - Sucursal Colombia	Colombia	100.00	100.00
OECI S.A. - Republica Dominicana	Dominican Republic	100.00	100.00
Odebrecht Engenharia e Construção Internacional S.A. - Moçambique	Mozambique	100.00	100.00
CBPO Ingeniería y Construcción de México S.A. de C.V.	Mexico	100.00	100.00
OEC Guyana Inc.	Guyana	100.00	100.00
OECI Angola	Angola	100.00	100.00
CBPO Ecuador	Ecuador	100.00	100.00

(a) In January 2022, the net assets of OIS were merged into OOL, which became a direct investment of the Company.

(ii) Associates and joint ventures

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Joint arrangements are all entities over which the Company shares control with one or more parties. Investments in joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor.

Joint operations are accounted for in the financial statements so as to represent the contractual rights and obligations of the Company. Accordingly, the assets, liabilities, income and expenses related to their interests in joint operations are accounted for on an individual basis in the Company's financial statements.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's share of the profit or loss of its associates and joint ventures is recognized in the statement of operations and its share of changes in reserves is recognized in reserves. When the Company's share of losses in an associate or joint venture equals or exceeds the carrying amount of the investment, including any other receivables, the Company does not recognize additional losses, unless it has assumed obligations legal or constructive obligations to make payments on behalf of the associate or jointly-controlled entity.

Unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of associates and joint ventures have been changed where necessary in order to ensure consistency with the policies adopted by the Company.

If the shareholding in the associate is reduced, but significant influence is maintained, only a proportional part of the amounts previously recognized in other comprehensive income will be reclassified to the statement of operations, where appropriate.

Dilution gains and losses arising from investments in associates are recognized in the statement of operations.

(iii) Transactions with and interests of non-controlling interests

In purchases of non-controlling interests, the difference between any consideration paid and the share acquired of the carrying amount of the subsidiary's net assets is recorded in equity.

Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value and the change in the carrying amount is recognized in the statement of operations for the period. The fair value is the initial carrying amount for subsequent recognition of the interest retained in an associate, joint venture or financial asset.

In addition, any amounts previously recognized in other comprehensive income related to that entity are recorded as if the Company had sold directly the related assets or liabilities. As a result, the amounts previously recognized in other comprehensive income are reclassified to statement of operations.

(iv) Capital restructuring involving jointly-controlled entities

For situations of capital restructuring in which the final controlling stockholder remains the same before and after the transaction, management elected to adopt the previous cost accounting practice as it understands that it better represents the transaction that was carried out and provides more relevant information.

The previous cost accounting practice specifies that when an equity investment between jointly-controlled entities is recorded, the entity that receives the equity investments will initially recognize the transferred assets and liabilities at their carrying amounts in the accounts of the entity that makes the transfer on the transfer date.

2.3 Foreign Currency Translation

(a) Functional and Presentation Currency

The consolidated financial statements of the Company and each of the entities included in the consolidation are prepared in Brazilian reais (R$), and they are measured using the currency of the primary economic environment in which the companies operate ('the functional currency').The consolidated financial statements are presented in thousands of reais and U.S. dollars.

(b) Transactions and Balances

Except for Argentina, which operates in a hyperinflationary environment, transactions in foreign currency, that is, any currency that is different from the functional currency, are translated into the functional currency using the foreign exchange rates prevailing on the dates of the transactions, or the dates of valuation, when items are remeasured. The operations in Argentina are monetarily adjusted and translated at period-end foreign exchange rates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end foreign exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss for the period within "Finance result".

The foreign exchange rates used for translating the transactions and balances in other currencies of the main branches and subsidiaries of the Company were official currency, as follows:

Country	Currency	March 31, 2022	December 31, 2021
Angola	American Dollar	4.7378	5.5805
Argentina	Argentinian Peso	0.0427	0.0544
Colombia	Colombian Peso	0.0013	0.0014
Cuba	Cuban Peso	0.1974	0.2325
USA	American Dollar	4.7378	5.5805
Mexico	Mexican Peso	0.2379	0.2730
Panama	Balboa	4.7378	5.5805
Peru	New Sol	1.2770	1.4013
Portugal	Euro	5.2561	6.3210
Dominican Republic	Dominican Pesos	0.0862	0.0981

With respect to the Company's subsidiaries in Venezuela, management, in accordance with the definitions described in CPC 02 (R2), understood that the underlying transactions, events and conditions of the Company with respect to its previous functional currency have changed considerably and, therefore, it determined that the functional currency to be adopted by the subsidiaries of the Company in Venezuela should be the Brazilian real (R$), the same functional currency as the parent company.

Therefore, the subsidiaries of the Company in Venezuela started to adopt the Brazilian real (R$) as their functional currency on January 1, 2021 and the effects of this change prospectively recorded in the financial statements.

(c) Translation of Balances of Consolidated Companies

The results and financial position of all the consolidated entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the end of period;
- The opening equity for one period corresponds to the closing equity for the previous period as translated at the time. The changes in the opening equity for the period are translated at the rates in effect on the dates these changes occur;
- Income and expenses for each statement of operations are translated at the average foreign exchange rates for the respective periods;
- All resulting exchange differences are recognized as a separate component in equity within "Other comprehensive income"; and
- When a foreign operation is partially disposed of or sold, the related foreign exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

2.4 Financial Reporting in Hyperinflationary Economies

The Brazilian accounting standard (CPC 42/IAS 29) – "Financial Reporting in Hyperinflationary Economies" requires the preparation of financial information adjusted by inflation indexes in economies that are considered hyperinflationary, a procedure that has been adopted for the assets, liabilities, equity and profit or loss of the Company entities in Argentina.

The financial information was adjusted in line with the Consumer Price Index (IPC), the official adjustment index for this information that is published by the National Institute of Statistics and Censuses of Argentina (INDEC).

2.5 New pronouncements, amendments to and interpretations of accounting standards

The Company is in the process of reviewing the standards and amendments that will be in effect in the next year starting January 1, 2023:

(i) Revised and not in effect

- New IFRS 17 (CPC 50), Insurance Contracts – in effect as from January 1, 2023.

- Amendment to IAS 1 (CPC 26(R1)), Classification of liabilities as current or non-current – in effect as from January 1, 2023.

- Amendment to IAS 1 (CPC 26(R1)), Disclosure of accounting policies – in effect as from January 1, 2023.

- Amendment to IAS 8 (CPC 3), Disclosure of accounting estimates – in effect as from January 1, 2023.

- Amendment to IAS 12 (CPC 32), Deferred tax assets and liabilities originated in a single transaction – in effect as from January 1, 2023.

2.6 Basis of Translation

The accounting records are maintained in Brazilian reais. The financial information in U.S. dollars is presented solely for the convenience of the reader and has been translated from the amounts in the December 31, 2021 local currency financial statements, using the exchange rate prevailing on that date of R$ 4.7378 to US$ 1.00. This translation should not be considered as representing that the amounts in Brazilian reais represent, or have been, or could be, converted into U.S. dollars.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less, and immaterial risk of change in value. These balances are maintained for the purpose of meeting short-term cash commitments and not for investment or any other purposes.

2.8 Trade accounts receivable

The balances of trade accounts receivable are presented in accordance with the realizable values. They are also included in the unbilled amount balances through the balance sheet date as a result of the construction contracts whose amounts are determined based on the physical progression of projects.

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less for impairment. In practice, they are recognized to the extent in which the consideration that is unconditional is due by the customer, resulting in billed amounts, adjusted for impairment, when necessary. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Additionally, the Company also assesses the expectation of realization of credits, as described in Note 7 (i).

2.9 Inventories

Inventories are made up of parts and materials to be used in construction works and are measured at the average cost method.

Inventories of real estate properties to sell, mainly located in Angola, are measured at the lowest of the historical cost and their realizable value.

Imports in transit are stated at the cost accumulated in each import.

The Company and its subsidiaries take into consideration in their provision for losses on inventories the components of discontinued construction works and materials that are not in accordance with the quality standards that prevent them from being used safely.

2.10 Current accounts with consortium members

The Company, together with other companies, participates in consortiums for the provision of services related to its corporate purpose. The balances of the current accounts with consortium members represent the imbalance of contributions made to the consortiums. On March 31, 2022, the balances of assets and liabilities are presented at the net realizable value.

2.11 Related parties

The main balances maintained with the Group companies are governed by a “Loan Agreement” and a "Current account and single cash management agreement", entered into between the Company and its subsidiaries and companies of the Novonor Group. The nature of the operations is of loans of financial resources and they may be subject to charges.

2.12 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale when (i) their carrying amount is recoverable in the case of a sale; and (ii) when such sale is highly probable and the asset or group of assets is available for an immediate sale. These assets are stated at the lowest of the carrying amount and fair value, less costs to sell.

Property and equipment items and intangible assets are no longer depreciated and/or amortized and the equity investments in associates, subsidiaries or joint-controlled subsidiaries are no longer measured using the equity method of accounting when classified as held for sale.

A discontinued operation is a component of the entity that has been written off or is classified as held for sale and (i) represents an important separate line of business or geographical area of operations; (ii) is an integral part of a single coordinated plan for the sale of an important separate line of business or geographical area of operations; and (iii) is a subsidiary that is exclusively acquired for the purpose of resale.

The discontinued operations were duly excluded from profit or loss from continuing operations and they are presented as a single amount in profit or loss after taxes from discontinued operations in the statement of operations.

2.13 Property and equipment

Property and equipment mainly comprises machinery and equipment used in civil construction contracts.

Property and equipment are measured at historical cost, less accumulated depreciation and impairment losses, when applicable. Historical cost includes expenditures that are directly attributable to the acquisition of the items and it also includes the financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be obtained and the cost of the item can be reliably measured.

Depreciation of assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives, as presented in Note 16. Land is not depreciated.

The assets’ residual values and useful lives and the depreciation methods are reviewed at the end of each period, and adjusted, on a prospective basis when applicable. In the period ended March 31, 2022, the Company reviewed the useful lives of property and equipment and this review did not have any impacts on the consolidated financial statements. An asset’s carrying amount is written down immediately to its recoverable amount when the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income net" in the statement of operations.

2.14 Leases

The Company and its subsidiaries assess at the beginning of the contract, if the contract confers the right to control the use of an identified asset for a period of time in exchange for a consideration.

The Company and its subsidiaries (as lessees) apply a single approach to recognize and measure all leases, except for short-term leases and leases of low-value assets. The Company and its subsidiaries recognize lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized on the date of the beginning of the lease (that is, the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted by any remeasurement of lease liabilities.

The cost of right-of-use assets include the amount of the recognized liabilities, initial direct costs incurred and lease payments made on the date of the beginning of the lease or before, less any lease incentives received. Right-of-use assets are depreciated using the straight-line method at the shortest of either the lease term or the estimated useful lives of the assets. Right-of-use assets are also tested for impairment.

(b) Lease liabilities

On the date of the beginning of the lease, the Company and its subsidiaries recognize the liabilities measured at the present value of the lease payments to be made during the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on a rate or fee and amounts that are expected to be paid under the guarantees of residual value. The lease payments also include the exercise price of a purchase option that is reasonably likely to be exercised by the Company and its subsidiaries and the payment of fines due to the termination of the lease if the lease term reflects the exercise of the option by the Company.

When calculating the present value of the lease payments, the Company and its subsidiaries use their incremental loan rate on the date of the beginning of the lease because the interest rate implied in the lease is not immediately determinable. After the date of the beginning of the lease, the amount of the lease liability is increased to reflect the addition of interest and reduced by the lease payments made. Additionally, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (that is, changes in future payments resulting from a change in a rate or fee used to determine such lease payment) or a change in the assessment of a purchase option of the underlying asset.

(c) Short-term leases and low-value assets

The Company and its subsidiaries apply the exemption from recognition for their short-term leases and low value, regardless of their nature. The payments of short-term leases and leases of low-value assets are recognized as an expense using the straight-line method over the term of the lease.

2.15 Debts

Debts are recognized initially at fair value, net of transaction costs incurred. Debts are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of operations over the period of the debts using the effective interest method.

Debts are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date. In this case, they are presented as non-current liabilities.

The financing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which is an asset that necessarily demands a significant period of time to become ready for the intended use or sale, are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits and that these costs can be reliably measured. Other financing costs are recognized as expenses for the period in which they are incurred.

2.16 Provisions

Provisions are recognized when the Company and its subsidiaries have a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the disbursement expected to settle the obligation and the proper discount rate according to the risks related to the liabilities is used.

The amount recognized as a provision is the best estimate of the considerations required to settle the obligation at the end of each period, taking into consideration the risks and uncertainties related to the obligation. When the provision is measured based on the cash flows estimated to settle the obligation, its carrying amount corresponds to the present value of these cash flows.

Provision for tax, civil and labor risks

Provisions for tax, civil and labor risks are monetarily adjusted by the end of the reporting period to cover probable losses based on the nature of the risk and on the opinion of the Company’s legal advisors, as described in Note 21.

2.17 Current and deferred income tax and social contribution

The tax expenses for the year, which include income tax due by the Company’s foreign branches/subsidiaries, and in the case of Brazil, social contribution, comprise current and deferred taxes. Taxes on profit are recognized in the statement of operations, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In this case, the taxes are recognized in comprehensive income or directly in equity.

The current income tax and social contribution are calculated on the basis of the tax laws enacted at the balance sheet date in the countries where the Company’s subsidiaries and associates operate and generate taxable income.

In Brazil, the Company opted for the Annual Taxable Income regime, which includes corporate income tax and social contribution on net revenue calculated based on taxable profit and the rate of 15%, plus an additional rate of 10% on the taxable profit that exceeds R$ 240 – US$ 51, is applied for income tax and the rate of 9% is applied for social contribution, considering the offset of tax losses, limited to 30% of the annual taxable profit. Taxable profit reflects profit before taxes adjusted by non-taxable and non-deductible items (temporary and permanent items).

Deferred income tax and social contribution are recognized on income tax and social contribution loss carryforwards, the latter related to Brazil, and on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are classified as “non-current” in accordance with CPC 32 - Income taxes (IAS 12 – Income taxes).

Deferred income tax and social contribution are determined using tax rates that have been enacted in the respective countries at the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized, based on projections of future results prepared and based on internal assumptions and future economic scenarios that may, therefore, change.

The recovery of the balance of deferred tax assets is reviewed at the end of every year and when it is not probable that future taxable profit will be available to allow for the recovery of the entire asset, or part of it, the asset balance will be adjusted to the amount that is expected to be recovered.

2.18 Capital

The investment made in the Company by the stockholders is represented by the capital. Capital includes not only the portions delivered by stockholders but also the amounts obtained by the Company that, as decided by stockholders, were incorporated into the capital, representing some type of investment arising from the waiver to its distribution in the form of dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical Accounting Estimates and Judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the management of the Company and its subsidiaries to exercise their judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

Based on assumptions, the Company and its subsidiaries make estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant and present a significant risk to the financial statements, are disclosed below:

(a) Deferred Income tax, social contribution and other taxes

A significant judgment is required from management to determine the amount of the deferred tax asset that can be recognized based on the probable term and level of future taxable profit and other sources of revenue.

Deferred tax assets are recognized for tax losses that are not used to the extent that it is probable that future taxable profit against which the losses can be used will be available, as described in Note 13 (a).

(b) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

The Company and its subsidiaries use their judgment to select the evaluation method and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(c) Leases – Estimate of the incremental rate on debts

The Company is not able to promptly determine the interest rate implied in leases and, therefore, it considers its incremental rate on debt to measure lease liabilities. The incremental rate is the interest rate that the Company would have to pay when borrowing, for a similar period and with a similar guarantee, the funds necessary to obtain an asset with a similar value as that of the right-of-use asset in a similar economic environment. Accordingly, this assessment requires that management considers estimates when observable rates are not available or when they need to be adjusted to reflect the terms and conditions of a lease. The Company estimates the incremental rate using available observable data and takes into consideration in that estimate aspects that are specific to the Company such as credit rating (Note 22).

(d) Provisions for tax, social security, labor and civil contingencies

Provisions are recognized for all contingencies related to the legal proceedings that represent probable losses and that can be reliably estimated.

The analysis of the probability of loss includes the evidence available, the hierarchy of laws, case law, most recent decision in courts and their relevance in the legal system, as well as the opinion of the external legal advisors (Note 21).

(e) Revenue recognition

The main purposes of the Company and its subsidiaries include the planning and execution of engineering projects and construction works of all types and specialties as a contractor, administrator or other types of contracts adopted in the market; civil engineering technical installations, industrial assemblies, planning, assistance and technical studies and the performance of other related economic activities, including the import and export of services and goods related to the engineering and construction activities.

The revenue from contracts with customers is recognized when the control of assets or services is transferred to the customer for an amount that reflects the consideration to which the Company and its subsidiaries expect to be entitled in exchange for these goods or services, according to the contractual instruments between the parties.

The Company and its subsidiaries take into consideration whether there are other commitments in the contract that are separate performance obligations for which a portion of the transaction price needs to be allocated. When determining the transaction price, the Company and its subsidiaries take into consideration the effects of the variable consideration, the existence of a significant financing component, a non-monetary consideration and a consideration payable to the customer (if any).

Additionally, the Company and its subsidiaries use the percentage-of-completion ("POC") method to account for their construction contracts. The use of the percentage-of-completion method requires the Company and its subsidiaries to estimate the services performed to the balance sheet date as a proportion between the costs incurred in the services provided to that date, and the total costs estimated for each contract.

The application of the POC method takes place in situations when it is believed that revenue must be recognized over time. In this case, the Company and its subsidiaries transfer the control of the good or service over time (Note 25).

(f) Joint arrangements

The Company and its subsidiaries have joint control in certain contractual arrangements, which require a consensus among the parties to the arrangement in decisions that imply control.

The evaluation of these arrangements to determine the existence of joint control involves subjectivity and judgment.

Contractual agreements that give the Company, or its subsidiaries and other parties to the arrangement, rights to net assets of the respective special purpose entities are recorded using the equity method (Note 15).

Contractual agreements that represent rights to assets and obligations for the liabilities are treated as joint operations. Such assets and liabilities, as well as revenues and expenses relative to their interests, are directly recognized in the financial statements of the Company and its subsidiaries.

4 Financial Risk Management

4.1 Financial Risk Factors

The Company and its subsidiaries are exposed to market risks arising from variations in foreign exchange rates, interest rates and prices, and to credit risk arising from the possibility of default by their counterparties in financial investments and in the trade accounts receivable.

The purpose of risk management is to protect the cash flows of the Company and its subsidiaries, providing access to the financing of its operating working capital and investment programs.
The Company does not use hedge accounting for these risks.

(a) Foreign Exchange Risk

The Company, which operates internationally through its branches, subsidiaries and associates, is exposed to foreign exchange risks since it has a significant volume of operations abroad and part of which is denominated in U.S. dollars, with some exposure to local currencies, restricted to certain specific countries.

In addition, certain debts of the Company and its subsidiaries contracted overseas, as well as liabilities to suppliers and other balances with related parties, are denominated in foreign currencies.

In the feasibility analysis of projects, the exposures to the currencies of assets and liabilities are assessed and, when applicable, the costs for contracting hedge aimed at protecting the Company and its subsidiaries against the foreign exchange risk are included.

(b) Interest Rate Risk

As the Company and its subsidiaries have no significant interest-earning assets, their operating result and cash flows are substantially independent of changes in market interest rates.

The Company and its subsidiaries are exposed to the risk that a variation in floating interest rates causes an increase in their finance costs from payments of future interest.

The debt, mostly denominated in foreign currencies, is indexed mainly to fixed rates with little exposure to fluctuations in market rates.

The Company and its subsidiaries analyze their interest rate exposure on a dynamic basis taking into consideration possibilities of refinancing, renewal of existing positions, financing and hedging. Based on these premises, the Company and its subsidiaries simulate reasonable expectation of changes in interest rates and analyzing the impact on profit or loss for the liabilities that represent the major interest-bearing positions.

(c) Price Index Risk

A considerable number of the contracts to which the Company and its subsidiaries are a party are fixed-price contracts. The actual profit margins of these contracts may vary in relation to the estimated margins used when budgeting costs in a contract price proposal. Such variations are due to: (i) significant unexpected changes in the cost of equipment, materials to be used or labor related to inflationary or other effects; (ii) difficulties faced by the counterparty in obtaining the loans necessary for performing the contract or government licenses or approvals; (iii) changes in the project that result in unexpected costs; and/or (iv) delays caused by adverse climate conditions or errors in performance by subcontractors and/or suppliers.

In order to minimize price index risks, the budgets of the fixed price contracts performed by the Company and its subsidiaries are periodically reviewed to include the matches or inconsistencies verified in relation to the amounts that were effectively realized. The practice of the Company and its subsidiaries is to discuss the collection of claims with respect to the contract price, resulting in future contract amendments, which increase the price, as a result of the variations verified. The amendments are recorded upon their signature.

(d) Credit Risk

Credit risk arises mainly from cash and cash equivalents and financial instruments, as well as credit exposures to customers, including outstanding receivables and commitments.

The Company and its subsidiaries seek to maintain a sufficient volume of cash and cash equivalents to meet: (i) working capital requirements; (ii) investments budgeted in the business plans; and (iii) adverse conditions that may require increased working capital investments.

These funds are allocated so as to: (i) seek a return with low volatility; (ii) seek a highly diversified consolidated portfolio, avoiding concentration in few securities; and (iii) follow the variation in the market interest rates, in Brazil or abroad.

The sales strategy of the Company and its subsidiaries takes into consideration the level of credit risk which the management of each company is willing to accept in the course of its business, in accordance with the general guidelines of the Group.

As a way of mitigating the risk of default, the Company and its subsidiaries are protected, in the provision of engineering and construction services, by regular prepayments from customers.

In order to reduce the volume of overdue receivables, the Company and its subsidiaries have adopted a policy of decentralizing the administrative collection negotiations with customers, delegating this responsibility to the administrative levels responsible for monitoring each contract. If these administrative actions are not successful, the collection of the amounts will occur through court actions.

In addition, the Company and its subsidiaries have as practice to seek customers and have increased the sales revenue from private customers or public sector customers, which the Company and its subsidiaries consider have the capacity to generate revenue independently and which do not rely on a government budget to pay for their liabilities (mainly companies with both government and private stockholders), as well as those with contracts where payments are financed by export agencies, multilateral agencies, commercial banks, private pension funds and private investors.

As part of their policy to mitigate performance risks in developing countries, the Company and its subsidiaries require advances from customers before starting a project (down payment). These advances are deducted from the receipt of each invoice through the end of the contract.

With respect to financial and other investments, the practice of the Company and its subsidiaries is to work with first-class financial institutions and avoid concentration of investments in a single economic group, weighting concentrations in accordance with the daily prices observed in the market.

(e) Liquidity Risk

This is the risk that the Company and its subsidiaries do not have sufficient liquid funds to meet their financial commitments, due to the mismatch of terms or volumes of estimated receipts and payments. To manage the liquidity of cash in local and foreign currency, assumptions related to future disbursements and receipts are determined and monitored daily by the companies' treasury departments.

4.2 Capital management

The Company presents below the capital-based financial gearing ratio. This ratio corresponds to net debt expressed as a percentage of total capital. Net debt is calculated as total debts (including current and non-current debts as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

It is worth noting that, as described in Note 18 (c), the Company's gross debt is of a long term and meets the Company's expectation of resumption of size and liquidity in the coming years.

In thousands of reais and U.S. dollars, unless otherwise stated

			March 31, 2022	**December 31, 2021**
	Note	**US$**		**R$**
Total debts	18	946,724	4,485,391	5,114,739
Less: cash and cash equivalents	6	(225,929)	(1,070,406)	(791,495)
Net debt (i)		720,795	3,414,985	4,323,244
Total equity (net capital deficiency)		(3,341,214)	(15,830,006)	(18,025,828)
Total capital		(2,620,419)	(12,415,021)	(13,702,584)
Index of financial gearing - %		N/A	N/A	N/A

N/A - Not Applicable

In thousands of reais and U.S. dollars, unless otherwise stated

5 Financial Instruments by Category

	Assets measured at fair value through profit or loss	Amortized cost	Total R$	Total US$
March 31, 2022				
Assets, according to the balance sheet				
Cash and banks		729,480	729,480	153,970
Short-term deposits	340,926		340,926	71,959
Financial investments		64,671	64,671	13,650
Current accounts with consortium members		411,766	411,766	86,911
Credits receivable related to legal claims	375,395		375,395	79,234
Trade accounts receivable, judicial deposits and other assets		4,253,982	4,253,982	897,881
Related parties		1,187,112	1,187,112	250,562
	716,321	6,647,011	7,363,332	1,554,167

	Amortized cost	Total R$	Total US$
March 31, 2022			
Liabilities, according to the balance sheet			
Debts	4,485,391	4,485,391	946,724
Leases	118,840	118,840	25,084
Suppliers, subcontractors and other liabilities	4,963,741	4,963,741	1,047,689
Current accounts with consortium members	439,906	439,906	92,850
Related parties	1,542,222	1,542,222	325,514
	11,550,100	11,550,100	2,437,861

	Assets measured at fair value through profit or loss	Amortized cost	Total R$
December 31, 2021			
Assets, according to the balance sheet			
Cash and banks		608,459	608,459
Short-term deposits	183,036		183,036
Financial investments		76,174	76,174
Current accounts with consortium members		458,243	458,243
Credits receivable related to legal claims	375,395		375,395
Trade accounts receivable, judicial deposits and other assets		4,885,975	4,885,975
Related parties		1,225,893	1,225,893
	558,431	7,254,744	7,813,175

	Amortized cost	Total R$
December 31, 2021		
Liabilities, according to the balance sheet		
Debts	5,114,739	5,114,739
Leases	116,521	116,521
Suppliers, subcontractors and other liabilities	5,523,543	5,523,543
Current accounts with consortium members	502,420	502,420
Related parties	1,603,961	1,603,961
	12,861,184	12,861,184

In thousands of reais and U.S. dollars, unless otherwise stated

6 Cash and Cash Equivalents

		March 31, 2022	December 31, 2021
	US$		**R$**
High Liquidity	155,073	734,703	475,973
Cash - countries (*)	60,297	285,673	239,511
Consortia (**)	10,559	50,030	76,011
	225,929	1,070,406	791,495

(*) This includes countries with any restrictions on use or remittances of funds abroad, such as: legal, foreign exchange and specific legislation and where there are no restrictions on local use.

(**) This includes cash from consortium companies in the proportion to their interest and it will be used in the payment of their own obligations.

The financial investments of the Company and its subsidiaries are highly-liquid short-term investments (original maturities for up to 90 days) that can be promptly converted into cash and they are subject to an insignificant risk of change in value. The purpose of these funds is basically to supply the Company's cash needs.

In thousands of reais and U.S. dollars, unless otherwise stated

7 Trade Accounts Receivable and Advanced from Customers

The balances of trade accounts receivable are mainly recorded in Angola, Brazil, USA, Panama, Peru and Dominican Republic and they include outstanding balances of advances from customers, as follows:

	March 31, 2022								
	Accounts receivable and billing rights					Advanced from customers and liabilitie contract (*)			
				R$	US$			R$	US$
Main countries	Current	Non-current	(-) Allowance for expected losses from doubtful accounts (i)	Total	Total	Current	Non-current	Total	Total
Angola	553,524	366,399	(231,612)	688,311	145,281	563,168	2,394,260	2,957,428	624,220
Brazil	507,070	869,872	(457,264)	919,678	194,115	222,146	225,387	447,533	94,460
USA	108,297		(108,297)			246		246	52
Panama	447,373		(9,874)	437,499	92,342	40,910		40,910	8,635
Peru	1,251,837	22,832	(1,231,419)	43,250	9,129	125,319		125,319	26,451
Dominican Republic	379,196		(284,423)	94,773	20,004	217,299		217,299	45,865
Others	1,927,606	1,021,488	(2,132,872)	816,222	172,278	649,872	4,065,519	4,715,391	995,269
	5,174,903	**2,280,591**	**(4,455,761)**	**2,999,733**	**633,149**	**1,818,960**	**6,685,166**	**8,504,126**	**1,794,952**
			Current	1,121,624	236,739			1,818,960	383,925
			Non-current	1,878,109	396,410			6,685,166	1,411,027

	December 31, 2021						
	Accounts receivable and billing rights				Advanced from customers and liabilitie contract (*)		
				R$			R$
Main countries	Current	Non-current	(-) Allowance for expected losses from doubtful accounts (i)	Total	Current	Non-current	Total
Angola	935,077	329,910	(239,325)	1,025,662	23,297	2,874,137	2,897,434
Brazil	436,260	903,843	(461,906)	878,197	238,366	232,834	471,200
USA	127,560		(127,560)		290		290
Panama	528,914		(11,658)	517,256	84,015		84,015
Peru	1,569,325	22,832	(1,453,321)	138,836	155,067		155,067
Dominican Republic	444,285		(336,513)	107,772	259,690		259,690
Others	2,251,228	1,229,718	(2,514,072)	966,874	646,487	4,810,309	5,456,796
	6,292,649	**2,486,303**	**(5,144,355)**	**3,634,597**	**1,407,212**	**7,917,280**	**9,324,492**
			Current	1,607,275			1,407,212
			Non-current	2,027,322			7,917,280

(*) These refer to advances from customers usually received upon the signing of contracts for the performance of some construction works that are deducted in different percentages from the service provision invoices over the performance period stipulated in the contract. The amounts received from customers that exceed the allocated revenue are also recorded in the “Advances from customers” account, called contract liability, in current and non-current liabilities, in accordance with the period for the performance of the work.

(i) Expected Losses from Doubtful Accounts

According to IFRS 9 / CPC 48 – Financial Instruments, in the measurement of expected loss from doubtful accounts, the Company adopted the simplified approach criteria since its receivables do not include significant financing components.

For the measurement of the allowance for expected losses, the Company did not use a matrix of allowances due to the absence of historical losses in its operations that would cause it to determine a criterion for the allowance based on histories of losses. Instead, the Company adopted a geographical matrix model since the monitoring of its operations is determined on a geographical basis. Therefore, for each period, the Company applies the probability of default of each country in which it operates on its credit exposure, which represents the trade accounts receivables less the advances from customers.

Additionally, the Company also assesses the losses incurred arising from one or more events that took place after the initial recognition of the receivable if this loss event has an impact on the Company's cash flows. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company's management uses its best judgment to choose the evaluation method and define assumptions that are based mainly on the market conditions existing on the balance sheet date, as described in Note 3, item (b), with respect to the critical accounting estimates and judgments.

Historically, the Company and its subsidiaries have received these credits held with these entities, including those overdue for one year or more, and they have not been presenting significant losses upon their realization. The collection of these overdue amounts occurs through the payment or receipt of government bonds or other assets.

As part of their policy to mitigate performance risks in developing countries, the Company and its subsidiaries require advances from customers before starting a project (down payment). These down payments are deducted from each invoice through the end of the contract.

In thousands of reais and U.S. dollars, unless otherwise stated

8 Taxes Recoverable

			March 31, 2022				December 31, 2021
			R$	US$			R$
	Brazil	Abroad	Total	Total	Brazil	Abroad	Total
Offset - assets							
Prepayment of income tax	10,802	82,649	93,451	19,725	9,818	99,587	109,405
Indirect taxes	32,104	247,084	279,188	58,928	35,779	253,009	288,788
Taxes withheld at source	15,195	9,417	24,612	5,195	9,765	3,116	12,881
Other (i)	209,437	8,684	218,121	46,038	211,284	9,531	220,815
	267,538	347,834	615,372	129,886	266,646	365,243	631,889
		Current assets	471,274	99,471			466,527
		Non-current assets	144,098	30,415			165,362

(i) On March 31, 2022, the Company maintains recorded the amount of R$ 146,749 – US$ 30,974 (December 31, 2021 – R$ 151,255), related to social security credits, in its assets, segregated between current in the amount of R$ 30,486 – US$ 6,435 and non-current in the amount of R$ 116,263 – US$ 24,539. The credit arises from a proceeding for which there was a final and unappealable decision that recognized the non-levy of social security contribution on compensatory payments (compensated notice of termination, 1/3 of vacation pay and absence in the case of illness/accident).

9 Inventories

	March 31, 2022		December 31, 2021
	US$		R$
Materials to be used in construction (i)	34,130	161,701	178,242
Marketable properties (ii)	22,274	105,531	127,072
Imports and exports in progress	224	1,062	5,476
In transit inventories	3,745	17,744	14,662
Advances to suppliers	986	4,669	4,693
	61,359	290,707	330,145

(i) This refers mainly to materials to be used in Consórcio UTE Santa Cruz and Prosub (Brazil) and AH Lauca project (Angola).
(ii) These mainly refer to inventories of real estate properties for sale in Angola.

10 Credits receivable related to legal claims

On March 31, 2022, the amount of R$ 375,395 – US$ 79,234, refers to credits recognized at fair value related to legal claims for which there was a final and unappealable decision in favor of the Company and includes gains of different natures, in particular the reimbursement of costs.

11 Other Assets

On March 31, 2022, the balances of other current and non-current assets are of different natures and dispersed, and the main ones are:

i) debit notes and invoices issued against companies of the Novonor Group amounting to R$ 318,226 – US$ 67,167 (December 31, 2021 – R$ 354,421), as mentioned in Note 12 (b);

ii) Eletrobrás credits R$ 34,673 – US$ 7,318 (December 31, 2021 – R$ 34,673);

iii) other accounts receivable related to the rescission between CEL6 and Concessionária Move São Paulo S.A., in which the consenting intervening parties were Linha Universidade Participações S.A. ("New Concessionaire") and Acciona Construcción S.A., with the New Concessionaire undertaking to pay to CEL6 the amount of R$ 46,405 – US$ 9,795 (December 31, 2021 – R$ 46,075), attributable to the Company.

In thousands of reais and U.S. dollars, unless otherwise stated

12 Related parties

(a) Changes in Balances of related parties and current account with consortium members:

	December 31, 2021	Additions	Disposals	Interests	Exchange Variation	Provision for losses	Adjusment to present value	Transfers / Offsets	March 31, 2022
Current asset									
Current accounts with consortium members									
Novonor Serviços e Participações S.A. - under judicial recovery ("NSP") (formerly named OSP)	88,652		(77)						88,575
Total - Companies under judicial recovery (i)	88,652		(77)						88,575
Non-current asset									
Novonor Group Companies									
Novonor	114,374			207	(19,182)	18,975			114,374
NVNIC (formerly named ODBIC)	48,343			1,060	(7,335)	(691)			41,377
NFL (formerly named OFL) (a.2)	782,297				(128,707)	128,784			782,374
Total - Companies under judicial recovery (i)	945,014			1,267	(155,224)	147,068			938,125
Other NPI consolidated companies (formerly named OPI) (ii)	17,835			251	(2,630)			43	15,499
Biocom – Cia de Bioenergia de Angola Ltd. - "Biocom" (c)	193,212			9,852	(29,795)		(1,439)		171,830
Consorcio Constructor Ductos Del Sur	18,693	768	(8)		(5,008)				14,445
Odebrecht Engenharia	48,431				(287,563)	283,874			44,742
Others	2,708				(237)				2,471
Total - Other Group companies	280,879	768	(8)	10,103	(325,233)	283,874	(1,439)	43	248,987
Total Assets - related parties (in R$)	1,225,893	768	(8)	11,370	(480,457)	430,942	(1,439)	43	1,187,112
Total Assets - related parties (in US$)		162	(2)	2,400	(101,409)	90,958	(304)	9	250,562

(a) On March 31, 2022, the other balances related to the current accounts with consortium companies recognized in assets are dispersed.

In thousands of reais and U.S. dollars, unless otherwise stated

	December 31, 2021	Additions	Disposals	Interests	Exchange Variation	Transfers / Offsets	March 31, 2022
Non-current liabilities							
Novonor Group Companies							
Novonor	156,022		(128)				155,894
NVNIC (formerly named ODBIC)	48,343			368	(7,335)		41,376
NSP (formerly named OSP)	870,950						870,950
Total - Companies under judicial recovery (i)	1,075,315		(128)	368	(7,335)		1,068,220
Other NPI consolidated companies (formerly named OPI) (ii)	402,651	78		1,587	(45,625)	43	358,734
Consorcio Constructor Ductos Del Sur	45,445	2,760	(1,118)		(9,708)		37,379
Consorcio Constructor Chavimochic	1,657	934	(993)		(307)		1,291
Horiens Consultoria e Corretora de Seguros Ltda	30,985		(198)	164			30,951
Horiens Ltda	10,737			124	(1,633)		9,228
OR	6,497						6,497
Odebrecht Engenharia	24,225				207		24,432
Others	6,449	7,399	(7,375)	-	(983)		5,490
Total - Other Group companies	528,646	11,171	(9,684)	1,875	(58,049)	43	474,002
Total Liabilities - related parties (in R$)	1,603,961	11,171	(9,812)	2,243	(65,384)	43	1,542,222
Total Liabilities - related parties (in US$)		2,358	(2,071)	473	(13,800)	9	325,514

(i) The balance of net liabilities of Company and subsidiaries of Novonor Group companies that are in judicial recovery amount to R$ 41,520 – US$ 8,764.

(ii) This refers to balances with consolidated companies of Novonor Participações e Investimentos S.A. – In Judicial Recovery (“NPI”), formerly named Odebrecht Participações e Investimentos S.A. – In Judicial Recovery (“OPI”), that are not in judicial recovery: Concessionária Trasvase Olmos S.A., Odebrecht Latinvest Peru SAC, Odebrecht Latinvest Luxemburgo, Odebrecht Energia Del Peru, Technik Invest SAC, Inversiones en Infraestructura Transportes por Ductos SAC, Odebrecht Latinvest Peru Ductos S.A., Concessionaria IIRSA Norte S.A., Concesionaria Interoceanica Sur Tramo 2 S.A., Concesionaria Interoceanica Sur Tramo 3 S.A., Bairro Novo Empreendimentos S.A and Concessionaria Chavimochic.

In thousands of reais and U.S. dollars, unless otherwise stated

(b) Other Transactions with Related Parties:

Current and non-current asset	December 31, 2021	Additions	Disposals	Interests	Provision for losses/AVP	Exchange Variation	Transfers	March 31, 2022
Accounts receivable								
NSP (formerly named OSP)	4							4
Total - Companies under judicial recovery	4							4
Other NPI subsidiaries (formerly named OPI) (iii)	142,553	10	(91,397)			(5,624)		45,542
Consorcio Construtor Chavimochic - Peru	400					(60)		340
Biocom (c)	16,710	599	(584)		18,648	(25,343)	24,123	34,153
Odebrecht Ambiental Participações	128							128
Braskem	4,174	39,498	(43,133)					539
OTP - Investees	69,835			337				70,172
Novonor Properties - Subsidiaries (i)	89,947							89,947
Novonor Energia - Subsidiaries (ii)	38,292							38,292
Odebrecht Realizações	23,886							23,886
Odebrecht Engenharia	34					(4)		30
Other - Assets	46,899	177	(74)			(320)		46,682
Total - Other Group companies	432,858	40,284	(135,188)	337	18,648	(31,351)	24,123	349,711
Total (in R$)	432,862	40,284	(135,188)	337	18,648	(31,351)	24,123	349,715
Total (in US$)		8,503	(28,534)	71	3,936	(6,617)	5,092	73,814
Other Assets								
Novonor	1,347	951	(199)			(190)		1,909
NPI (formerly named OPI)	1,221	3,217						4,438
NSP (formerly named OSP)	837	72	(31)				12	890
Novonor Properties	3,235	1,722	(188)					4,769
Edíficio Odebrecht RJ S.A.	286							286
Novonor Energia	14,297	756	(750)					14,303
Atvos	12,592	114	(109)					12,597
Total - Companies under judicial recovery	33,815	6,832	(1,277)			(190)	12	39,192
Other NPI subsidiaries (formerly named OPI)	19,786	6,713	(2,373)			(2,316)		21,810
Biocom (c)	25,050	4,441	(22)		9,115	(9,875)	(24,123)	4,586
Odebrecht Ambiental Participações	4,691	144	(163)		(635)		2	4,039
Braskem	1,145	14						1,159
OTP - Investees	49,968	718	(1,402)	2,702		(62)	11,045	62,969
Odebrecht Realizações	31,300	473	(1)				220	31,992
Ocyan	7,318	177	(173)					7,322
Odebrecht Defesa e Tecnologia	2,205	139	(103)					2,241
Odebrecht Engenharia	8,835					(1,326)		7,509
AOT Pipelines S.A.P.I. DE C.V.	2,172					(333)		1,839
Sociedade de Desenvolvimento Mineiro ("SDM")	166,513	374	(151)			(25,130)		141,606
Concessionaria Rio Barra	674		(101)					573
Other - Assets	949	1,623	(792)			(9)	(138)	1,633
Total - Other Group companies	320,606	14,816	(5,281)	2,702	8,480	(39,051)	(12,994)	289,278
Total (in R$)	354,421	21,648	(6,558)	2,702	8,480	(39,241)	(12,982)	328,470
Total (in US$)		4,569	(1,384)	570	1,790	(8,283)	(2,740)	69,330

(i) This refers mainly to Arena Pernambuco.
(ii) This refers mainly to Santo Antônio Energia**.**
(iii) This refers mainly to balances with subsidiaries of NPI that are not in judicial recovery: Concessionaria Iirsa Norte (R$ 21,784– US$ 4,598) and Odebrecht Peru Operaciones Y Servicios SAC (R$ 21,448 – US$ 4,527).

In thousands of reais and U.S. dollars, unless otherwise stated

Current liabilities	December 31, 2021	Additions	Disposals	Exchange Variation	March 31, 2022
Suppliers					
Novonor	11,956			(915)	11,041
NSP (formerly named OSP)	21,571	400	(615)		21,356
Novonor Properties	42				42
Edíficio Odebrecht RJ S.A.	41,860				41,860
Atvos	781				781
Total - Companies under judicial recovery	76,210	400	(615)	(915)	75,080
Braskem México	1,726			(265)	1,461
Other NPI subsidiaries (formerly named OPI)	903			(152)	751
AOT Pipelines S.A.P.I. DE C.V.	23,347			(3,585)	19,762
Odebrecht Engenharia	8,817			(1,330)	7,487
Other - liabilities	1,998	369			2,367
Total - Other Group companies	36,791	369		(5,332)	31,828
Total (in R$)	113,001	769	(615)	(6,247)	106,908
Total (in US$)		162	(130)	(1,319)	22,565
Advances from Customers					
Other NPI subsidiaries (formerly named OPI) (iv)	155,056		(18,330)	(11,407)	125,319
OTP - Investees	71,583				71,583
Others		38			38
Total - Other Group companies	226,639	38	(18,330)	(11,407)	196,940
Total (in R$)	226,639	38	(18,330)	(11,407)	196,940
Total (in US$)		8	(3,869)	(2,408)	41,568
Other Liabilities					
Novonor	242				242
Total - Companies under judicial recovery	242				242
Odebrecht Realizações	5,209				5,209
Other NPI subsidiaries (formerly named OPI)	5,658	20	(17)	(1,005)	4,656
Other - liabilities	119				119
Total - Other Group companies	10,986	20	(17)	(1,005)	9,984
Total (in R$)	11,228	20	(17)	(1,005)	10,226
Total (in US$)		4	(4)	(212)	2,158

(iv) This refers to companies Concessionaria Iirsa Norte and Odebrecht Peru Operaciones y Servicios SAC.

In thousands of reais and U.S. dollars, unless otherwise stated

(c) Credits with Biocom – Companhia de Bioenergia de Angola Ltd.

The Company, through its direct and indirect subsidiaries in Brazil and abroad, maintains outstanding balances in the balance sheet in the accounts "Related parties", "Trade accounts receivable" and "Other assets" in current and non-current with the associate Biocom arising from the export of goods and services and loan agreements as additional provisions in the period between 2010 to date.

On December 06, 2019, Biocom's stockholders, together with local Banks (Banco Angolano de Investimentos – BAI, Banco de Fomento Angola – BFA and Banco Econômico – BE) formulated the main terms of the renegotiation of the loans contracted by Biocom, which are documented in the Indicative Fact Sheet ("FIT"), that is confirmed and signed.

The terms of this renegotiation in progress provides for the settlement of the debt with the local banks in a period of 126 months (10.5 years), and only after the settlement of the debt with the local banks can the outstanding balances be settled with stockholders and related parties, in accordance with the financial payment capacity of Biocom.

Assuming that the conditions in the FTI are approved and taking into consideration the new minimum term for receipt (10.5 years) and the Company's assessment, the Credits with Biocom were adjusted to present value, representing, on March 31, 2022, the amount of US$ 44,078 million – R$ 208,837 (December 31, 2021 - US$ 41.558 million – R$ 231,915).

In the period ended March 31, 2022, the adjustment to present value recognized in the finance result as expense amounted to R$ 26,324 – US$ 5,556.

(d) Compensation of key Management Personnel

			March 31, 2022		March 31, 2021
	Statutory Executive Board	Board of Directors	Total	Statutory Executive Board	Total
Compensation (a)	2,154	1,071	3,225	280	280
Short-term compensation (b)	28	3	31	9	9
Benefits – Pension plan	53		53	14	14
In R$	2,235	1,074	3,309	303	303
In US$	472	227	698		

(a) Composed of the fixed compensation and variable compensation (bonus and profit sharing), in addition to the respective payroll charges.

(b) This represents the benefits with medical and dental care, meal vouchers and life insurance.

The amounts above represent the payments made in the respective periods.

Key management personnel include the statutory officers of Company ("Management Members).

At the Company's Annual General Stockholders' Meeting held on April 29, 2022, the total amount related to management compensation, of R$ 26,729 – US$ 5,642, was approved for the calendar year 2022 and it includes Short-Term Incentives and Long-Term Incentives.

In thousands of reais and U.S. dollars, unless otherwise stated

13 Deferred Income Tax and Social Contribution

Deferred income tax and social contribution are calculated on income tax and social contribution loss carryforwards, the latter related to investments in Brazil, and on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The rates in Brazil, currently established for determining these deferred taxes, are 25% for income tax and 9% for social contribution. The nominal rates in other countries vary from 25% to 35%.

(a) Recognition of Deferred Income Tax and Social Contribution

	Non-current assets			Non-current liabilities		
		March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
Nature of the credits	**US$**		**R$**	**US$**		**R$**
Income tax losses	41,345	195,882	197,774			
Social contribution loss carryforwards	3,727	17,658	13,006			
	45,072	213,540	210,780			
Temporary differences						
Provisions	135,228	640,681	667,079	277	1,314	684
Foreign exchange variation				91,702	434,464	400,118
Adjustment to present value	22,753	107,799	117,149	41	193	209
Government agencies				25,234	119,555	115,531
Other	47,036	222,850	100,750	530	2,511	139,846
	250,089	1,184,870	1,095,758	117,784	558,037	656,388

(b) Recoverability of Recorded Deferred Income Tax and Social Contribution Assets

On March 31, 2022, the Company and its subsidiaries have deferred income tax and social contribution assets mainly related to temporary differences based on the realization of such differences supported by the forecast of future results, taking into consideration the assessment of individual operations of each legal entity and country.

This forecast considers mainly the Company's backlog (the portfolio of revenue that has already been contracted by the Company and its subsidiaries), the new contracts expected for the coming years and the availability, for taxation purposes, of the income accrued by subsidiaries located abroad on the balance sheet date on which they were determined.

(b) Ordinary Financing

In April and August 2019, Company joined the Ordinary Financing to settle income tax and social contribution debts and, in March and August 2021, it joined financing programs to settle Income Tax Withheld at Source (IRRF), Social Integration Program (PIS) and Contribution for Financing Social Security (COFINS) and, in February 2022, it joined the financing program to settle social contribution debts from previous years, all in 60 installments.

In March 2020 and August 2021 , it joined a financing program to settle Service Tax (ISS), both in 120 installments.

These financing programs totaled R$ 84,353 – US$ 17,804 and, by March 31, 2022, the amount of R$ 39,452 - US$ 8,327 had been settled. Of the remaining balance of R$ 49,373 – US$ 10,421 recorded in liabilities, R$ 44,902 – US$ 9,477 refers to the principal amount and R$ 4,471 – US$ 944 refers to the adjustment by the accumulated basic Selic rate.

In thousands of reais and U.S. dollars, unless otherwise stated

14 Non-Current Assets Held for Sale and Discontinued Operations

(a) Balance Sheet

	March 31, 2022		December 31, 2021
	US$		R$
Rutas de Lima SAC ("Rutas de Lima") (i)	60,572	286,979	314,913
	60,572	286,979	314,913

(i) Rutas de Lima – On June 28, 2016, Odebrecht Latinvest Peru S.A.C. ("OLI SAC") disposed of 57% of the capital of Rutas de Lima to BIF III Peru Transportation I S.A.C. ("BIF"). In the same transaction, BIF obtained a call option for 25% of the shares of Rutas de Lima held by CNO, a direct subsidiary of the Company. The Company is still analyzing the possibility of disposing of its investment to different interested parties, together with its financial advisor Itaú BBA, which was hired solely and exclusively for this purpose.

(b) Statement of Income (Operations) for the period

	Periods ended March 31		
	2021		2020
	US$		R$
CNO S.A - Sucursal Venezuela (i)	(11,304)	(53,554)	94,895
CBPO Ingenieria de Venezuela C.A. (i)	2,553	12,096	(9,072)
CBPO Ltda. - Sucursal Venezuela (i)	1,565	7,411	(4,435)
Chavimochic			141
	(7,186)	(34,047)	81,529
Net profit (losses) of discontinued operations for the year – per share	(0.016)	(0.076)	0.182

(i) This refers to the discontinuation of the operations of the Company's branch and subsidiary in Venezuela, amounting to R$ 34,047 – US$ 7,186 substantially refers to exchange variation losses on assets and liabilities in foreign currency.

In thousands of reais and U.S. dollars, unless otherwise stated

15 Investments

(a) Information on the Main Investees

	Shares / Quotas directly or indirectly held		Company's interest %	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
NSP Investimentos S.A. - Under Judicial Recovery ("NSPInv") (i) (ii)	816,671,285	816,671,285	41.47	41.47
SDM (ii)	225,000	225,000	50.00	50.00
CTO - Concessionária Travasse Olmos	40,419,434	40,419,434	36.32	36.32
Elos Ligações de Alta Velocidade S.A.	65,210	65,210	13.04	13.04
SPV Andrade Gutierrez Odebrecht	52,500	52,500	50.00	50.00
Kulanda Malls	1	1	30.00	30.00
Biocom	1	1	40.00	40.00
AOT Pipelines	50,000	50,000	33.34	33.34
Chavimochic	40,165	40,165	20.00	20.00
Etileno XXI Holding B.V.	18,000	18,000	50.00	50.00
Etileno XXI Services B.V.	18,000	18,000	40.00	40.00

	Total assets			Liabilities (Current and Non-current)			Equity (Net capital deficiency)		
	US$	R$		US$	R$		US$	R$	
		March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
NSP Investimentos S.A. - Under Judicial Recovery ("NSPInv") (i) (ii)	1,275,224	6,041,755	4,645,912	2,421,665	11,473,365	11,300,678	(1,403,944)	(6,651,606)	(10,528,571)
SDM (ii)	2,368	11,219	11,219	7,673	36,352	36,433	(5,305)	(25,133)	(25,214)
CTO - Concessionária Travasse Olmos	81,735	387,246	479,658	61,574	291,725	330,170	20,162	95,521	149,488
Elos Ligações de Alta Velocidade S.A.	179,999	852,797	1,025,576	33,475	158,599	190,732	146,523	694,198	834,844
SPV Andrade Gutierrez Odebrecht	(4,247)	(20,121)	(19,149)	(19,040)	(90,207)	(98,382)	14,793	70,086	79,233
Kulanda Malls	26,593	125,993	117,930	12,923	61,227	58,131	13,670	64,766	59,799
Biocom	773,499	3,664,684	4,387,030	1,214,660	5,754,814	5,928,658	(441,160)	(2,090,130)	(1,541,628)
AOT Pipelines	8,049	38,133	44,515	4,559	21,601	(25,679)	12,608	59,735	70,194
Chavimochic	15,246	72,232	85,694	(38)	(179)	(96)	15,284	72,411	85,790
Etileno XXI Holding B.V.	13,037	61,765	74,251	56	265	319	12,981	61,500	73,932
Etileno XXI Services B.V.	25,805	122,258	144,003	480	2,275	2,680	25,325	119,983	141,324

	Revenue			Net income		
	US$	R$		US$	R$	
		March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
NSP Investimentos S.A. - Under Judicial Recovery ("NSPInv") (i) (ii)	4,957	23,487	92,953	257,503	1,219,996	3,873,805
SDM (ii)						131
CTO - Concessionária Travasse Olmos	7,051	33,407	97,305	(1,026)	(4,860)	33,485
Elos Ligações de Alta Velocidade S.A.						
SPV Andrade Gutierrez Odebrecht	12,757	60,442	119,230	645	3,055	6,295
Kulanda Malls	822	3,896	30,632	3,104	14,704	14,266
Biocom	9,420	44,632	446,265	(173,231)	(820,734)	(883,377)
AOT Pipelines			7,897	(402)	(1,905)	1,642
Chavimochic			3	(1,324)	(6,272)	(5,221)
Etileno XXI Holding B.V.						(2)
Etileno XXI Services B.V.						1,668

(i) NSPInv – in Judicial Recovery was incorporated on May 29, 2015. It is a closely-held corporation headquartered in São Paulo, State of São Paulo. NSPInv holds a direct interest in the subsidiaries: NSP (100%), Atvos Agroindustrial Investimentos S.A. – in judicial recovery (82.30%) and Braskem (38.38%).

(ii) On March 31, 2022, these investments present a net capital deficiency. Additionally, the Company's share of the accumulated losses of these companies is higher than the carrying amount of the investment. In accordance with the accounting policies related to the practice of recording losses in associates and jointly-controlled subsidiaries, the Company does not recognize as a liability its share of the additional losses arising from these investments.

In thousands of reais and U.S. dollars, unless otherwise stated

(b) Changes in investments and provision for net capital deficiency

Investments - associates	Company's interest %	Country	December 31, 2021	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (a)	Translation adjustments	March 31, 2022
CTO - Concessionária Trasvase Olmos	36.32	Peru	54,294	(9,919)		(1,765)	(7,917)	34,693
Etileno XXI Holding B.V.	50.00	Netherlands	8,022				(1,351)	6,671
Etileno XXI Services B.V.	40.00	Netherlands	40,612				(6,842)	33,770
Grand Parkway	50.00	USA	12,786				(1,931)	10,855
SPV Andrade Gutierrez Odebrecht	50.00	Ghana	39,617			1,528	(6,101)	35,044
AOT Pipelines	33.34	Mexico	23,534			(635)	(2,984)	19,915
ELOS - Ligação de Alta Velocidade S.A.	13.04	Portugal	108,897				(18,346)	90,551
Kulanda Malls	30.00	Angola	17,939			4,411	(2,921)	19,429
Chavimochic	20.00	Peru	17,158			(1,254)	(1,421)	14,483
Other investments			2,306		282	921	(626)	2,883
Total investments - Associates (in R$)			325,165	(9,919)	282	3,206	(50,440)	268,294
Total investments - Associates (in US$)				(2,094)	60	677	(10,646)	56,628

Provision for net capital deficiency	Company's interest %	Country	December 31, 2021	Dividends	Retained earnings (accumulated deficit) adjustments	Equity in the results of investees (a)	Translation adjustments	March 31, 2022
B.SABOR - Bento Pedroso Const. e Lena	50.00	Portugal	(11,553)			(141)	1,952	(9,742)
Biocom	40.00	Angola	(616,652)			(328,294)	108,895	(836,051)
Other			(348)				58	(290)
Total provision for net capital deficiency (in R$)			(628,553)			(328,435)	110,905	(846,083)
Total provision for net capital deficiency (in US$)						(69,322)	23,409	(178,581)
Net investment (in R$)			(303,388)	(9,919)	282	(325,229)	60,465	(577,789)
Net investment (US$)				(2,094)	60	(68,646)	12,762	(121,953)

(a) This refers to Equity in the results of investee in the amount of (R$ 325,229) – (US$ 68,646) .

In thousands of reais and U.S. dollars, unless otherwise stated

16 Property and Equipment

	Land	Buildings and Installations	Machinery and Equipment	Vehicles and Ships	Furniture and Fixtures	IT Equipment	Construction in Progress	Other	Total
Cost	40,521	449,348	673,774	273,073	135,676	90,727	2,284	402,621	2,068,024
Acumulated depreciation		(121,040)	(517,689)	(229,553)	(115,326)	(89,143)		(377,244)	(1,449,995)
At December 31, 2020	40,521	328,308	156,085	43,520	20,350	1,584	2,284	25,377	618,029
Additions			649	2,113	1,769	193		2,414	7,138
Disposals		(5)	(1,295)	(1,558)	(1,468)	(34)		(1,968)	(6,328)
Transfers			(59,833)	(220)				60,053	
Depreciation		(2,890)	(2,903)	717	(1,875)	(414)	(2,284)	(2,740)	(12,389)
Exchange variation	3,593	30,985	7,569	1,564	1,367	90	40	(749)	44,459
Accounting balance	44,114	356,398	100,272	46,136	20,143	1,419	40	82,387	650,909
Cost	44,114	490,086	799,889	280,269	143,024	96,210	40	343,840	2,197,472
Acumulated depreciation		(133,688)	(699,617)	(234,133)	(122,881)	(94,791)		(261,453)	(1,546,563)
At March 31, 2021 - R$	44,114	356,398	100,272	46,136	20,143	1,419	40	82,387	650,909
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

In thousands of reais and U.S. dollars, unless otherwise stated

	Land	Buildings and Installations	Machinery and Equipment	Vehicles and Ships	Furniture and Fixtures	IT Equipment	Construction in Progress	Other	Total
Cost	41,223	441,711	658,710	236,577	127,070	88,121	1,536	244,786	1,839,734
Acumulated depreciation		(110,798)	(616,957)	(197,585)	(112,134)	(85,493)		(192,000)	(1,314,967)
At December 31, 2021	41,223	330,913	41,753	38,992	14,936	2,628	1,536	52,786	524,767
Additions		20,903	12,663	1,845	2,595	2,517		4,257	44,780
Disposals		(28,219)	(3,916)	(7)	(86)	(34)	(1,484)	499	(33,247)
Transfers		(1)	(10)	(15)	11	(3)		18	
Depreciation		(2,271)	(2,349)	(2,020)	(1,404)	(315)		(2,879)	(11,238)
Exchange variation	(5,741)	(48,786)	(4,267)	(2,090)	(1,559)	(408)	(13)	(1,828)	(64,692)
Accounting balance	35,482	272,539	43,874	36,705	14,493	4,385	39	52,853	460,370
Cost	35,482	366,118	581,223	210,552	114,548	79,735	39	218,537	1,606,234
Acumulated depreciation		(93,579)	(537,349)	(173,847)	(100,055)	(75,350)		(165,684)	(1,145,864)
At March 31, 2022 - R$	35,482	272,539	43,874	36,705	14,493	4,385	39	52,853	460,370
At March 31, 2022 - US$		57,524	9,260	7,747	3,059	926	8	11,156	97,170
Annual depreciation rates (%)		4	20	25	10	20		up to 10	

In thousands of reais and U.S. dollars, unless otherwise stated

17 Right of Use

(a) Information on the Right of Use

The main transactions of the Company as a lessee relate to offices and equipment. These leases are negotiated on an individual basis and contain several terms and conditions.

The lease payments are discounted based on the rate that is implicit in the contract. If this rate cannot be determined, the supplemental interest rate for loans of the Company is considered, which is equivalent to the rate that the Company would pay if it borrowed money, with a similar term and guarantee, necessary for the obtainment of a similar asset in a similar economic environment and under similar conditions. The Company applied a single discount rate to the lease portfolio, which is equivalent to the market rate.

The right-of-use asset is measured at cost composed of:

- Initially measured lease liability amount;
- Any payment made until the beginning of the lease, net of any incentive received;
- Any direct initial cost; and
- Restoration costs.

(b) Changes in the Right of Use

	Building lease	Machinery and equipment lease	Vehicles and Ships lease	Total
Cost	96,327	1,098	467	97,892
Accumulated amortization	(21,263)	(966)	(226)	(22,455)
At December 31, 2020	75,064	132	241	75,437
Additions	93			93
Disposals	25			25
Amortization	(6,927)	(99)	(52)	(7,078)
Foreign currency translation adjustment	219			219
Accounting balance	68,474	33	189	68,696
Cost	97,033	1,098	469	98,600
Accumulated amortization	(28,559)	(1,065)	(280)	(29,904)
At March 31, 2021 - R$	68,474	33	189	68,696
At March 31, 2021 - US$		6	33	12,058
Annual amortization rates (%)	4	up to 17	5	

In thousands of reais and U.S. dollars, unless otherwise stated

	Building lease	Machinery and equipment lease	Vehicles and Ships lease	Total
Cost	69,902	2,010	571	72,483
Accumulated amortization	(36,864)	(1,977)	(527)	(39,368)
At December 31, 2021	33,038	33	44	33,115
Additions	1,079		110	1,189
Disposals	(8)			(8)
Impairment	1,350			1,350
Amortization	(2,301)		(120)	(2,421)
Foreign currency translation adjustment	(352)			(352)
Accounting balance	32,806	33	34	32,873
Cost	71,302	1,098	681	73,081
Accumulated amortization	(38,496)	(1,065)	(647)	(40,208)
At March 31, 2022 - R$	32,806	33	34	32,873
At March 31, 2022 - US$		7	7	6,938
Annual amortization rates (%)	4	up to 17	5	

In thousands of reais and U.S. dollars, unless otherwise stated

18 Debts

(a) Breakdown of Debts

Financial Institution	Country	Currency	Type of operation	Type	Annual Financial Charges	March 31, 2022 US$	March 31, 2022 R$	December 31, 2021 R$
Royal Bank of Scotland	Cayman Islands	US$	Investment	ECA	Fixed interest 10,25% + EV	8,622	40,848	47,931
Landesbank Baden	Dominican Republic	US$	Investment	Short-term debts	LIBOR + 2.025% + EV	3,850	18,242	21,584
Crédito Agrícola Costa Azul	Portugal	€	Operational	Long-term debt	EURIBOR 12M + 2.50%	524	2,483	2,986
Banco Internacional de Crédito	Angola	KWA	Operational	Short-term debts	Libor 6M + 2,00% p.y Spread (21,34%)	872	4,131	7,095
Banco Millennium Atlântico	Angola	KWA	Operational	Short-term debts	Libor 1M + 2,75% p.y Spread (21,29%)	9,208	43,628	59,728
Liberty Mutual Surety	USA	US$	Operational	Short-term debts	Fixed interest 5,35% + EV			2,936
Novo Banco	Portugal	€	Operational	Long-term debt	EURIBOR (6M) + Spread 6%	17,225	81,610	98,145
Banco do Brasil	Brazil	R$	Operational	ACC	Fixed interest 7.43%	42,270	200,266	232,397
						82,571	391,208	472,802
					Guarantee of Bonds - NFL (formerly named OFL)			
					Bonds - OEC Finance (b)	864,153	4,094,183	4,641,937
						946,724	4,485,391	5,114,739
					Current liabilities	64,822	307,116	371,672
					Non-current liabilities	881,902	4,178,275	4,743,067

Abbreviations:

COP - Colombian Peso	EV - Exchange Variation
DTF - Deposits to Fixed Terms Rate	VES - Sovereign Bolivars
EURIBOR - Euro Interbank Offered Rate	US$ - American Dollar
LIBOR - London Interbank Offered Rate	€ - Euro
KWA - Kwanza (Angola currency)	AED - Dirham
ECA - Export Credit Agencies	R$ - Brazilian Reais
ACC - Advances on Exchange Contracts	ACE - Advance of Export Contract

On March 31, 2022, the following debts were past due and recorded in the books in accordance with their contractual clauses: Royal Bank of Scotland (RBS)/ OOL – R$ 40,848 – US$ 8,622, Landesbank Baden (LBBW) / CNO RD/ OAL – R$ 18,242 – US$ 3,850. These amounts are being negotiated with the respective financial institutions so as to establish the new conditions and terms for the amortization of the respective balances.

In thousands of reais and U.S. dollars, unless otherwise stated

(b) Bonds OEC Finance

Bond	Due date	Compensation	March 31, 2022 US$	March 31, 2022 R$
HSBC - Bond 2020	2024	Coupon of 7.000% p.a.	43,435	205,786
Credit Suisse Securities USA	Perpetual	Coupon of 7.500% p.a.	461,077	2,184,491
Credit Suisse - Bond 2023	2027	Coupon of 6.000% p.a.	58,633	277,791
Credit Suisse - Bond 2022	2026	Coupon of 5.125% p.a.	81,169	384,562
Credit Suisse - Bond 2042	2046	Coupon of 7.125% p.a.	515,173	2,440,787
Credit Suisse - Bond 2025	2029	Coupon of 4.375% p.a.	287,739	1,363,250
Credit Suisse - Bond 2029	2033	Coupon of 5.250% p.a.	284,922	1,349,905
Transaction costs			(17,081)	(80,925)
Adjusment to present value - Bonds OEC Finance			(850,914)	(4,031,464)
			864,153	4,094,183

(c) NFL Bonds (previously called OFL Bonds)

In October 2018, Novonor Finance Ltd. ("NFL"), previously called Odebrecht Finance Ltd. ("OFL"), a subsidiary of Novonor, did not settle the interest installment related to Bond 2025. Also, the installments of the principal amount related to Bond 2020 and interest related to Bonds 2020, 2022, 2023, 2025, 2029, 2042 and the Perpetual Bonds ("NFL Bonds"), which fell due between December 2018 and September 2021 have not been paid. The amount that had not been settled by December 31, 2020 was US$ 564,952 – R$ 2,935,884. Odebrecht Engenharia, OECI and CNO, in the capacity of guarantors of the NFL Bonds, with a view to preserving their operational liquidity, had not paid the amounts tied to the NFL Bonds that were outstanding by December 29, 2020.

On June 17, 2019, NFL, Novonor and other companies of the Novonor Group, excluding the Company and its subsidiaries, filed a petition for judicial recovery at the 1st Court of Bankruptcies and Judicial Recoveries of the Central Civil Forum of the Court of Justice of the State of São Paulo ("Judicial Recovery of Novonor").

On June 15, 2020, Odebrecht Engenharia launched on the market the Consent Solicitation based on the terms and conditions defined in the Term Sheet, requesting support for the restructuring of the NFL Bonds. On July 31, 2020, the support of creditors representing more than 73% of the creditors that are holders of the NFL Bonds was obtained, thus complying with the requirement necessary for Odebrecht Engenharia, CNO and OECI to file a petition for the ratification of the extrajudicial recovery plan ("Extrajudicial Recovery Plan") for the implementation of the restructuring of the NFL Bonds ("Extrajudicial Recovery of Odebrecht Engenharia"). On August 19, 2020, Odebrecht Engenharia, CNO and OECI filed with the 1st Court of Bankruptcies and Judicial Recoveries of the Central Civil Forum of the Court of Justice of the State of São Paulo the Extrajudicial Recovery Plan, which was ratified on October 26, 2020.

The judicial recovery plan of NFL was approved at the general creditors' meeting held on September 4, 2020 and ratified on November 11, 2020 ("NFL Plan").

In general terms, the Extrajudicial Recovery Plan and the NFL Plan provide for the cancellation of the obligations of Odebrecht Engenharia, CNO and OECI with respect to the NFL Bonds and the payment to the creditors that are holders of the NFL Bonds by means of the receipt, on a pro rata basis, of: (i) a new series of unsecured notes, in each case, at an aggregate principal amount equivalent to 45% of the sum of the principal amount and accumulated unpaid interest on, in accordance with the corresponding NFL Bonds series, issued by OEC Finance Limited, a subsidiary of the Company, ("New Notes"); and (ii) a participative debt instrument that entitles the holders to future distributions of results related to the Company's performance issued by Odebrecht Holdco Finance Limited, a parent company of the Company, at an aggregate principal amount equivalent to 55% of the sum of the principal amount and accumulated unpaid interest on the NFL Bonds ("Holdco Instrument"), maturing in September 2058.

On November 24, 2020, NFL, Odebrecht Engenharia, CNO and OECI filed for Chapter 15, Title 11, of the United States Bankruptcy Code ("Chapter 15") before the United States Bankruptcy Court for the Southern District of New York requesting (i) the recognition of the Extrajudicial Recovery of Odebrecht Engenharia and the Judicial Recovery of Novonor, with respect to NFL, as major foreign proceedings, under Chapter 15; (ii) the recognition, the ensurance of compliance with and the provision of full force and effect to the Extrajudicial Recovery Plan and the NFL Plan in the scope of the territorial jurisdiction of the United States; and (iii) the authorization for the parties to take all necessary measures to give effect to the terms of the Extrajudicial Recovery Plan and the NFL Plan. On December 20, 2020, a decision on these terms was rendered by the United States Bankruptcy Code for the Southern District of New York, allowing the cancellation of the NFL Bonds and the payment to the creditors that are holders of the NFL Bonds with New Notes and the Holdco Instrument, which took place on January 20, 2021.

As a result of the ratification of the NFL Plan and the Extrajudicial Recovery Plan on December 30, 2020 before the United States Bankruptcy Court for the Southern District of New York, the obligations of Odebrecht Engenharia, CNO and OECI with the NFL Bond holders were cancelled. On December 31, 2020, the provision for guarantee was recorded in the Company's parent company and subsidiary, ODB Holdco and OEC Finance, respectively, as current liabilities.

On January 20, 2021, ODB Holdco and ODB Finance reversed the above mentioned provisions from their balance sheets and recorded the Holdco instrument and the new notes ("OEC Finance Bonds"), respectively, as debts in non-current liabilities.

On March 31, 2022, the Company's consolidated debt balance, adjusted to present value, was R$ 4,094,183 – US$ 864,153 (December 31, 2021 – R$ 4,641,937 – US$ 831,814).

The discount rate considered for the calculation of the present value of the New Notes was 14.8%, which represents the interest rate on securities of companies that are in similar conditions as the Company.

In thousands of reais and U.S. dollars, unless otherwise stated

(d) Changes in Debts

Countries	December 31, 2020	Additions	Principal amortization	Provision of interests	Exchange Variation	Adjusment to present value	Adjusment to present value amortization	Reversion Provision of guarantees	March 31, 2021
Brazil	241,409			4,173	23,353				268,935
Portugal	111,365				5,476				116,841
Angola	54,713		(3,375)	82	7,523				58,943
USA	62,255				5,998				68,253
Cayman Islands	43,802			166	4,227				48,195
Dominican Republic	18,691			422	1,309				20,422
Brazil - Guarantee of Bonds	3,859,236				112,800			(3,972,036)	
Bonds - New issues		8,289,838		121,029	544,626				8,955,493
Adjusment to present value - New Issues					(281,383)	(4,438,832)	121,035		(4,599,180)
Total Loan and Finance Debts (in R$)	4,391,471	8,289,838	(3,375)	125,872	423,929	(4,438,832)	121,035	(3,972,036)	4,937,902

Countries	December 31, 2021	Additions	Principal amortization	Provision of interests	Transaction Costs amortization	Exchange Variation	Adjusment to present value	March 31, 2022
Brazil	232,396	6		3,175		(35,311)		200,266
Portugal	101,130					(17,037)		84,093
Angola	66,823		(22,091)			3,027		47,759
USA	2,936		(2,919)			(17)		
Cayman Islands	47,932			171		(7,254)		40,849
Dominican Republic	21,585					(3,344)		18,241
Bonds - New issues	9,443,169			209,045		(1,445,642)		8,206,572
Adjusment to present value - New Issues	(4,704,076)					714,131	(41,519)	(4,031,464)
Bonds - Transaction costs	(97,156)				1,722	14,509		(80,925)
Total Loan and Finance Debts (in R$)	5,114,739	6	(25,010)	212,391	1,722	(776,938)	(41,519)	4,485,391
Total Loan and Finance Debts (in US$)		1	(5,279)	44,829	363	(163,987)	(8,763)	946,724

In thousands of reais and U.S. dollars, unless otherwise stated

The balance of debts classified as non-current liabilities mature as follows:

Debts		**March 31, 2022**
Due Date	**US$**	**R$**
2022	17,226	81,611
2024	523	2,481
	17,749	84,092

Bonds		**March 31, 2022**
Due Date	**US$**	**R$**
2023	13,545	64,174
2024	122,662	581,148
2025	150,379	712,466
2026	292,549	1,386,039
2027	236,318	1,119,627
2028	151,753	718,975
2029	495,423	2,347,215
2030 and thereafter	3,239,235	15,346,850
Principal amount and interests (i)	4,701,864	22,276,494
(-) Discount to present value	(3,820,630)	(18,101,386)
(-) Transaction costs	(17,081)	(80,925)
Total debt balance	864,153	4,094,183

(i) It includes the expected payment flow for the payment of principal and interest until the debt maturity.

The Company's debts are denominated in the following currencies:

		March 31, 2022	**December 31, 2021**
	US$		**R$**
Local currency (Reais)	42,270	200,266	232,397
Foreign currency (U.S. Dollars)	876,625	4,153,273	4,714,388
Foreign currency (Kwanza)	10,080	47,759	66,823
Foreign currency (Euro)	17,749	84,093	101,131
	946,724	4,485,391	5,114,739

In thousands of reais and U.S. dollars, unless otherwise stated

(c) Specific clauses

The loans and financing agreements of the Company and its subsidiaries provide for non-financial covenants that have been complied with in every reporting period.

19 Suppliers and Subcontractors

					March 31, 2022	December 31, 2021
	Current	Overdue - 1 - 90 days	Overdue - 91 -365 days	Overdue more than 365 days	Total	Total
Brazil	105,271	51,266	33,051	10,879	200,467	304,727
Abroad	992,878	58,730	67,633	2,441,526	3,560,767	3,949,865
Total (in R$)	1,098,149	109,996	100,684	2,452,405	3,761,234	4,254,592
Total (in US$)	231,785	23,217	21,251	517,625	793,878	
				Current liabilities (R$)	3,718,419	4,204,902
				Current liabilities (US$)	784,841	
				Non-current liabilities (R$)	42,815	49,690
				Non-current liabilities (US$)	9,037	

The Company's working capital is managed so as to link the payments to suppliers with the receipt from customers. Of the amounts that have been due for more than 365 days, nearly 70% is due to suppliers in Venezuela and Peru, and which must follow the working capital management concept adopted by the Company.

20 Taxes, Fees, Salaries and Social Contributions

	March 31, 2022		December 31, 2021
	US$		R$
Labor obligations			
Brazil	33,737	159,839	149,238
Abroad	56,923	269,693	314,905
	90,660	429,532	464,143
Tax obligations (a)			
Brazil	26,994	127,891	123,608
Abroad	67,220	318,475	358,859
	94,214	446,366	482,467
	184,874	875,898	946,610
Current liabilities	178,145	844,016	917,374
Non-current liabilities	6,729	31,882	29,236

In thousands of reais and U.S. dollars, unless otherwise stated

(a) Breakdown by nature of the tax liabilities:

		March 31, 2022	December 31, 2021
	US$		R$
Liabilities - payable			
Income tax and Income tax withheld at source	65,518	310,409	342,218
Indirect taxes	5,608	26,569	35,738
Financing (Note 13 (c))	10,421	49,373	44,810
Other	12,667	60,015	59,701
	94,214	446,366	482,467

21 Provisions for Tax, Labor, Civil and Others Contingencies

The provisions recognized by the Company and its subsidiaries are related mainly to the discussions existing at the judicial and administrative levels and they are separated by probability of loss based on the assessment of its management and internal and external legal advisors as follows:

<u>Probable Obligations</u> – Obligations in which there is a legal obligation (or not) as a consequence of a past event and for which an outflow of funds for their settlement is probable and which can be reliably estimated. For these proceedings, the Company recognized an accounting provision and presents it in a note to the financial statements, as shown in the table below:

	March 31, 2022			December 31, 2021		
	Tax, labor and civil contingencies (b)	Agreements (a)	Total	Tax, labor and civil contingencies (b)	Agreements (a)	Total
In R$						
Current liabilities		654,752	654,752		748,029	748,029
Non-current liabilities	1,246,947	2,670,010	3,916,957	1,325,484	2,958,201	4,283,685
In US$						
Current liabilities		138,197	138,197			
Non-current liabilities	263,191	563,555	826,746			

(a) Agreements – they comprise both the agreements that have already been negotiated with the many countries and government entities and the provisions to cover the agreements that are still being negotiated as a result of the Operation *Lava Jato* whose amounts were determined based on the best estimate of management and the external advisors involved in Brazil and abroad.

Leniency Agreement with Brazilian and Foreign Authorities

On December 1, 2016, Novonor, in the capacity of controlling stockholder of the companies that are part of the Novonor Group, entered into a leniency agreement with the Federal Public Prosecution Office ("MPF"), taking the responsibilities provided for the subject matter of the above mentioned agreement, except for Braskem S.A. This Agreement with the Federal Public Prosecution Office ("MPF") was signed within the scope of the global agreement that involved the proper authorities of the United States and Switzerland, according to which Novonor, or any other company that is part of its economic group, undertook to pay the aggregate amount equivalent to R$ 3,828 million – US$ 808 thousand over 23 years, in annual customized installments adjusted based on the Selic basic interest rate. On August 8, 2019, the above mentioned agreement was amended, changing the payment schedule, and Odebrecht Engenharia became the subsidiary guarantor of these obligations.

Due to the above mentioned agreement, the Federal Public Prosecution Office undertook to (i) not file civil lawsuits and additional actions for the reimbursement of amounts arising from the complaints and facts related to Operation Car Wash, and (ii) to not apply administrative improbity sanctions, and to work with other public bodies, state-owned companies and mixed capital companies so that they can remove any file restrictions for Novonor, Odebrecht Engenharia and its indirect subsidiaries. Nevertheless, administrative improbity actions were filed requiring the payment of compensation and a fine, and establishing a ban on entering into contracts with governmental offices and receipt of tax or credit benefits or incentives, among other things.

In addition to the agreement entered with the Federal Public Prosecution Office ("MPF"), on July 9, 2018, Novonor and its subsidiaries entered into a leniency agreement with the Office of the Solicitor General ("AGU") and the Ministry of Transparency and the Brazilian Government Accountability Office ("CGU") under which they committed to pay, over 22 years, the total amount of R$ 2,727 million – US$ 576 thousand, to the damaged entities of the Federal Government, to be deducted from the R$ 3,828 million – US$ 808 thousand agreed upon under the agreement entered into with the Federal Public Prosecution Office ("MPF").

Subsequently, and as a development of these signed agreements, CNO has been negotiating with the damaged entities – state-owned companies and state and municipal governments - to enter into independent leniency agreements and/or to adhere to these agreements, since the damaged entities are not linked to the Leniency Agreement, reserving the right to file the applicable legal actions in the event of non-adherence to or non-execution of the independent agreements with Odebrecht.

Odebrecht Engenharia, in consideration for the non-adoption of penalties against itself and its indirect subsidiaries, will undertake to cooperate with the authorities and compensate the damaged entities, seeking to limit the amount of the compensation to the amount established in the agreements entered into with the Federal Public Prosecution Office ("MPF"), the Office of the Solicitor General ("AGU") and the Ministry of Transparency and the Brazilian Government Accountability Office ("CGU").

On January 24, 2022, Novonor, CNO and the State of Rio de Janeiro entered into a Leniency Agreement, under the terms mentioned above, in which Novonor and CNO are co-obligated to make payment in the amount of approximately R$ 330 million - US$ 70 thousand over a period of 22 years, and this amount will be substantially deducted from the R$ 3,828 million – US$ 808 thousand of the agreement entered into with the Federal Public Prosecution Office ("MPF"), and the difference will be paid in the last year.

The damaged entities that do not adhere to the leniency agreements or that did not enter into an agreement directly with Novonor and Odebrecht Engenharia e Construção and/or its indirect subsidiaries will only have access to the amounts they are entitled to after a period of 22 years in accordance with the terms in the abovementioned agreements.

On November 23, 2020, the U.S. Department of Justice ("DoJ") confirmed compliance with the obligations of Novonor provided for in the plea agreement. The DoJ also confirmed that the term provided for in the plea agreement had ended.

On May 5, 2021, the 5th Chamber of Coordination and Revision of the Federal Public Prosecution Office ("MPF"), in the 12th Ordinary Session, ratified the filing of the Monitoring procedure and of Novonor's Integrity Program.

In addition to the agreements entered into with the Federal Public Prosecution Office ("MPF"), the Office of the Solicitor General ("AGU") and the Ministry of Transparency and the Brazilian Government Accountability Office ("CGU"), CNO entered into agreements with the World Bank and the Inter-American Development Bank ("IDB"). In January 2019, the Company and the World Bank agreed on the ineligibility of CNO and its wholly-owned subsidiaries to contract projects financed by the World Bank for a period of three (3) years. No fine was imposed under the agreement.

In thousands of reais and U.S. dollars, unless otherwise stated

Regarding the IDB, on September 04, 2019, an agreement was announced stipulating that the CNO and some of its wholly-owned subsidiaries, except for the branches and subsidiaries in Africa, were ineligible to contract projects financed by the IDB until August 1, 2024). The payment of a monetary contribution of US$ 50 million, starting in 2024, was also agreed upon, taking into account the payment terms and conditions of the agreement. Odebrecht Engenharia and CNO are negotiating agreements with another international institution.

Additionally, in accordance with Brazilian legislation, the companies that recognize the practice of illicit acts against free competition must enter into leniency agreements with the Brazilian antitrust agency ("CADE"). Under these terms, the Company's direct subsidiary CNO has already signed eight (8) leniency agreements and instruments of termination of conduct with CADE's General Superintendency, totaling R$ 525 million – US$ 111 thousand in terms of monetary contributions from the legal entity and individuals to be paid within 22 years. CNO continues to negotiate with CADE the signing of other Instruments of Termination of Conduct.

(b) Tax, labor and civil contingencies are:

		March 31, 2022	**December 31, 2021**
	US$		**R$**
Tax (i)	135,737	643,095	688,768
Labor (ii)	72,569	343,819	368,712
Civil	55,152	261,300	273,047
	263,458	1,248,214	1,330,527
(-) Judicial deposits	(267)	(1,267)	(5,043)
	263,191	1,246,947	1,325,484

(i) Tax – Peru's tax authorities, as a result of the inspections carried out at Odebrecht Perú Ingeniería y Construcción SAC, CNO S.A. – Peru Branch, Consórcio Constructor Ductos Del Sur and Consórcio Constructor Chavimochic related to the income taxes and sales taxes for 2010 to 2016, sent tax assessment notices to the above mentioned companies in the total amount of R$ 374,364 – US$ 79,016, adjusted on March 31, 2022.

(ii) Labor - There are many labor claims filed against Company and its subsidiaries, including consortiums, and each concessionaire is responsible for the equivalent to its part quota. Most of the contingencies reported as "possible" are at an initial procedural phase, thus not allowing us to precisely determine what the effective sentence will be because, as it is publicly known, claimants frequently make excessive claims.

Possible Obligations – Obligations in which it is more probable that there will not be an outflow of resources to settle the obligations since it has not yet been confirmed whether or not the Company actually has a present obligation that can lead to an outflow of resources. For these proceedings the Company does not recognize an accounting provision but presents it in a note to the financial statements, as shown in the table below, and the amounts that cannot be reliably estimated are not presented.

In thousands of reais and U.S. dollars, unless otherwise stated

		March 31, 2022	December 31, 2021
	US$		R$
Tax (iii)	1,137,067	5,387,195	5,515,292
Labor (ii)	71,781	340,082	332,340
Civil (iv)	1,290,717	6,115,164	6,232,732
Total provision for contingencies	2,499,565	11,842,441	12,080,364

(iii) Tax

- Brazil

On October 17, 2018, CNO was assessed with respect to alleged income tax and social contribution and income tax withheld at source debts in the amount adjusted by February 2021 of R$ 4,146,909 – US$ 875,282 related to the disallowance by the Federal Revenue Service of the expenses incurred by CNO's branches abroad, the undue nature of which was proved in the reports of employees and in the leniency agreement signed by Novonor. Despite the nature of the expenses incurred abroad, , the Company understands that the charges that are being made have no legal grounds since they conflict with applicable legislation on the calculation of profit abroad.

The defense of this Tax Deficiency Notice was considered groundless by the lower court. In March 2020, the hearing session was held for our new appeal, which was partially accepted to discharge the collection of Income Tax Withheld at Source, and the other part was maintained to be decided by casting vote. The Company was formally informed of the result of the trial in March 2021. In the same notice, the Company was also notified of the rejection of the appeal filed by the Public Treasury to the Superior Court of Tax Resources (CSFR) making final the decision that dismissed the collection of Income Tax Withheld at Source and its accessories. The current amount of the debt is now R$ 2,044,765 – US$ 431,585, and the process is awaiting referral to CSRF for judgment of the Special Appeal filed by the Company on this remaining portion.

Additionally on December 21, 2017, CNO was served with a tax deficiency notice in the adjusted amount of R$ 433,204 – US$ 91,436 for the collection of Income Tax Withheld at Source related to alleged payments without cause made by the branches of CNO abroad over the course of 2012, the undue nature of which was evidenced in the reports of employees and the leniency agreement of Novonor. The Company filed a motion to deny, which was deemed groundless on August 14, 2018, and a Spontaneous Appeal was lodged against the decision. On September 17, 2019, the appeal started to be judged and, at the time, the remand of the records in diligence was determined for the analysis of calculation errors in the assessment, which is still pending a summons.

The OEC Group companies were also assessed for the collection of Tax on Financial Operations ("IOF") regarding operations carried out in the scope of Book Current Account and Single Cash Contracts. The assessments arise from the comparison of such operations with financial loans, according to the understanding of the Federal Revenue Service. The Companies have been sustaining the regularity of these operations, showing that they do not bear the legal nature of a loan and, therefore, would not be subject to the levy of IOF. In total, the assessments currently amount to R$ 511,898 – US$ 108,046 and the cases are still pending a final administrative decision.

- México

Mexico's tax authority ("Servicio de Administración Tributaria – SAT"), as a result of the investigation of CNO Mexico Branch and Ethylene XXI Contractors ("Ethylene XXI" - an indirect subsidiary of the Company) related to Income Tax and Value-Added Tax for 2013, 2014 and 2015, assessed these companies at a total amount of R$ 964,094 – US$ 203,490. The companies presented, still in the administrative litigation phase, "*demandas de nulidad*" (nullity demands) above to the Federal Administrative Justice Court (TFJA). The Companies challenged the assessments by arguing that the amounts that were unduly considered non-taxed revenue refer to legal and exempt operations, such as remittances of funds by the head office and foreign exchange contracts, and it also pointed out that the assessment by SAT was extemporaneous since Article 50 of the Mexican Federation Fiscal Code determines the period of six months for the notification of the taxpayer about inconsistencies in the determination of taxes. The "*demandas de nulidad"* (nullity demands) of CNO and Ethylene XXI related to 2014 and 2015 have not yet been judged by the TJFA. With respect to the tax deficiency notice to Ethylene XXI related to 2013, amounting to R$ 72,125 – US$ 15,223, the TFJA considered the "*demanda de nulidade*" (nullity demand) filed by Ethylene XXI invalid and, in February 2022, Ethylene XXI filed a "Protective Order" against the above mentioned decision. Ethylene XXI may avoid actions to embargo its accounts if it obtains a judicial guarantee.

Mexico's public audit authority and magistrate's office ("Secretaria de la Función Pública – SFP"), as a result of the inspection of CNO Mexico Branch and OICIMEX for alleged irregularities in the performance/assignment of the Tula II Contract with Pemex, applied sanction amounting to R$ 387,888 – US$ 81,871. The companies challenged the assessment before the federal courts, arguing that there were a number of irregularities and violations of due legal process in the respective administrative procedures, including that the CNO Branch granted the contract to OICIMEX with the previous authorization of Pemex, in addition to lack of materiality of the alleged irregularities performed.

(iv) Civil

- Brazil

CNO, OECI and CBPO were sued in the sphere of class actions (that is, public civil actions, administrative improbity actions and citizen lawsuits) filed by the state public prosecution offices and/or by citizens whose subject matter are requests for the annulment of acts/contracts, compensation for damage caused to the public administration and the application of penalties provided for in the laws that regulate the above mentioned actions.

Among these actions, considering the amounts involved: (i) Administrative Improbity Action filed by the São Paulo State Public Prosecution Office against OECI and other companies related to contracts for the performance of Line 5 of the São Paulo Metro. The adjusted amount of the action is R$ 3,596,258 – US$ 759,057 and the share related to OECI corresponds to the approximate amount of R$ 719 million – US$ 152 million. Notwithstanding the unfavorable decision rendered by the Court of Justice of São Paulo, the Company and its legal advisors believe that they have solid grounds to reverse the sentence imposed on OECI and this belief was confirmed by the decision of the Superior Court of Justice, which granted a suspensive effect to the special appeals filed by the parties; (ii) Administrative Improbity Action filed by the São Paulo State Public Prosecution Office against CBPO and others, related to the performance of urban cleaning services. Despite the final and unappealable decision, the impact on the Company cannot yet be estimated due to the need to calculate the award based on parameters determined in the decision that provide for multiple interpretation scenarios and may give arise, also, to the proposition of a rescissory action by the Company; (iii) by the Rio de Janeiro State Public Prosecution Office against CNO related to the contract for the performance of the construction works of Line 4 of the Rio de Janeiro Metro, the impact of which for the Company cannot yet be estimated due to the initial stage they are in.

With respect to the proceedings that involve the State of Rio de Janeiro ("ERJ"), the leniency agreement entered into by ERJ and the Company ("RJ Agreement") provides for the obligation of ERJ to declare in the above mentioned proceedings that the damaged entity has already been compensated for the events reported by the Company in the RJ Agreement.

The OEC Group companies are parties to arbitration proceedings that are in progress and involve contingencies to be received and paid, of which some are still at an incipient stage, awaiting the establishment of the Arbitration Court and/or the completion of negotiations that allow for the settlement of the litigations.

Due to the very nature of these proceedings and the stage they are at, the claims contained in them are clearly controversial, arising from obligations assumed in contracts entered into by the OEC Group companies with third party companies and they depend on decisions of arbitration courts to determine responsibilities and, above all, determine the final amounts that must be paid by the parties, which, in most cases, depend on the performance of technical and complex expert tests that involve the fields of engineering, accounting and economics.

The Company contracted law firms whose specialization/recognition is well known to represent its interests in these disputes. Based on the current status and peculiarities of these proceedings, the Company estimates contingencies payable in the amount of R$ 521,486 – US$ 110,069 and contingencies receivable in the amount of R$ 252,058 – US$ 53,201, and the expectation of realization for all of them is considered possible, which could lead to a contingency amount payable of R$ 269,428– US$ 56,868, after the offset of the amounts receivable.

- Colombia

The *Procuradoria Geral de La Nación* (Nation's Public Prosecution Office) filed a public civil action against Concesionaria Ruta Del Sol, ("Rutas del Sol"), their stockholders OLI Colombia (37%), CNO (25.1%), other corporate stockholders and, also, individuals, for alleged violation of collective rights and damage to public assets due to acts of corruption involving the concession agreement. A lower court decision sentenced the respondents to be jointly responsible for compensation in the amount of R$ 905,305 – US$ 191,081.

The Company filed an appeal arguing the illegality of the decision and challenging the criteria used to calculate the compensation. The Company's appeal was accepted in February 2020 only with respect to its devolutive effect and is awaiting judgment.

The Superintendency of Industry and Commerce ("SIC") started an antitrust investigation by means of an administrative proceeding arising from an alleged anti-competition practice in the procedure for the adjudication of the concession agreement of Ruta del Sol with respect to CNO, NPI, other corporate stockholders and, also, individuals. The defense of the Company and its employees is based on the allegation of non-existence of technical and legal criteria to characterize anti-competition practices. After the completion of the preliminary hearing stage, SIC decided to penalize all of those investigated in the amount of: R$ 111,042 – US$ 23,437 for CNO, R$ 111,042 – US$ 23,437 for NPI and a total of R$ 4,010 – US$ 846 for three individuals. The Company and the individuals filed administrative appeals, the results of which confirming the application of penalties. Against this last decision, a *demanda de nulidad* (nullity demand) was presented in the judicial sphere, without suspensive effect until the nullity claim is admitted by the judge, when the suspensive effect may be attributed to the SIC collection action.

The above mentioned proceedings arise from the breach of commitments assumed by the Colombian authorities with the Brazilian Federal Public Prosecution Office in the scope of international cooperation procedures and, although they represent a high risk for the execution of measures for the constriction of assets in Colombia, the Company understands it has solid grounds to prove the groundlessness of the requests in other venues that ensure conditions for full defense and the due process of law.

- Venezuela

C.A Metro de Caracas (CAMETRO) filed a proceeding against the Company's indirect subsidiary, CNO Venezuela Branch, with respect to Metro Caracas – Viviendas Mariche – relating to the execution of a guarantee on advances received by CNO Venezuela Branch that have not been amortized, in addition to the alleged non-performance of a contract, whose exposure to loss is estimated at R$ 189,563 - US$ 40,011. The proceeding is currently in progress in the lower court.

- Ecuador

The Contraloría General del Estado (CGE), as a result of control processes related to all projects that have been executed by CNO Ecuador Branch since 2006 in that country, which CNO challenged, determined the application of reductions related to the contracts, which are the subject matter of control in the above mentioned processes. CNO presented the applicable legal measures to appeal the decision of the CGE, the total amount of which is R$ 296,293 – US$ 62,538, and the main arguments of the defense are: (i) the proof that there was no damage to the government resulting from the signing of the contractual amendments entered into with CNO or in the application of the formulas of price adjustment since the entire process was carried out in accordance with the applicable legislation and previously approved by the project's inspection and by the contracting party; (ii) the proof of non-compliance with the period established by law, of 180 days after the beginning of the control process for the CGE to notify the parties of the outcome of the process. It is worth noting that the National Court of Justice issued a resolution on November 9, 2021 for mandatory compliance by the judicial branch, determining that all processes of this nature carried out by the CGE that were not in compliance with the above mentioned legal period must be considered null.

In thousands of reais and U.S. dollars, unless otherwise stated

22 Leases

	December 31, 2020	Additions	Disposals	Payments	Interests	Exchange Variation	March 31, 2021
Brasil	115,865	102	(7)	(4,880)	3,767		114,847
Abroad	5,003			(891)	212	156	4,480
Total Leases (in R$)	120,868	102	(7)	(5,771)	3,979	156	119,327

	December 31, 2021	Additions	Disposals	Payments	Interests	Exchange Variation	March 31, 2022
Brasil	112,293	979		(555)	3,132		115,849
Abroad	4,228	73		(664)	106	(752)	2,991
Total Leases (in R$)	116,521	1,052		(1,219)	3,238	(752)	118,840
Total Leases (in US$)		222		(257)	683	(159)	25,084

In R$	
Current liabilities	22,873
Non-current liabilities	95,967
In US$	
Current liabilities	4,828
Non-current liabilities	20,256

In thousands of reais and U.S. dollars, unless otherwise stated

The balance of leases classified as non-current liabilities mature as follows:

		March 31, 2022
	US$	**R$**
2023	2,673	12,664
2024	3,470	16,438
2025	3,872	18,343
2026 and thereafter	10,241	48,522
	20,256	95,967

23 Other Liabilities

(i) Current

On March 31, 2022, the balances of other current liabilities are of different natures and dispersed and they consist mainly of contractual provisions related to discussions that are in progress with subcontractors, consortium companies and customers with respect to projects in Brazil and abroad in the amount of R$ 492,624 – US$ 103,977 (December 31, 2021 – R$ 521,611).

(ii) Non-Current

On March 31, 2022, the balances of other non-current liabilities are of different natures and dispersed, and the main ones are:

i) The amount of R$ 204,233 – US$ 43,107 (December 31, 2021 – R$ 204,233) regarding contractual provisions related to discussions that are in progress with a customer with respect to projects in Brazil with the Company.

(ii) The amount of R$ 171,763 – US$ 36,254 (December 31, 2021 – R$ 170,417) related to the net capital deficiency of CNO Colombia Branch. On August 4, 2021, the Superintendency issued Order No. 460-00992 determining the opening of the judicial liquidation process of CNO S.A. Colombia Branch ("Colombia Branch"). On September 30, 2021, as a result of the effects arising from the liquidation process, the Colombia Branch was no longer consolidated in the Company's balance sheet since the Company lost control over this investment. On September 6, 2021, the Company's Management presented the Superintendence, the balance sheet on a liquidation basis. Until the issuance of these financial statements, the aforementioned judicial settlement has not yet been ratified.

24 Net Capital Deficiency

(a) Capital

On March 31, 2022, the Company's capital of R$ 448,900 – US$ 94,749 is fully subscribed and paid-up entirely by Brazilian corporations and comprised 448,899,790 (December 31, 2021 – 448,899,790), registered common shares with no par value.

(b) Carrying Value Adjustments

This account was established by Law No. 11,638/07 for the purposes of recording the amounts in equity that have not yet been recorded in profit or loss in the period. The effects of these amounts on profit or loss will be recognized upon their effective realization. The changes in this account in the periods ended March 31, 2022 were as follows:

		Periods ended March 31	
		2022	2021
	US$		R$
At the beginning of the period	73,652	348,948	217,887
Carrying value adjustments in investees (i)	7,152	33,884	36,605
Foreign exchange variation on foreign investments (ii)	411,563	1,949,902	(126,233)
Foreign exchange variation on net investments abroad (iii)	2,712	12,852	(83,651)
At the end of the period	495,079	2,345,586	44,608

(i) The change corresponds substantially to inflationary effects of the Company's subsidiaries in Argentina.

(ii) This refers to the translation of the balances of the foreign investees to the Company's functional currency.

(iii) Refers to some monetary assets and liabilities with a functional currency that is different from the Brazilian real recorded in Brazil arising from transactions between companies that are part of the same economic group and that are under joint control for which settlement is not likely to occur, nor is it planned for the foreseeable future, as part of its net investment in foreign transactions. The foreign exchange variations arising from these monetary assets and liabilities are recognized in Other comprehensive income within "Accumulated translation adjustments".

(c) Loss per Share

		Periods ended March 31	
		2022	2020
	US$		R$
Profit (loss) for the year attributable to the Company's stockholders	43,415	205,691	(382,396)
Weighted average number of shares, per class (In thousands)			
Common shares	448,900	448,900	448,900
Earnings per share			
Common shares	0.097	0.458	(0.852)

In thousands of reais and U.S. dollars, unless otherwise stated

25 Service and Sales Revenue

		Periods ended March 31	
		2022	2021
	US$		R$
Services revenues			
Domestic market	75,195	356,260	321,078
Foreign market	89,088	422,081	344,201
	164,283	778,341	665,279
Sales revenues			
Domestic market	849	4,021	9,509
Foreign market	2,340	11,084	4,696
	3,189	15,105	14,205
Taxes and contributions on services and sales	(6,791)	(32,173)	(25,445)
Net services and sales revenues	160,681	761,273	654,039

26 Expenses by Nature

						2022			Periods ended March 31 2021
		Cost of services rendered		General and administrative, and selling expenses		Total	Cost of services rendered	General and administrative, and selling expenses	Total
	R$	US$	R$	US$	R$	US$			R$
Raw materials and consumables	(147,304)	(31,091)	(643)	(136)	(147,947)	(31,227)	(160,932)	(773)	(161,705)
Personnel expenses	(190,855)	(40,283)	(80,916)	(17,079)	(271,771)	(57,362)	(153,990)	(81,053)	(235,043)
Outsourced services (a)	(312,037)	(65,861)	(11,794)	(2,489)	(323,831)	(68,350)	(180,830)	(26,172)	(207,002)
Depreciation and amortization	(5,056)	(1,067)	(9,593)	(2,025)	(14,649)	(3,092)	(6,215)	(10,477)	(16,692)
Provision for contingencies	(46)	(10)	8,657	1,827	8,611	1,817	(129)	(7,562)	(7,691)
Losses on doubtful accounts (i)	578	122	6,176	1,304	6,754	1,426	(427)	78,354	77,927
Depreciation of right of use	(428)	(90)	(1,993)	(421)	(2,421)	(511)	(733)	(6,345)	(7,078)
Administrative expenses	(31,337)	(6,614)	(31,386)	(6,625)	(62,723)	(13,239)	(58,446)	(21,138)	(79,584)
Other, net	8,721	1,839	(6,581)	(1,388)	2,140	451	(1,307)	(1,532)	(2,839)
Total	(677,764)	(143,055)	(128,073)	(27,032)	(805,837)	(170,087)	(563,009)	(76,698)	(639,707)

(a) Breakdown of Outsourced Services by Nature

		Periods ended March 31	
		2022	2021
	US$		R$
Subcontractors	(53,652)	(254,193)	(145,030)
Rental and maintenance of equipment	(5,209)	(24,680)	(8,893)
Cleaning and surveillance	(1,681)	(7,963)	(7,633)
Transportation	(1,816)	(8,603)	(6,049)
Audit and advisory services	(5,397)	(25,569)	(38,924)
Computers and technology	(355)	(1,684)	(308)
Other	(240)	(1,139)	(165)
	(68,350)	(323,831)	(207,002)

In thousands of reais and U.S. dollars, unless otherwise stated

27 Financial Result, Net

	Periods ended March 31		
	2022		2021
	US$		R$
Income from financial investments	1,047	4,959	2,127
Income (expenses) from foreign exchange variation	52,607	249,242	(141,371)
Financial charges on debts (excluding Bonds)	(1,404)	(6,651)	(6,346)
Lease interest	(752)	(3,565)	(4,541)
Bank comissions	(5,356)	(25,375)	(9,546)
Reversion (provision) losses from related parties (i)	90,958	430,941	(84,280)
Adjustement value present (excluding Bonds)	4,770	22,599	(21,857)
Interests - Bonds	(44,123)	(209,045)	(121,029)
Adjustement value present - Bonds	8,764	41,520	(6)
Others, net	(17,119)	(81,104)	(136,902)
	89,392	423,521	(523,751)

(i) The amount of R$ 430,941 – US$ 90,958 refers to the reversion of the allowance for expected losses arising from the foreign exchange variation on credits with related parties.

28 Income Tax and Social Contribution

	2022		2021
	US$		R$
Current income tax	(482)	(2,283)	(7)
Current social contribution	(173)	(822)	(2)
Foreign income tax (branches and subsidiaries) - current	(1,129)	(5,349)	(7,115)
	(1,784)	(8,454)	(7,124)
Deferred income tax	(8,653)	(40,996)	25,287
Deferred social contribution	(3,115)	(14,758)	9,103
Foreign income tax (branches and subsidiaries) - deferred	52,491	248,690	(2,040)
	40,723	192,936	32,350

(a) Income Tax in Brazil and Foreign

In the period ended March 31, 2022, the income tax expense is represented mainly by the taxes generated by the operations of the Company in Brazil R$ 58,859 – US$ 12,423 (March 31, 2021 – R$ 34,381) and Angola (R$ 245,510 – US$ 51,819) (March 31, 2022– R$ 14,277).

In thousands of reais and U.S. dollars, unless otherwise stated

29 Collaterals

The collaterals offered by the Company are stated as presented below:

Type of guarantee	Type	March 31, 2022	December 31, 2021
			US$
Corporate guarantee	Novonor Group Companies (i)	196,321	196,321
	FINAME NSP	343	344
	Loans	126,329	112,878
	Property and Equipment	397	109
	Lease	3,335	3,140
Bank guarantee	Appeal Bond	14,488	13,062
	Performance Bond	61,818	52,483
Guarantee insurance	Advance Payment Bond	358,386	214,717
	Performance Bond	845,365	836,255
	Performance And Payment Bond	29,674	29,674
	Maintenance Bond	523,574	343,092
	Other	49,961	47,613
		2,209,991	1,849,688

In the process of obtaining and performing contracts in Brazil and abroad, the Company and its subsidiaries use Surety Bonds obtained with the support of Horiens Consultoria e Corretora de Seguros Ltda, which is part of Odebrecht Group, by means of long-term strategic alliances with first-class insurance companies and brokerages in the global insurance market.

(i) On May 07, 2012, CNO, OAS Engenharia e Construção S.A. In Judicial Recovery (“OAS”) and UTC Engenharia S.A. – in judicial recovery (“UTC”) entered into an Engineering, Procurement and Construction (“EPC”) Contract with Petrobras Netherlands BV – PNBV (“PNBV”) for the conversion of the hulls of four (4) Very Large Crude Carriers (“VLCCs”) into Floating Production Storage and Offloading (“FPSO”) units.

The original amount of the EPC Contract was estimated at US$ 1,963,207.

On May 7, 2012, CNO, OAS and UTC entered into an Assignment Agreement with PNBV by means of which they assigned their contract position to Enseada Indústria Naval S.A. – In Judicial Recovery (“ENSEADA”) since October 4, 2019, and remained, before PNBV, jointly responsible for the contractual obligations under the EPC contract.

The EPC contract provides for a limitation of responsibility of ten percent (10%) of the amount of the contract, duly adjusted in accordance with amendments and by inflation.The limitation of responsibility of the parties does not apply in the cases of willful misconduct, gross negligence, fraud, arrears fines or violation of environmental, tax and labor/social security laws.

During the performance of the EPC Contract, many disputes arose between Enseada and PNBV related to compliance with contractual obligations by both parties.

In view of these conflicts, on July 11, 2016, Enseada and PNBV entered into an Agreement on Certain Matters in which the return of the custody of the four hulls to PNBV was established, as well as the waiver, by PNBV, of the right to claim for any damage arising from the pending/incomplete services, damage/arrears fines and damage/fines for non-compliance with local content.

In thousands of reais and U.S. dollars, unless otherwise stated

The Agreement on Certain Matters also establishes that Enseada and PNBV will make the best efforts so as to obtain an agreement for the differences that arose from the EPC Contract. The instrument also establishes that any rights of PNBV will only be due and enforceable when there is a final solution for all disputes between Enseada and PNBV, whether due to negotiation/agreement, arbitration or other form of settlement of disputes.

In March 2019, PNBV showed an interest in starting an arbitration proceeding.

Due to the incipient nature of the arbitration proceeding, which is still pending the establishment of an arbitration court, the signing of the mission minutes and the presentation of Enseada's reply and opening allegations, it is not possible to estimate the amounts involved in the guarantee offered by CNO.

In April 2022, ENSEADA, Company and some of its associates entered into an agreement with Petróleo Brasileiro S.A. – Petrobras and PNBV, by means of which they definitely concluded four contractual litigations, with the mutual settlement by both sides, including the arbitration required by PNBV in light of ENSEADA and, in the capacity of guarantor of the contractual obligations, CNO, as described in Note 31, subsequent events.

(ii) The surety bonds, in particular those that were offered to public entities as a guarantee for projects in Venezuela, amounting to US$ 3,066,287,283.04, were written down due to zero exposure since the maturity dates of all the policies had expired for at least one year and had not been used, whether to increase them or decrease them. Additionally, after this period, there has not been:

- i) Any attempt to execute / use these policies through a notice of non-performance of the contract to the insurance companies (whether at the administrative or judicial level);
- ii) Knowledge of the use of reinsurance for this exposure, nor any request by reinsurers expressing concern with the exposure in Brazil;
- iii) Any request by the insurance companies for a possible compulsory renewal of these guarantees as a way to protect themselves from a non-performance of the contract; and
- iv) Any declaration by the Venezuelan customers regarding the termination of the contracts for their non-performance or the need to extend or renew the policies.

30 Insurance Coverage (Unaudited)

OEC has insurance policies that cover both local and international operations, including engineering risks, general civil liability, Directors & Officers (D&O), Errors and Omissions (E&O), national and international transportation, operational risks, among others. The Company believes that its Insurance Program is consistent with the standards applied to the highest risk management indexes of multinational construction companies that operate worldwide.

The Maximum Indemnity Limits, by event and/or in the aggregate, to cover any claims, in view of the nature of the Company's activity, benchmarks and studies of maximum estimated loss scenarios conducted by specialists, are:

		March 31, 2022	December 31, 2021
	US$		R$
Brazil	2,013,262	9,538,431	10,912,629
Abroad	6,258,796	29,652,925	30,516,909
	8,272,058	39,191,356	41,429,538

*Security lines considered for Assets / Projects – Engineering Risks, Operational Risks, Sundry Risks Equipment, Transport and Vehicle Fleet.

**Security lines considered for Liability Insurance – General Civil Liability, Professional Civil Liability, Environmental Civil Liability, Civil Liability Construction Works, and D&O and Life Insurance.

31 Subsequent Events

As described in Note 29, item 21, in April 2022, ENSEADA, Company and some of its associates entered into an agreement with Petróleo Brasileiro S.A. – Petrobras and PNBV, by means of which they definitely concluded four contractual litigations, with the mutual settlement by both sides, including the arbitration required by PNBV in light of ENSEADA and, in the capacity of guarantor of the contractual obligations, CNO.

As a result, ENSEADA undertook to make the payments of the amounts to PNBV. CNO, Company and some of its associates undertook to ensure the payment of part of the debt of ENSEADA, subject to some conditions.

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